

COMPANY REGISTRATION NUMBER SC133821

PARKBURN LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
30 SEPTEMBER 2012

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PARKBURN LIMITED
REPORT AND FINANCIAL STATEMENTS
PERIOD FROM 27 MARCH 2011 TO 30 SEPTEMBER 2012

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PARKBURN LIMITED
THE DIRECTORS' REPORT

PERIOD FROM 27 MARCH 2011 TO 30 SEPTEMBER 2012

The directors present their report and the report and financial statements of the company for the period from 27 March 2011 to 30 September 2012.

Principal Activities

The company acts as a holding company for Scottish Resources Group Ltd ("SRG") (formally plc) and its subsidiaries and the principal activities of this Group are the surface mining of coal, land development and renewable energy.

Directors

The directors who served the company during the period were as follows:

Mr C Cornes
Mr D P Mullinder

On the 19th April 2013 the two main trading subsidiaries within Scottish Resources Group Ltd (Scottish Coal Company Ltd and Castlebridge Plant Ltd) were placed into administration and liquidation respectively. Further on the 23rd May 2013, Scottish Resources Group Ltd (the company's main investment) was also placed in administration. As a result, Parkburn Limited has not prepared consolidated financial statements as the information necessary for the preparation of group accounts cannot be obtained without disproportionate expense or undue delay, as permitted by s405 of the Companies Act 2006. The directors have therefore presented the financial statements of Parkburn Ltd as an individual undertaking.

Directors' Responsibilities

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

Company law requires the directors to prepare report and financial statements for each financial year. Under that law the directors have elected to prepare the report and financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the report and 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 those report and financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the report and 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 report and financial statements comply with the Companies Act 2006. 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.

PARKBURN LIMITED

THE DIRECTORS' REPORT (*Continued*)

PERIOD FROM 27 MARCH 2011 TO 30 SEPTEMBER 2012

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

PricewaterhouseCoopers LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Registered office:
45 Gordon Street
Glasgow
Scotland
G1 3PE

Signed by order of the directors



MR D P MULLINDER
Company Secretary

Approved by the directors on 31 July 2013

PARKBURN LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PARKBURN LIMITED

We have audited the financial statements of Parkburn Limited for the period ended 30 September 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities ("FRSSE") (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities)

Respective Responsibilities of Directors and Auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 1 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

PARKBURN LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PARKBURN LIMITED

Basis for Adverse Opinion on financial statements

Failure to present consolidated financial statements

As explained in note 1 to the financial statements, the company has not prepared and presented consolidated financial statements of the company and its subsidiaries, and therefore these financial statements present the state of the company's affairs and of its loss for the period as an individual undertaking. As the company is a parent company, Financial Reporting Standard 2 "Accounting for subsidiary undertakings" and section 399 of the Companies Act 2006 require the directors to prepare consolidated financial statements for the parent company and its subsidiary undertakings. The financial statements presented are fundamentally different to those that would have been presented had consolidated financial statements been prepared including all subsidiary undertakings.

Going concern

At 30 September 2012 the company has total net liabilities of £17.8m and net current liabilities of £2.6m and is dependent on the continued support of the shareholders and related companies. The company's existing cash resources are not sufficient to meet its current liabilities at the balance sheet date and the company would not be able to repay the existing loans should they be called for immediate payment. These circumstances indicate a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern. The financial statements do not disclose this material uncertainty.

Related parties

In addition, notwithstanding the effects of the matter described above, our opinion on the financial statements would have been qualified in relation to the following matter:

the financial statements do not disclose transactions with related parties. The company is not entitled to the exemption relating to disclosure of related party transactions under the terms of the "FRSSE".

Adverse opinion on financial statements

In our opinion, because of the significance of the matters described in the Basis for Adverse Opinion paragraph, the financial statements:

- do not give a true and fair view of the state of the company's affairs as at 30 September 2012 and of its loss for the period then ended; and
- have not been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities.

In all other respects, in our opinion the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

PARKBURN LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PARKBURN LIMITED

Opinion on other matter prescribed by the Companies Act 2006

Notwithstanding our adverse opinion on the financial statements, 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.

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; or
- the directors were not entitled to prepare financial statements in accordance with the small company regime and take advantage of the small companies' exemption in preparing the Directors' Report.

Other Matter – prior period financial statements unaudited

The financial statements for the period ended 26 March 2011, forming the corresponding figures of the financial statements for the period ended 30 September 2012, are unaudited.



