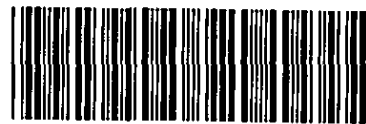


**Company Registration No. 02953938 (England and Wales)**

**SKYE SECURITIES LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

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COMPANIES HOUSE

# **SKYE SECURITIES LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	R F M Adair N J C Turnbull T G Walsh
<b>Secretary</b>	Terrace Hill (Secretaries) Limited
<b>Company number</b>	02953938
<b>Registered office</b>	1 Portland Place London W1B 1PN
<b>Independent Auditors</b>	Harrison Holt Chartered Accountants & Statutory Auditor High Park Farm Kirkbymoorside York YO62 7HS
<b>Bankers</b>	Bank of Scotland plc 155 Bishopsgate London EC2M 3YB

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# SKYE SECURITIES LIMITED

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# **SKYE SECURITIES LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011**

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

### **Principal activities and review of the business**

The principal activity of the company continued to be that of investment holdings. The company did not hold investments in the period under review but is looking for suitable investment opportunities.

### **Results and dividends**

The results for the year are set out on page 5.

No dividend has been recommended by the directors.

### **Directors**

The following directors have held office since 1 January 2011:

R F M Adair  
N J C Turnbull  
T G Walsh

### **Financial instruments**

Details of the company's financial risk management objectives and policies are included in note 7 to the accounts.

### **Auditors**

The auditors, Harrison Holt, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **Statement of directors' responsibilities**

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 the directors have elected to prepare the 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 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 accounting 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,
- 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 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.

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## **SKYE SECURITIES LIMITED**

### **DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2011**

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#### **Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

#### **Going concern**

When considering continuing to adopt the going concern basis in preparing the report and financial statements, the directors have taken into account a number of factors, including the following:

- Shareholder support in respect of loan provided
- Current and forecast trading performance of the company

There are a number of uncertainties connected with some of the matters above which are discussed more fully in note 1 to the financial statements. After making appropriate enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

#### **Policy on the payment of creditors**

The Company does not follow any specified code or standard on payment practice. However, it is the Company's policy to negotiate terms with its suppliers and to ensure that they are aware of the terms of payment when business is agreed. It is the Company's policy to abide by these terms.

On behalf of the board



R F M Adair

**Director**

19 September 2012

## **SKYE SECURITIES LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SKYE SECURITIES LIMITED**

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We have audited the financial statements of Skye Securities Limited for the year ended 31 December 2011 set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

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

#### **Scope of the 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 Directors' Report 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.

#### **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 loss for the year then ended,
- have been properly prepared in accordance with United Kingdom 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.

**SKYE SECURITIES LIMITED**

**INDEPENDENT AUDITORS' REPORT (continued)  
TO THE MEMBERS OF SKYE SECURITIES LIMITED**

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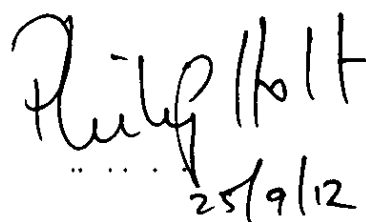
**Matters on which we are required to report by exception**

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

**Philip Holt BSC ACA (Senior Statutory Auditor)  
for and on behalf of Harrison Holt**

**Chartered Accountants  
Statutory Auditors**



Philip Holt  
25/9/12

Chartered Accountants & Statutory  
Auditor  
High Park Farm  
Kirkbymoorside  
York  
YO62 7HS

**SKYE SECURITIES LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Notes	2011 £	2010 £
Administrative expenses		(3,900)	(10,965)
<b>Operating loss</b>	<b>2</b>	(3,900)	(10,965)
Profit on disposal of fixed assets		-	10,971
<b>(Loss)/profit on ordinary activities before interest</b>		(3,900)	6
<b>(Loss)/profit on ordinary activities before taxation</b>		(3,900)	6
Tax on (loss)/profit on ordinary activities	<b>3</b>	-	-
<b>(Loss)/profit for the year</b>	<b>9</b>	(3,900)	6

