

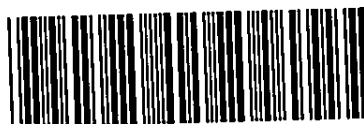
**Scott Dunn UK Limited**

**Directors' report and financial  
statements**

Registered number 06519468

For the year ended 30 June 2011

MONDAY



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## Directors' report

The directors present their directors' report and financial statements for the year ended 30 June 2011

### Principal activities

The principal activity of the company in the period under review was that of property investment

### Business review

The investment properties have been professionally valued during the year, and as a result the directors do not feel that any revaluation of the properties is required this year

### Results and Dividend

The profit for the financial year after taxation amounted to £60,608 (2010 £57,893) The company paid £78,754 dividend in the year (2010 £nil)

### Directors

The directors who held office during the year were as follows

A W Dunn  
S A Clarke  
G R Trotter  
B P Rose

All the directors, being eligible, offer themselves for election at the forthcoming Annual General Meeting


### Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

### Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the board



S A Clarke  
Secretary

6/2/12

Scott Dunn  
Madgwick Lane  
Westhampnett  
Chichester  
West Sussex  
PO18 0FB

2011

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they 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, and
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



## **KPMG LLP**

1 Forest Gate  
Brighton Road  
Crawley  
RH11 9PT  
United Kingdom

### **Independent auditor's report to the members of Scott Dunn UK Limited**

We have audited the financial statements of Scott Dunn UK Limited for the year ended 30 June 2011 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

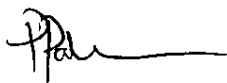
## **Independent auditor's report to the members of Scott Dunn UK Limited**

*(continued)*

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



**P Pateman (Senior Statutory Auditor)**

21/2/12

**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*

**Profit and Loss Account**  
*for the year ended 30 June 2011*

	<i>Note</i>	<b>Year ended 30 June 2011 £</b>	<b>Year ended 30 June 2010 £</b>
<b>Turnover</b>	<i>1</i>	<b>104,787</b>	<b>105,418</b>
Administrative expenses		<b>(2,512)</b>	<b>(13,957)</b>
<b>Operating profit</b>	<i>2</i>	<b>102,275</b>	<b>91,461</b>
Interest receivable and similar charges		<b>11,259</b>	<b>16,666</b>
		<b>113,534</b>	<b>108,127</b>
Interest payable and similar charges		<b>(44,432)</b>	<b>(41,920)</b>
<b>Profit on ordinary activities before taxation</b>		<b>69,102</b>	<b>66,207</b>
Tax on profit on ordinary activities	<i>3</i>	<b>(8,494)</b>	<b>(8,314)</b>
<b>Profit for the financial period</b>		<b>60,608</b>	<b>57,893</b>

**Statement of total recognised gains and losses**  
*for the year ended 30 June 2011*

		<b>Year ended 30 June 2011 £</b>	<b>Year ended 30 June 2010 £</b>
<b>Profit for the financial period</b>		<b>60,608</b>	<b>57,893</b>
Dividend	<i>4</i>	<b>(78,754)</b>	<b>-</b>
Revaluation of investment property		<b>-</b>	<b>(291,266)</b>
<b>Total recognised losses relating to the period</b>		<b>(18,146)</b>	<b>(233,373)</b>

**Continuing operations**

None of the company's activities were acquired or discontinued during the current year or previous year

Notes on pages 7-11 form part of these financial statements

**Balance Sheet**  
 at 30 June 2011

	Note	2011 £	£	2010 £	£
<b>Fixed assets</b>					
Investments	5		1,665,000		1,665,000
<b>Current assets</b>					
Debtors	6	386,361		395,895	
Cash at bank		23,102		17,584	
		<u>409,463</u>		<u>413,479</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(1,285,772)</u>		<u>(1,173,675)</u>	
<b>Net current liabilities</b>			(876,309)		(760,196)
<b>Total assets less current liabilities</b>			<u>788,691</u>		<u>904,804</u>
<b>Creditors</b>					
Amounts falling due after more than one year	8		(717,613)		(815,580)
<b>Net assets</b>			<u>71,078</u>		<u>89,224</u>
<b>Capital and reserves</b>					
Called up share capital	10		1		1
Revaluation reserve	11		7,556		7,556
Profit and loss account	11		63,521		81,667
<b>Shareholders' funds</b>			<u>71,078</u>		<u>89,224</u>

Notes on pages 7-11 form part of these financial statements

These financial statements were approved by the board of directors on behalf by

6/2/12

and were signed on its

  
 B P Rose  
 Director

Company registered number 06519468



## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules, modified to include the revaluation of land and buildings

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds of its size

As the Company is a wholly owned subsidiary of Scott Dunn Property Holdco Limited, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group

#### *Turnover*

Turnover represents rental income becoming due during the year from the company's investment properties

#### *Going concern*

The company has net current liabilities at the year end. The accounts are prepared on a going concern basis as Scott Dunn Limited (a connected party) has agreed to provide financial support to the Company in order that it can meet its liabilities as they fall due, for as long as the Company remains a connected party

#### *Investment properties*

Investment properties are accounted for in accordance with SSAP 19, "Accounting for Investment Properties", which provides that these should not be subject to periodic depreciation charges, but should be shown at open market value. This is contrary to the Companies Act 2006 which states that, subject to any provision for depreciation or diminution in value, fixed assets are normally to be stated at purchase price or production cost

In the view of the Directors the treatment of investment properties under Companies Act does not give a true and fair view as these assets are not held for consumption in the business but as investments, the disposal of which would not materially affect any manufacturing or trading operations of the enterprise. In such a case it is the current value of these investments, and changes in that current value, which are of prime importance. Consequently, for the proper appreciation of the financial position, the accounting treatment required by SSAP 19 is considered appropriate for investment properties. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve

