

Commercial Property (Scotland) Limited

Financial statements

For the period from 16 January 2002 to 30 June 2003



Company No. SC227021

Company information

Company Registration Number	SC227021
Registered Office	Wemyss Road Dysart Kirkcaldy KY1 2XZ
Directors	J S Kilgour K S Kelly
Secretary	G E Donald
Solicitors	Gibson & Spears, Dow & Son 9 East Fergus Place Kirkcaldy KY1 1XU
Auditors	Grant Thornton Chartered Accountants Registered Auditors 1-4 Atholl Crescent EDINBURGH EH3 8LQ

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Report of the directors

The directors present their report and the financial statements of the company for the period from 16 January 2002 to 30 June 2003.

Principal activities

The company was incorporated as Commercial Property (Scotland) Ltd on 16 January 2002 and did not trade during the period. There has been no income or expenditure in the period. Any expenses have been met by the holding company.

Directors

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

J S Kilgour
K S Kelly
Jordans (Scotland) Limited

The company is a wholly owned subsidiary and the interests of group directors are disclosed in the financial statements of the parent company.

J S Kilgour was appointed as a director on 16 January 2002.

K S Kelly was appointed as a director on 16 January 2002.

Jordans (Scotland) Limited was appointed as a director on 16 January 2002.

Jordans (Scotland) Limited retired as a director on 16 January 2002.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the period and of the profit or loss for the period then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors 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.

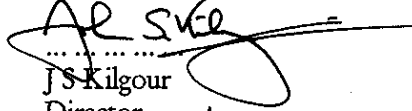
Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

ON BEHALF OF THE BOARD


.....
J S Kilgour
Director
Date 12/11/2003

Report of the independent auditors to the members of Commercial Property (Scotland) Limited

We have audited the financial statements of Commercial Property (Scotland) Limited for the period from 16 January 2002 to 30 June 2003 which comprise the balance sheet and notes 1 to 4. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the accounting policies set out therein.

This report is made solely to the company's member, 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 member 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 member 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 report of the directors and the financial statements in accordance with United Kingdom law and accounting standards 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 United Kingdom auditing standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read other information contained in the Directors' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom auditing standards 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 judgements 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30 June 2003 and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton
GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

14/11/03

Principal accounting policies

Basis of accounting

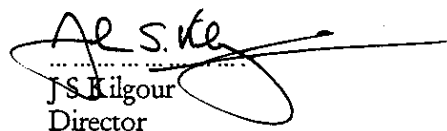
The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Balance sheet

	Note	30 Jun 03 £
Current assets		
Debtors	2	1
Total assets		<u>1</u>
Capital and reserves		
Called-up equity share capital	3	1
Shareholder's funds		<u>1</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on 22/10/2003 and are signed on their behalf by:


J S Kilgour
Director

Notes to the financial statements

1 Profit and loss account

The company did not trade during the period and has made neither a profit nor a loss. No Profit and Loss Account has therefore been prepared.

2 Debtors

	30 Jun 03
	£
Amounts owed by group undertakings	<u>1</u>

3 Share capital

Authorised share capital:

	30 Jun 03
	£
1,000 Ordinary shares of £1 each	<u>1,000</u>

Allotted, called up and fully paid:

	30 Jun 03
	£
Ordinary share capital	-
Issue of ordinary shares	<u>1</u>
	<u>1</u>

4 Ultimate parent company

The directors consider that the ultimate parent undertaking of this company is KKR Limited, a company registered in Scotland.