

Commercial Property (Scotland) Limited
Financial statements
For the year ended 30 June 2004

Grant Thornton 



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 UK LLP
Chartered Accountants
Registered Auditors
1-4 Atholl Crescent
EDINBURGH
EH3 8LQ

Index

Report of the directors	3 - 4
Report of the independent auditors	5 - 6
Principal accounting policies	7
Balance sheet	8
Notes to the financial statements	9

Report of the directors

The directors present their report and the financial statements of the company for the year ended 30 June 2004.

Principal activities

The company 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 year were as follows:

J S Kilgour
K S Kelly

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

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 year and of the profit or loss for the year then ended. In preparing those 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
- 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

On 1 July 2004, the Grant Thornton partnership transferred its business to a limited liability partnership, Grant Thornton UK LLP. Under section 26(5) of the Companies Act 1989, the director (s) consented to extend the audit appointment to Grant Thornton UK LLP from 1 July 2004.

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

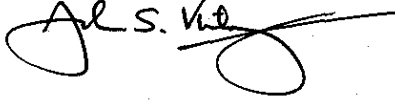
Small company provisions

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

13 October 2004

A handwritten signature in black ink, appearing to read 'J S Kilgour', is written over the printed name and title. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

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 year ended 30 June 2004 on pages 8 to 9. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out on page 7.

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 on page 3.

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 2004 and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

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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).

Fixed assets

All fixed assets are initially recorded at cost.

Balance sheet

	Note	2004 £	2003 £
Current assets			
Debtors	2	1	1
Total assets		<u>1</u>	<u>1</u>
Capital and reserves			
Called-up equity share capital	3	1	1
Shareholder's funds		<u>1</u>	<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 13 October 2004 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 year and has made neither a profit nor a loss. No Profit and Loss Account has therefore been prepared.

2 Debtors

	2004 £	2003 £
Amounts owed by group undertakings	<u>1</u>	<u>1</u>

3 Share capital

Authorised share capital:

	2004 £	2003 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2004		2003	
	No	£	No	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<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.