

Companies House copy

SKELTON BIRMINGHAM LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2008

WEDNESDAY



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COMPANIES HOUSE

RAWLINSON & HUNTER

Chartered Accountants
Eighth Floor 6 New Street Square London EC4A 3AQ

SKELTON BIRMINGHAM LIMITED

COMPANY INFORMATION

DIRECTORS

M J Morrison (Chairman)
D J B Moss (Managing Director) (resigned 5 August 2009)
J N Burns

COMPANY SECRETARY

M J Morrison

COMPANY NUMBER

2462311

REGISTERED OFFICE

104 Park Street
London
W1K 6NF

AUDITORS

Rawlinson & Hunter
Chartered Accountants & Registered Auditor
Eighth Floor
6 New Street Square
New Fetter Lane
London
EC3A 4AQ

SKELTON BIRMINGHAM LIMITED

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SKELTON BIRMINGHAM LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2008

The directors present their report and the financial statements for the year ended 31 August 2008.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In determining how amounts are presented within items in the profit and loss account and balance sheet, the directors have had regard to the substance of the reported transactions or arrangements, in accordance with generally accepted accounting principles or practice.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Annual Reports may differ from legislation in other jurisdictions.

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

Following the sale of the company's share of a beneficial interest in an investment property venture on 1 December 2006, the company ceased its principal activity of property investment.

The directors consider the current position and performance of the business to be satisfactory and in line with expectations.

SKELTON BIRMINGHAM LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2008**

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £Nil (2007 - £593,076).

The directors did not recommend the payment of an interim dividend (2007 - £3,800,000). The directors did not recommend the payment of a final dividend (2007 - £1,375,590).

DIRECTORS

The directors who served during the year were:

M J Morrison (Chairman)
D J B Moss (Managing Director) (resigned 5 August 2009)
J N Burns

SMALL COMPANY PROVISIONS

This directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4)(a) of the Companies Act 1985.

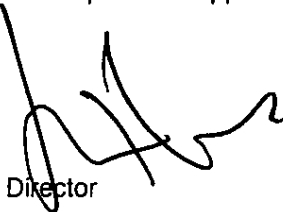
AUDITORS

The auditors, Rawlinson & Hunter, are deemed to be reappointed in accordance with section 386 of the Companies Act 1985 by virtue of an elective resolution passed by the members on 30 June 1994.

This report was approved by the board on

1 September 2009

and signed on its behalf.



Director

SKELTON BIRMINGHAM LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SKELTON BIRMINGHAM LIMITED

We have audited the financial statements of Skelton Birmingham Limited for the year ended 31 August 2008, which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

SKELTON BIRMINGHAM LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SKELTON BIRMINGHAM LIMITED

OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 August 2008 and of its result for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Ranlison & Hunter,

Chartered Accountants
Registered Auditor

Eighth Floor
6 New Street Square
New Fetter Lane
London
EC3A 4AQ

Date: *1 September 2009*

SKELTON BIRMINGHAM LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2008**

	Note	2008 £	2007 £
Administrative expenses		-	(1,231,486)
OPERATING PROFIT/(LOSS)	3	-	(1,231,486)
EXCEPTIONAL ITEMS			
Net profit on sale of investment in Joint Venture	5	-	631,548
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST		-	(599,938)
Interest receivable		-	44,773
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		-	(555,165)
Tax on profit/(loss) on ordinary activities	4	-	1,148,241
PROFIT FOR THE FINANCIAL YEAR		£ -	£ 593,076

All amounts relate to discontinued operations.

The notes on pages 8 to 11 form part of these financial statements.

SKELTON BIRMINGHAM LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 AUGUST 2008**

	2008 £	2007 £
PROFIT FOR THE FINANCIAL YEAR	-	593,076
Tax charge on realisation of investment property valuation (Note 8)	-	(1,617,486)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>£ -</u>	<u>£ (1,024,410)</u>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 31 AUGUST 2008**

	2008 £	2007 £
REPORTED PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	-	(555,165)
Realisation of revaluation gains of previous periods (Note 5)	-	6,200,000
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>£ -</u>	<u>£ 5,644,835</u>
HISTORICAL PROFIT FOR THE YEAR AFTER TAXATION	<u>£ -</u>	<u>£ 5,175,590</u>

The notes on pages 8 to 11 form part of these financial statements.