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

The notes on pages 7 to 12 form part of these financial statements



**SKYE SECURITIES LIMITED**

**BALANCE SHEET  
AS AT 31 DECEMBER 2011**

		<b>2011</b>		<b>2010</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Current assets</b>					
Debtors	<b>5</b>	2,425,006		2,387,096	
Cash at bank and in hand		-		47,175	
		<u>2,425,006</u>		<u>2,434,271</u>	
<b>Creditors: amounts falling due within one year</b>	<b>6</b>	<u>(3,900)</u>		<u>(9,265)</u>	
<b>Total assets less current liabilities</b>		<u>2,421,106</u>		<u>2,425,006</u>	
<b>Capital and reserves</b>					
Called up share capital	<b>8</b>	1,111,111		1,111,111	
Share premium account	<b>9</b>	1,213,889		1,213,889	
Other reserves	<b>9</b>	100,000		100,000	
Profit and loss account	<b>9</b>	<u>(3,894)</u>		<u>6</u>	
<b>Shareholders' funds</b>	<b>10</b>	<u>2,421,106</u>		<u>2,425,006</u>	

The notes on pages 7 to 12 form part of these financial statements

Approved by the Board and authorised for issue on 19 September 2012

*Robert F M Adair*

R F M Adair  
Director

Company Registration No. 02953938

# SKYE SECURITIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention, modified to include the revaluation of financial instruments and in accordance with applicable accounting standards

The Directors consider the going concern concept to be appropriate due to the continued support of the parent company and other group companies

#### 1.2 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

##### Investments

All investments are initially recorded at cost, being the fair value of the consideration given and including acquisition costs associated with the investment. All purchases and sales of investments are recognised using trade date accounting

After initial recognition, investments, which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised as a separate component of equity until the investment is disposed of or until its value is impaired, at which time the cumulative gain or loss previously reported in equity is included in the profit and loss account

Investments classified as held-to-maturity are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the profit and loss accounts when the investment is derecognised, or impaired, as well as through the amortisation process

Investments are fair valued using quoted market prices, independent appraisals, discounted cash flow analysis or other appropriate valuation models at the balance sheet date

##### Trade and other debtors

Trade and other debtors are recognised and carried forward at invoices amounts less provisions for any doubtful debts. Bad debts are written off when identified

##### Cash and cash equivalents

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less

## SKYE SECURITIES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2011

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#### 1 Accounting policies (continued)

##### Interest-bearing loans and borrowings

All loans and borrowings are recognised initially at cost, which is the fair value of the consideration received, net of issue costs associated with the borrowing

After initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective interest method. Gains or losses are recognised in the profit and loss account when liabilities are derecognised or impaired, as well as through the amortisation process

#### 1.3 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

2 Operating loss	2011 £	2010 £
Operating loss is stated after charging		
Auditors' remuneration	<u>1,200</u>	<u>1,200</u>

**SKYE SECURITIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2011**

<b>3</b>	<b>Taxation</b>	<b>2011</b>	<b>2010</b>
	<b>Total current tax</b>	<u>-</u>	<u>-</u>
	<b>Factors affecting the tax charge for the year</b>		
	(Loss)/profit on ordinary activities before taxation	<u>(3,900)</u>	<u>6</u>
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26.00% (2010 - 28.00%)	<u>(1,014)</u>	<u>2</u>
	Effects of Losses carried forward	<u>1,014</u>	<u>(2)</u>
		<u>1,014</u>	<u>(2)</u>
	<b>Current tax charge for the year</b>	<u>-</u>	<u>-</u>

The company has estimated losses of £22,306 (2010 restated - £18,406) available for carry forward against future trading profits

The company has not made any adjustment for the potential deferred tax assets arising on the company losses carried forward as the directors do not consider that there is sufficient certainty concerning the future profits of the company