#### *Taxation*

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

### 2 Operating profit

The operating profit is stated after charging

	Year ended 30 June 2011	Year ended 30 June 2010
	£	£
Director's emoluments and other benefits etc	-	-
Auditor's remuneration	2,500	2,500
	<hr/>	<hr/>

## Notes (continued)

### 3 Taxation

#### Analysis of the tax charge

	£ Year ended 30 June 2011	£ Year ended 30 June 2010
Tax on profit on ordinary activities	8,494	8,314

#### Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2010 lower) than the standard rate of corporation tax in the UK 28 %, (2010 28 %) The differences are explained below

	£ Year ended 30 June 2011	£ Year ended 30 June 2010
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	69,102	66,207
Current tax at 28 % (2010 28 %)	19,349	18,538
<i>Effects of</i>		
Items not deductible	(322)	321
Group relief surrender	(10,533)	(10,545)
Total current tax charge	8,494	8,314

### 4 Dividends

The aggregate amount of dividends comprises

	2011 £	2010 £
Final dividends paid in respect of prior year but not recognised as liabilities in that year	-	-
Interim dividends paid in respect of the current year	78,754	-
	78,754	-

The aggregate amount of dividends proposed and not recognised as liabilities as at the year end is £nil (2010 £nil)

## 5 Investment properties

	<b>Total £</b>
<i>Cost or valuation</i>	
At 1 July 2010	1,665,000
Revaluations	-
	<hr/>
At 30 June 2011	<b>1,665,000</b>
	<hr/>
<i>Net book value</i>	
At 30 June 2011	<b>1,665,000</b>
	<hr/>
At 30 June 2010	1,665,000
	<hr/>

If the investment properties had not been revalued they would have been included at the following historical cost

	<b>£</b>
Cost	1,657,444
	<hr/>

The investment properties were valued on an open market basis by CB Richard Ellis Limited during the year. The directors consider this to be equal to the valuation at the balance sheet date. They were valued using the investment approach method based on likely current and future rental cashflows derived from the property.

## Notes (continued)

### 6 Debtors: amounts falling due within one year

	2011 £	2010 £
Trade debtors	27,736	28,370
Amounts owed by group undertakings	1	1
Other debtors	72,193	-
Directors loan Account (see note 13)	286,431	367,524
	<u>386,361</u>	<u>395,895</u>

### 7 Creditors: amounts falling due within one year

	2011 £	2010 £
Bank loans and overdrafts	101,531	101,532
Amounts owed to connected companies	1,167,420	1,057,234
Corporation tax	8,816	4,095
Taxation and social security	5,505	8,314
Accruals	2,500	2,500
	<u>1,285,772</u>	<u>1,173,675</u>

### 8 Creditors: amounts falling due after more than one year

	2011 £	2010 £
Bank loans	717,613	815,580
Amounts falling due in more than five years		
Repayable by instalments		
Bank loans	350,000	409,450

### 9 Secured debts

The following secured debts are included within creditors

	2011 £	2010 £
Bank loans	819,144	917,112

The bank loan is secured by first legal charges over the company's investment properties, in favour of The Royal Bank of Scotland plc

## Notes (continued)

### 10 Called up share capital

	2011 £	2010 £
<i>Authorised</i>		
1,000 (2010 1 000) Ordinary shares of £1 each	1,000	1,000
<i>Allotted, called up and fully paid</i>		
1 (2010 1) Ordinary share of £1 each	1	1

### 11 Reserves

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 July 2010	81,667	7,556	89,223
Profit for the year	60,608	-	60,608
Dividend	(78,754)	-	(78,754)
<b>At 30 June 2011</b>	<b>63,521</b>	<b>7,556</b>	<b>71,077</b>

### 12 Contingent liabilities

The company has provided a cross-guarantee to NatWest Bank plc in respect of the borrowings, both current and future, of Scott Dunn Limited a company under common control

### 13 Related party disclosures

On 1 September 2008, the company acquired freehold properties from Scott Dunn Limited, a company under common control. The consideration was £1,105,678 which represented the carrying value of these property assets. At the balance sheet date, consideration remained outstanding in the form of an intercompany loan (which is repayable on demand), upon which interest of £26,431 (2010 £31,430) was charged during the period at a commercial rate. Additional loans totalling £18,355 were made during the year (2010 £272,290). The total amount outstanding at the year end was £1,075,589 (2010 £1,057,234).

At the balance sheet date the company had outstanding director's loan of £286,431 (2010 £367,524). These were transferred from Scott Dunn Limited during 2010.

### 14 Ultimate parent company party

The share capital of the company is owned by Scott Dunn Property Holdco Limited, which is in turn controlled by the director A W Dunn.

This page does not form part of the audited financial statements

**Trading and profit and loss account**  
*for the year ended 30 June 2011*

	2011 £	2011 £	2010 £	2010 £
<b>Turnover</b>				
Rents received		104,787		105,418
<b>Other income</b>				
Other interest received		11,259		16,666
		<u>116,046</u>		<u>122,084</u>
<b>Expenditure</b>				
Repairs and renewals	-		3,518	
Audit & Accountancy	(2,500)		(5,500)	
Legal & Professional Fees	-		(3,312)	
	<u>-</u>	<u>(2,500)</u>	<u>-</u>	<u>(5,294)</u>
		<u>113,546</u>		<u>116,790</u>
<b>Finance costs</b>				
Bank charges	(12)		(8,663)	
Other interest paid	(44,432)		(41,920)	
	<u>-</u>	<u>(44,444)</u>	<u>-</u>	<u>(50,583)</u>
<b>Profit before tax</b>		<u>69,102</u>		<u>66,207</u>