

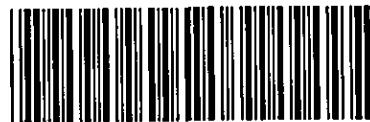
SQ3 Limited

Directors' report and financial statements

For the year ended 31 December 2010

Registered number 04416359

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08/09/2011

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2010

Results and dividends

The company made a loss for the year of £4,474 (2009 profit of £13,615)

A dividend was paid in the year of £39,800 (2009 £nil)

Principal activity and business review

The principal activity of the company is that of property development

Directors

The directors who held office during the year were as follows

Phil Miller

Andrew Sutherland

Eric Young

Donald Borland

Michael Rutterford


Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information

Auditors

The auditors are deemed to be reappointed under section 487(2) of the Companies Act 2006, and KPMG LLP will therefore continue in office

On behalf of the Board



Donald Borland
Director

8 August 2011

28 Dover Street
London
W1S 4NA

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 judgments 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.



Independent auditor's report to the members of SQ3 Limited

We have audited the financial statements of SQ3 Limited for the year ended 31 December 2010 set out on pages 4 to 9. 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 auditors

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 web-site 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 2010 and of its loss 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 Director's 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.


Hugh Harvie

(Senior Statutory Auditor)

For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG
United Kingdom

15 August 2011

**Profit and loss account
 for the year ended 31 December 2010**

	Note	2010 £	2009 £
Cost of sales		(739)	(1,526)
Gross loss		(739)	(1,526)
Administrative expenses		(878)	(648)
Operating loss		(1,617)	(2,174)
Net interest receivable	4	2	15,789
(Loss)/profit on ordinary activities before taxation	2	(1,615)	13,615
Tax on (loss)/profit on ordinary activities	5	(2,859)	-
(Loss)/profit for the financial year	9	(4,474)	13,615

The company has no recognised gains or losses other than the results for the above financial years

The result for the financial year has been derived from continuing activities

The notes on pages 6 to 9 form part of these financial statements

Balance sheet
As at 31 December 2010

	Note	2010 £	2009 £
Current assets			
Debtors	6	-	128
Bank		996	45,375
		<hr/>	<hr/>
		996	45,503
Creditors amounts falling due within one year	7	(705)	(938)
		<hr/>	<hr/>
Net assets		291	44,565
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	8	2	2
Profit and loss account	9	289	44,563
		<hr/>	<hr/>
Shareholders' funds	10	291	44,565
		<hr/>	<hr/>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

The notes on pages 6 to 9 form part of these financial statements

These financial statements were approved by the board of directors and were signed on its behalf by



Donald Borland

Director

8 August 2011



Eric Young

Director

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 except as noted below

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

The company has completed and sold its property development. Having reviewed the company's cash flow forecasts, the directors are satisfied the company has sufficient resources available to it to be able to continue to fund the company's operations and accordingly, the financial statements continue to be prepared on a going concern basis

Cash flow statement

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cashflow statement on the grounds of its size

Taxation and deferred Taxation

The charge for taxation is based on the loss for the year and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements

2	(Loss)/profit on ordinary activities before taxation	2010	2009
		£	£
	(Loss)/profit on ordinary activities before taxation is stated after charging		
	Auditors remuneration	705	1,500
		<hr/>	<hr/>

3 Directors and employees

There were no emoluments paid to directors during the year (2009 nil) There were no employees or staff costs during the year (2009 nil)

4 Net interest receivable

	2010	2009
	£	£
Bank interest receivable	2	23
Other interest	-	15,766
	<hr/>	<hr/>
	2	15,789
	<hr/>	<hr/>

Notes (continued)

5 Taxation

Analysis of charge in year

	2010 £	2009 £
<i>UK corporation tax</i>		
Adjustment in respect of prior years	2,859	-
Current tax on income for the year	-	-
Total current tax	<u>2,859</u>	<u>-</u>

Factors affecting the tax charge for the current year

Current tax is lower than (2009 lower than) the standard small companies rate of corporation tax in the UK 21%, (2009 21%) The differences are explained below

	2010 £	2009 £
<i>Current tax reconciliation</i>		
(Loss)/profit on ordinary activities before tax	(1,615)	13,615
Current tax at 21% (2009 21%)	(339)	2,859
Effects of		
Adjustment in respect of prior years	(2,859)	-
Non taxable income	-	(3,311)
Tax losses not recognised	339	452
Total current tax (see above)	<u>2,859</u>	<u>-</u>

The Emergency Budget on 22 June 2010 announced that the UK corporation tax rate will reduce from 28% to 24% over a period of 4 years from 2011. The first reduction in the UK corporation tax rate from 28% to 27% was substantively enacted on 20 July 2010 and will be effective from 1 April 2011. The Budget on 25 March 2011 announced an incremental rate reduction from 27% to 26% to apply from 1 April 2011. This will reduce the company's future tax charge accordingly. It has not yet been possible to quantify the full anticipated effect of the announced further 2% rate reduction, although this will further reduce the company's future current tax charge.

Notes (continued)

6 Debtors

	2010 £	2009 £
Other debtors	-	128

7 Creditors' amounts falling due within one year

	2010 £	2009 £
Accruals and deferred income	705	938

8 Called up share capital

	2010 £	2009 £
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000

	2010 £	2009 £
Allocated, called up and fully paid		
2 Ordinary shares of £1 each	2	2

9 Profit and loss account

	£
At beginning of year	44,563
Loss for the year	(4,474)
Dividends paid	(39,800)
At end of year	289

10 Reconciliation of movements in shareholders' funds

	2010 £	2009 £
(Loss)/profit for the financial year	(4,474)	13,615
Dividends paid	(39,800)	-
Net (decrease)/increase to shareholders funds	(44,274)	13,615
Opening shareholders' funds	44,565	30,950
Closing shareholders' funds	291	44,565

Notes (continued)

11 Related party disclosure

The company is a Joint venture between The Miller Group Limited and Rutterford Limited

During the year a dividend of £19,900 (2009 nil) was paid to the Miller Group limited A dividend of £19,900 (2009 nil) was also paid to Rutterford Limited

There were no outstanding related party balances at the year end (2009 nil)