<b>4</b>	<b>Dividends</b>	<b>2011</b>	<b>2010</b>
		<b>£</b>	<b>£</b>
	Ordinary interim paid	<u>-</u>	<u>372,183</u>
<b>5</b>	<b>Debtors</b>	<b>2011</b>	<b>2010</b>
		<b>£</b>	<b>£</b>
	Amounts owed by group undertakings	<u>2,425,006</u>	<u>2,387,096</u>
<b>6</b>	<b>Creditors: amounts falling due within one year</b>	<b>2011</b>	<b>2010</b>
		<b>£</b>	<b>£</b>
	Accruals and deferred income	<u>3,900</u>	<u>9,265</u>

## SKYE SECURITIES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2011

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#### 7 Financial risk and management objectives and policies

The company hold or issues financial instruments in order to achieve three main objectives,

- a) to finance its operations
- b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance and
- c) for trading purposes

The principal financial instruments comprise finance leases, cash and short-term deposits. In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the company's operations.

Transactions in financial instruments results in the company assuming or transferring to another party one or more of the financial risks described below.

The company has no derivative transactions. It is the company's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the company's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The company monitors the market price arising from all financial instruments.

##### Interest rate risk

The company's exposure to market risk for changes in interest rates is negligible and the company's exposure to variable rate instruments is not material.

##### Creditor risk

The company is not exposed to significant credit.

##### Liquidity risk

The company monitors its risk to a shortage of funds and considers the maturity of both its financial investments and financial assets (e.g. accounts receivable, other financial assets) and projected cash flows from operations.

The company's objective is to maintain a balance between continuity of funding and flexibility through the use of inter-company and shareholder loans.

##### Currency risk

The company is not exposed to significant foreign currency risk nor does it intend to significantly increase its overseas operations.

#### 8 Share capital

	2011	2010
	£	£
<b>Allotted, called up and fully paid</b>		
1,111,111 Ordinary shares of £1 each	<u>1,111,111</u>	<u>1,111,111</u>

# SKYE SECURITIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2011

### 9 Statement of movements on reserves

	Share premium account £	Other reserves (see below) £	Profit and loss account £
Balance at 1 January 2011	1,213,889	100,000	6
Loss for the year	-	-	(3,900)
Balance at 31 December 2011	<u>1,213,889</u>	<u>100,000</u>	<u>(3,894)</u>

#### Other reserves

##### Capital redemption reserve

Balance at 1 January 2011 & at 31 December 2011

100,000

The share premium account arose from the issue of 1,000,000 ordinary £1 shares at £1 25 per share, and the issue of 111,111 ordinary £1 shares at £10 675 per share

### 10 Reconciliation of movements in shareholders' funds

	2011 £	2010 £
(Loss)/Profit for the financial year	(3,900)	6
Dividends	-	(372,183)
Net depletion in shareholders' funds	(3,900)	(372,177)
Opening shareholders' funds	<u>2,425,006</u>	<u>2,797,183</u>
Closing shareholders' funds	<u>2,421,106</u>	<u>2,425,006</u>

### 11 Employees

#### Number of employees

There were no employees during the year apart from the directors

### 12 Control

The immediate parent company is Skye Holdings Limited a company registered in Scotland. The ultimate parent company is Skye Investments Limited which is registered in England and Wales.

The ultimate controlling party is Mr R F M Adair and the Trustees of the Adair family trusts.

## **SKYE SECURITIES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2011**

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#### **13 Related party relationships and transactions**

During the year the company incurred management charges of £1,200 (2010 - £7,620) from Terrace Hill (Management) Limited, an undertaking in which T Walsh, is a director

The company has taken advantage of the exemption allowed by Financial Reporting Standard 8, "Related Party Transactions", not to disclose any transactions with entities that are included in the consolidated financial statements of Skye Investments Limited, a company incorporated in England and Wales