Skemtech Ltd

Directors' report and financial statements

Registered number 3353521

Year ended 31 December 2011



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2011

Principal activities

The principal activity of the company in the year was that of property investment and management

Business review

The results for the year and financial position of the company are as shown in the financial statements

Dividends

A dividend of £300,000 has been declared for the year ended 31 December 2011 *(2010 £nil)*

Directors

The directors who held office during the year were as follows

JF Carter
JP Hartley (appointed 30 November 2011)

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information

Auditor

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

By order of the board

SJ Lowe
Secretary

Sceptre House
Sceptre Way
Bamber Bridge
PRESTON
PR5 6AW

4/7/ 2012

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 judgements 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
Edward VII Quay
Navigation Way
Preston
PR2 2YF
United Kingdom

Independent auditor's report to the members of Skemtech Limited

We have audited the financial statements of Skemtech Limited for the year ended 31 December 2011 set out on pages 5 to 10 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 website at 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 31 December 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 Skemtech 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

M Newsholme

M Newsholme (Senior Statutory Auditor)
for and on behalf of KPMG LLP,
Statutory Auditor
Chartered Accountants
Preston

10 July 2012

Profit and loss account

for the year ended 31 December 2011

	Note	2011 £	2010 £
Administrative expenses		(22,407)	(21,548)
Other operating income	1	143,962	147,967
Operating profit	2	121,555	126,419
Interest receivable and similar income	3	125	111
Profit on ordinary activities before taxation		121,680	126,530
Tax on profit on ordinary activities	4	1,207	(304)
Profit for the financial year		122,887	126,226

All of the company's activities related to continuing operations

Statement of total recognised gains and losses

for the year ended 31 December 2011

		2011 £	2010 £
Profit for the financial year		122,887	126,226
Surplus on revaluation of fixed assets	5	-	5,000
Total recognised gains and losses relating to the year		122,887	131,226

Balance sheet
at 31 December 2011

	Note	2011		2010	
		£	£	£	£
Fixed assets					
Tangible assets	5		**1,205,000**		1,205,000
Current assets					
Debtors	6	**112,279**		142,602	
Cash at bank		**69,860**		269,029	
		182,139		411,631	
Creditors· amounts falling due within one year	7	**(36,156)**		(85,809)	
Net current assets			**145,983**		325,822
Total assets less current liabilities			**1,350,983**		1,530,822
Provisions for liabilities and charges	8		**(36,867)**		(39,593)
Net assets			**1,314,116**		1,491,229
Capital and reserves					
Called up share capital	9		**100**		100
Revaluation reserve	10		**507,230**		507,230
Profit and loss account	10		**806,786**		983,899
Equity shareholders' funds			**1,314,116**		1,491,229

These financial statements were approved by the board of directors on 4/7/ 2012 and were signed on its behalf by

JP Hartley
Director

Registered number 3353521

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 company's financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, under the historical cost convention, modified to include the revaluation of land and buildings and within the requirements of the Companies Act 2006

Under Financial Reporting Standard ("FRS") 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

As the company is a wholly owned subsidiary of Henmead Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties)

As the company is a wholly owned subsidiary of Henmead Limited, the company has taken advantage of the exemption in FRS 25 and has therefore not included detailed financial instrument disclosures in line with FRS 25

The consolidated financial statements of Henmead Limited, within which this company is included, can be obtained from Companies House, Crown Way, Cardiff

Other operating income

Other operating income represents rental income derived from the freehold property

Tangible fixed assets and depreciation

No depreciation has been provided in respect of freehold properties due to the long economic lives of investment properties and the high estimated residual values meaning the depreciation charge is immaterial The directors consider that this accounting policy results in the accounts showing a true and fair view

Under FRS 15 the company has undertaken the option to revalue its tangible fixed assets

Taxation

The charge for taxation is based on the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes Full provision without discounting is made for all timing differences which have arisen but not reversed at the balance sheet date

Going concern

The Directors, having considered the current trading prospects, identifiable risks, working capital requirements and the availability of finance, are of the opinion that the Company is a going concern The accounts have been prepared on this basis

2 Operating profit

Operating profit is stated after charging

	2011 £	2010 £
Auditors' remuneration	1,150	1,125

The directors were the only employees of the company during the year No director received any remuneration from the company during the year

Notes *(continued)*

3 Interest receivable and similar income

	2011 £	2010 £
Bank interest	**125**	111

4 Taxation

The tax (credit)/charge on the profit on ordinary activities for the year was as follows

	2011 £	2010 £
UK corporation tax at 20 25% *(2010 21%)*	**1,519**	1,537
Adjustment in respect of prior year	**-**	(56)
Current tax	**1,519**	1,481
Deferred taxation	**(2,726)**	(1,177)
	(1,207)	304
Factors affecting the tax charge for the current year		
Profit on ordinary activities before taxation	**121,680**	126,530
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20 25% *(2010 21%)*	**24,640**	26,571
Group relief received before payment	**(22,950)**	(24,818)
Difference between capital allowances and depreciation	**(171)**	(216)
Adjustment in respect of prior year	**-**	(56)
Current tax charge for the year	**1,519**	1,481

5 Tangible fixed assets

	Freehold Property £
Cost or valuation	
At beginning and end of the year	**1,205,000**
Net book value	
At 31 December 2010 and 31 December 2011	**1,205,000**

Freehold properties are held at valuation All such assets were valued at 30 September 2011 on the basis of existing use value by GVA Grimley, Chartered Surveyors The net book value of freehold properties on a historical cost basis is £697,770

6 Debtors

	2011 £	2010 £
Trade debtors	**22,239**	26,314
Other debtors	**89,789**	115,857
Prepayments	**251**	431
	112,279	142,602

Notes *(continued)*

7 Creditors: amounts falling due within one year

	2011 £	2010 £
Amounts due to parent company	1,519	1,481
Amount due to other group company	154	-
Other creditors	2,625	4,058
Accruals	31,858	41,014
Debenture loans	-	39,256
	36,156	85,809

8 Provisions for liabilities and charges

Deferred taxation

Arising on the differences between accumulated depreciation and capital allowances

	2011 £	2010 £
As at 1 January 2011	39,593	40,770
Credit for the year	(2,726)	(1,177)
As at 31 December 2011	36,867	39,593

On the 23 March 2011 the Chancellor announced that the main rate of UK corporation tax will reduce from 26% to 25% with effect from 1 April 2012 This change became substantively enacted in July 2011 and therefore the effect of the rate reduction on the deferred tax balances has been included in the figures above

On 21 March 2012 the Chancellor announced a further reduction in the main rate of UK corporation tax to 24% with effect from 1 April 2012 This change became substantively enacted on 26 March 2012 As this rate was not substantively enacted at the balance sheet date it has not been reflected in the above figures

The Chancellor has also proposed changes to further reduce the main rate of UK corporation tax by 1% per annum to 22% by 1 April 2014 These reductions have not been substantively enacted and the changes are not reflected in the above figures

9 Called up share capital

	2011 £	2010 £
Authorised		
Ordinary shares of 10p each	100	100
Allotted, called up and full paid		
Ordinary shares of 10p each	100	100

Notes *(continued)*

10 Reserves

	Profit and loss account £	Revaluation reserve £	Total £
At start of year	983,899	507,230	1,491,129
Profit for the year	122,887	-	122,887
Dividends paid	(300,000)	-	(300,000)
At end of year	**806,786**	**507,230**	**1,314,016**

11 Ultimate parent company

The company is a subsidiary of Maple Grove Developments Limited The ultimate holding company is Henmead Limited, a company incorporated in England