SKELTON BIRMINGHAM LIMITED

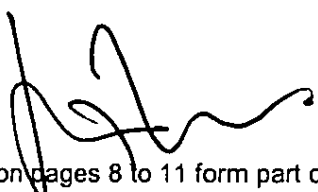
BALANCE SHEET
AS AT 31 AUGUST 2008

	Note	2008 £	2007 £
CURRENT ASSETS			
Debtors	6	202	202
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£ 202</u>	<u>£ 202</u>
CAPITAL AND RESERVES			
Called up share capital	7	202	202
SHAREHOLDERS' FUNDS - All equity	8	<u>£ 202</u>	<u>£ 202</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

1 September 2009

Director



The notes on pages 8 to 11 form part of these financial statements.

SKELTON BIRMINGHAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2008

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Cash flow

The company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.3 Joint ventures

Joint ventures are included within fixed asset investments at a valuation based on the underlying asset values.

1.4 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted, where material.

2. STAFF COSTS

During the year, no director received any emoluments (2007 - £Nil).

The company had no employees other than the directors during the year (2007 - Nil).

The average monthly number of employees, including the directors, during the year was as follows:

	2008 No.	2007 No.
Directors	<u>3</u>	<u>3</u>

3. OPERATING PROFIT/(LOSS)

The auditors' remuneration for the year ended 31 August 2008 and 31 August 2007 has been met by the parent undertaking, Skelton Group Limited, and no recharge has been made to the company.

SKELTON BIRMINGHAM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2008**

4. TAXATION

	2008 £	2007 £
UK corporation tax charge/(credit) on profit/(loss) for the year	£ -	£ (1,148,241)

Factors affecting tax credit for the year

The tax assessed for the year is the same as (2007 - *lower than*) the standard rate of corporation tax in the UK (29%). The differences are explained below:

	2008 £	2007 £
Profit/(loss) on ordinary activities before tax	£ -	£ (555,165)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 29% (2007 - 30%)	-	(166,550)
Effects of:		
Capital allowances for year in excess of depreciation	-	(775,836)
Losses brought forward from prior year	-	(16,390)
Effect of capital disposal	-	1,428,021
Tax charge dealt with in Statement of Total Recognised Gains and Losses	-	(1,617,486)
Adjustments in respect of prior period tax on gain reallocated from group company	-	176,400
Receipt from group company in respect of reallocated gain	-	(176,400)
Current tax charge/(credit) for the year (see note above)	£ -	£ (1,148,241)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

5. EXCEPTIONAL ITEMS

	2008 £	2007 £
Net profit on sale of investment in Joint Venture	£ -	£ 631,548

The exceptional item in the prior year represented the sale of the company's 50% share of a beneficial interest in an investment property venture, which was held in the accounts at a valuation of £10,500,000. The investment was sold in two phases, as detailed in the prior year financial statements, resulting in a net profit for the company of £631,548. The amount of revaluation gains reported in respect of this property in previous periods was £6,200,000 and therefore the profit on historical cost basis amounted to £6,831,548.

SKELTON BIRMINGHAM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2008**

6. DEBTORS

	2008 £	2007 £
Amounts owed by group undertakings	£ 202	£ 202

Amounts owed by group undertakings consist of a loan to Skelton Group Limited, the immediate parent undertaking. The loan is unsecured, interest free and repayable on demand.

7. SHARE CAPITAL

	2008 £	2007 £
Authorised		
1,000 Ordinary shares of £1 each	£ 1,000	£ 1,000
Allotted, called up and fully paid		
202 Ordinary shares of £1 each	£ 202	£ 202

8. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2008 £	2007 £
Opening shareholders' funds	202	6,200,202
Profit for the period	-	593,076
Dividends (Note 9)	-	(5,175,590)
Tax charge on realisation of investment property valuation	-	(1,617,486)
Closing shareholders' funds	£ 202	£ 202

9. DIVIDENDS

	2008 £	2007 £
Dividends paid on equity capital	£ -	£ 5,175,590

10. RELATED PARTY TRANSACTIONS

Related party balances are disclosed within debtors (Note 6).

During the year, Skelton Group Limited recharged costs amounting to £Nil (2007 - £306,419) to the company.

SKELTON BIRMINGHAM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2008**

11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

Skelton Group Limited, a company incorporated in England and Wales, had a 100% interest in the equity share capital of Skelton Birmingham Limited at 31 August 2008, and was the immediate parent company.

Until 5 August 2009, the directors regarded Skelton Holdings Limited, a company incorporated in England and Wales, as the ultimate parent company.

From 5 August 2009, the directors regard Glenfinnan Trading Co. Limited, a company incorporated in Bermuda, as the ultimate parent undertaking.