Caroline Roxburgh (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Edinburgh

31 July 2013

PARKBURN LIMITED
PROFIT AND LOSS ACCOUNT
PERIOD FROM 27 MARCH 2011 TO 30 SEPTEMBER 2012

	Note	Period from 27 Mar 11 to 30 Sep 12 £000	Unaudited 26 Mar 11 £000
Turnover		—	—
Administrative Expenses		<u>19,284</u>	<u>179</u>
Operating Loss	2	(19,284)	(179)
Attributable to:			
Operating loss before exceptional items		(57)	(179)
Exceptional items	2	<u>(19,227)</u>	<u>—</u>
		(19,284)	(179)
Interest Payable and Similar Charges		<u>730</u>	<u>238</u>
Loss on Ordinary Activities Before Taxation		(20,014)	(417)
Tax on Loss on Ordinary Activities	3	—	—
Loss for the Financial Period		<u>(20,014)</u>	<u>(417)</u>

All results derive from continuing operations, for both the current period and the prior year.

The company has no recognised gains or losses other than those included in the profit and loss above, for both the current period and the prior year.

The Notes on Pages 8 to 12 Form Part of These Report and Financial Statements.

PARKBURN LIMITED

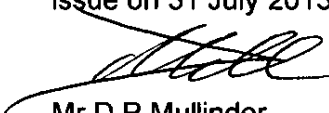
BALANCE SHEET

30 SEPTEMBER 2012

	Note	30 Sep 12 £000	26 Mar 11 £000
Fixed Assets			
Investments	4	<u>1</u>	<u>19,187</u>
Current Assets			
Debtors	5	5	3
Cash at Bank		<u>2</u>	<u>2</u>
		7	5
Creditors: Amounts Falling due Within One Year	6	<u>2,796</u>	<u>397</u>
Net Current Liabilities		(2,789)	(392)
Total Assets Less Current Liabilities		(2,788)	18,795
Creditors: Amounts Falling due after More than One Year	7	<u>15,209</u>	<u>16,778</u>
		<u>(17,997)</u>	<u>2,017</u>
Capital and Reserves			
Called-Up Equity Share Capital	9	2,500	2,500
Profit and Loss Account	10	<u>(20,497)</u>	<u>(483)</u>
(Deficit)/Shareholders' Funds	10	<u>(17,997)</u>	<u>2,017</u>

These report and financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These report and financial statements were approved by the directors and authorised for issue on 31 July 2013, and are signed on their behalf by:


Mr D P Mullinder
Director

Company Registration Number: SC133821

The Notes on Pages 8 to 12 Form Part of These Report and Financial Statements.

PARKBURN LIMITED

NOTES TO THE REPORT AND FINANCIAL STATEMENTS

PERIOD FROM 27 MARCH 2011 TO 30 SEPTEMBER 2012

1. Accounting Policies

Basis of Preparation and Compliance With Accounting Standards

The report and financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements are also prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated) and in accordance with the Companies Act 2006.

The directors have not presented a cash flow statement as permitted under the FRSSE.

Going Concern

The directors consider it appropriate to prepare the financial statements on the going concern basis as they have had confirmation from the creditors that they will defer collection until it becomes clearer if any amounts will be realised from Scottish Resources Group.

Basis of Consolidation

On the 19th April 2013 the two main trading subsidiaries within Scottish Resources Group Ltd (Scottish Coal Company Ltd and Castlebridge Plant Ltd) were placed into administration and liquidation respectively. Further on the 23rd May 2013, Scottish Resources Group Ltd (the company's main investment) was also placed in administration. As a result, Parkburn Limited has not prepared consolidated financial statements as the information necessary for the preparation of group accounts cannot be obtained without disproportionate expense or undue delay, as permitted by s405 of the Companies Act 2006. The directors have therefore presented the financial statements of Parkburn Ltd as an individual undertaking.

Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Investments

Fixed asset investments are stated at costs less provision for impairment. Impairment is tested on an annual basis by an appropriate individual within the finance department.

PARKBURN LIMITED

NOTES TO THE REPORT AND FINANCIAL STATEMENTS

PERIOD FROM 27 MARCH 2011 TO 30 SEPTEMBER 2012

2. Operating Loss

Operating loss is stated after charging:

	Period from 27 Mar 11 to 30 Sep 12 £000	Unaudited 26 Mar 11 £000
Directors' Remuneration	—	—
Auditor's Fees	10	22
Impairment on Investment	<u>19,227</u>	<u>—</u>

3. Taxation on Ordinary Activities

No tax charge has been included within the financial statements (2011 - £nil) due to the excess of expenses over income received in the period.

There are also no factors affecting the current or future tax charge.

4. Investments

	Investment in Group Undertakin gs £000
Cost	
At 27 March 2011	19,187
Additions	41
At 30 September 2012	<u>19,228</u>
Amounts Written Off	
Written Off in Period	19,227
At 30 September 2012	<u>19,227</u>
Net Book Value	
At 30 September 2012	<u>1</u>
At 26 March 2011	<u>19,187</u>

PARKBURN LIMITED

NOTES TO THE REPORT AND FINANCIAL STATEMENTS

PERIOD FROM 27 MARCH 2011 TO 30 SEPTEMBER 2012

4. Investments (*Continued*)

The company holds 68.79% (2011: 68.79%) of the nominal value of SRG shares, being ordinary 50p shares.

The following companies are wholly owned subsidiaries of SRG as at 30 September 2012.

Name of principal undertaking	Incorporated	Shares
SRGH Limited	Scotland	Ordinary £1 shares
The Scottish Coal Company Limited	Scotland	Ordinary £1 shares
Castlebridge Plant Limited	Scotland	Ordinary £1 shares
SRG Estates Limited	Scotland	Ordinary £1 shares

On 19 April 2013 the two main trading subsidiaries within Scottish Resources Group (Scottish Coal Company Limited and Castlebridge Plant Limited) and SRHG Limited were placed into administration and liquidation respectively. As a result, the directors consider it appropriate to fully impair the respective investments and accordingly a write down amounting to £19,227,499 has been accounted for.

SRG Estates Limited operates principally in Scotland. Its principal business is to manage, regenerate, develop and sell property and land assets owned by the Group.

The following companies are wholly owned subsidiaries of Parkburn Limited;

Parkhill Resources Limited operates principally in the UK. Its principal business activity is that of Management services. It was incorporated in November 2006 but remained dormant until 1 July 2010. On 12 July 2010 it changed its name to Parkhill Resources Limited from Hartlepool Coal Terminal Limited.

Parkhill Reclamation & Regeneration Limited operates principally in the UK. The principal activity of the company is of site development and regeneration. The company was incorporated on 8 July 2010 as Parkhill Reclamation Limited and changed its name on 25 January 2011 to Parkhill Reclamation & Regeneration Limited.

The company also holds 7,624 shares in Alarm Protection Limited.

The Directors believe that the carrying value of the remaining investments is supported by their underlying assets.

5. Debtors

	30 Sep 12 £000	26 Mar 11 £000
Amounts Owed by Group Undertakings	1	—
Other Debtors	4	3
	<u>5</u>	<u>3</u>

PARKBURN LIMITED
NOTES TO THE REPORT AND FINANCIAL STATEMENTS
PERIOD FROM 27 MARCH 2011 TO 30 SEPTEMBER 2012

6. Creditors: Amounts Falling due Within One Year

	30 Sep 12 £000	26 Mar 11 £000
Trade Creditors	3	113
Amounts Owed to Group Undertakings	24	42
Other Creditors	2,769	242
	<u>2,796</u>	<u>397</u>

Other creditors includes loans and can be analysed as follows:-

	2012 £000	2011 £000
Emror Ltd	(2,260)	-

On 1 May 2012 the loans from Emror Ltd became interest bearing at a rate of LIBOR plus 5.25% per annum calculated quarterly. The interest is disclosed in the profit and loss account as other interest payable.

7. Creditors: Amounts Falling due after More than One Year

	30 Sep 12 £000	26 Mar 11 £000
Other Creditors	15,209	16,778

Other creditors are loans and can be analysed as follows:-

	2012 £000	2011 £000
Colin Cornes loan	(2,343)	(8,133)
The Colin Cornes Number 3 Personal settlement	-	(1,360)
The Colin Cornes Settlement dated 17/12/2001	-	(3,388)
Sam Cornes	-	(111)
Parkhill Estates Limited	(2,131)	(1,266)
Vogue Holdings	-	(1,200)
Bridgtown Plant Limited	-	(1,185)
Trustees of Emily and Rory Cornes	-	(135)
Fernhill Estates Ltd	(2,335)	-
Rorem Financial Ltd	(8,401)	-
	<u>(15,209)</u>	<u>(16,778)</u>

On 15 March 2012 the loans from Parkhill Estates Ltd, Fernhill Estates Ltd and Rorem Financial Ltd became interest bearing at a rate of LIBOR plus 5.25% per annum calculated quarterly. The interest is disclosed in the profit and loss account as other interest payable.

8. Related Party Transactions

The directors consider the Trustees of the Colin Cornes No.3 Personal Settlement to be the ultimate controlling party.

PARKBURN LIMITED
NOTES TO THE REPORT AND FINANCIAL STATEMENTS
PERIOD FROM 27 MARCH 2011 TO 30 SEPTEMBER 2012

9. Share Capital

Allotted, Called Up and Fully Paid:

	30 Sep 12		26 Mar 11	
	No	£000	No	£000
2,500,002 Ordinary Shares of £1 Each	<u>2,500,002</u>	<u>2,500</u>	<u>2,500,002</u>	<u>2,500</u>

10. Reconciliation of Shareholders' Funds and Movement on Reserves

	Share Capital	Profit and Shareholders' Loss Account	Total Funds/ (Deficit)
	£000	£000	£000
Balance Brought Forward	2,500	(66)	2,434
Loss for the Year	—	(417)	(417)
Balance Brought Forward	2,500	(483)	2,017
Loss for the Period	—	(20,014)	(20,014)
Balance Carried Forward	<u>2,500</u>	<u>(20,497)</u>	<u>(17,997)</u>