

Registered number: SC046224

**SWAN HILL PROPERTIES (SCOTLAND) LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2010**

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**SWAN HILL PROPERTIES (SCOTLAND) LIMITED**

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**COMPANY INFORMATION**

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<b>DIRECTORS</b>	Misereavere Limited J M Townley
<b>COMPANY SECRETARY</b>	J M Townley
<b>COMPANY NUMBER</b>	SC046224
<b>REGISTERED OFFICE</b>	53 Bothwell Street Glasgow G2 6TS
<b>AUDITORS</b>	Ernst & Young LLP 1 More London Place London SE1 2AF

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**SWAN HILL PROPERTIES (SCOTLAND) LIMITED**

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## **SWAN HILL PROPERTIES (SCOTLAND) LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010**

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

#### **PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS**

The Company is engaged in property development and the leasing of properties.

#### **RESULTS**

The loss for the year, after taxation, amounted to £7,366 (2009 - loss £6,335).

#### **DIRECTORS**

The directors who served during the year were:

Misereavere Limited  
J M Townley

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

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 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 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.

#### **GOING CONCERN**

The directors believe that the company is well placed to manage its business risks successfully despite the uncertain economic outlook. The company is in a net liability position, however, after confirming with group entities the availability of cash resources to the company and receiving a letter of financial support from a group that extends until 31 December 2012, 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 annual report and accounts.

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**SWAN HILL PROPERTIES (SCOTLAND) LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2010**

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**PROVISION OF INFORMATION TO AUDITORS**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

The Directors' Report has been prepared in accordance with the provisions relating to small companies.

This report was approved by the board on

**16 DEC 2011**

and signed on its behalf.



**J M Townley**  
Secretary

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## **SWAN HILL PROPERTIES (SCOTLAND) LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SWAN HILL PROPERTIES (SCOTLAND) LIMITED**

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We have audited the financial statements of Swan Hill Properties (Scotland) Limited for the year ended 31 December 2010, which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 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 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.

#### **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 2010 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.

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**SWAN HILL PROPERTIES (SCOTLAND) LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SWAN HILL PROPERTIES  
(SCOTLAND) 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
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report.



**Nick Gomer (Senior Statutory Auditor)**

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

Date:

**21 DEC 2011**

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**SWAN HILL PROPERTIES (SCOTLAND) LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2010**

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	<b>Note</b>	<b>2010 £</b>	<b>2009 £</b>
<b>TURNOVER</b>	1,2	<b>21,540</b>	<b>43,178</b>
Cost of sales		<b>(28,906)</b>	<b>(49,513)</b>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(7,366)</b>	<b>(6,335)</b>
Tax on loss on ordinary activities	4	-	-
<b>LOSS FOR THE FINANCIAL YEAR</b>	8	<b>(7,366)</b>	<b>(6,335)</b>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2010 or 2009 other than those included in the Profit and loss account.

The notes on pages 7 to 10 form part of these financial statements.

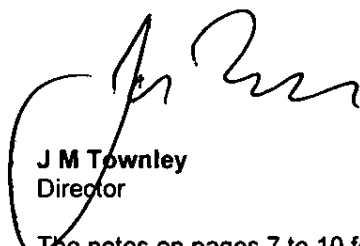


**SWAN HILL PROPERTIES (SCOTLAND) LIMITED**  
**REGISTERED NUMBER: SC046224**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2010**

	Note	£	2010 £	£	2009 £
<b>CURRENT ASSETS</b>					
Debtors	5	9,654		9,893	
<b>CREDITORS: amounts falling due within one year</b>	6	<b>(263,584)</b>		<b>(256,457)</b>	
<b>NET CURRENT LIABILITIES</b>			<b>(253,930)</b>		<b>(246,564)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>(253,930)</b>		<b>(246,564)</b>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	7		100		100
Profit and loss account	8		<b>(254,030)</b>		<b>(246,664)</b>
<b>SHAREHOLDERS' DEFICIT</b>	9		<b>(253,930)</b>		<b>(246,564)</b>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

  
**J M Townley**  
 Director

**16 DEC 2011**

The notes on pages 7 to 10 form part of these financial statements.

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**SWAN HILL PROPERTIES (SCOTLAND) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

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

**1.2 Going concern**

The accounts are prepared on a going concern basis as detailed in the Director's report.

**1.3 Turnover**

Turnover comprises of disposal property and rental income, exclusive of Value Added Tax and trade discounts.

**1.4 Operating leases**

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

**1.5 Deferred taxation**

Deferred tax is recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more tax in the future, or a right to pay less tax in the future. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain. Deferred tax assets and liabilities are not discounted.

**1.6 Cash flow**

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

**2. PRINCIPAL ACTIVITIES**

The Company's turnover and loss before taxation arise solely from its property development activities, all of which are performed in the United Kingdom and relate to continuing operations.

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**SWAN HILL PROPERTIES (SCOTLAND) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

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**3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**

The directors who served during the year received no remuneration from the company (2009 £Nil).

Auditor's remuneration is borne by Raven Mount Group Limited and disclosed within that Company's accounts.

Raven Property Group PLC is responsible for the employment of all group staff. Information regarding their number and remuneration is disclosed within the accounts of Raven Mount Group PLC

**4. TAXATION**

**Factors affecting tax charge for the year**

The tax assessed for the year is the same as (2009 - the same as) the standard rate of corporation tax in the UK of 28% (2009 - 28%) as set out below:

	2010 £	2009 £
Loss on ordinary activities before tax	(7,366)	(6,335)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 - 28%)	(2,062)	(1,774)
<b>Effects of:</b>		
Unrelieved tax losses carried forward	2,062	1,774
<b>Current tax charge for the year (see note above)</b>	-	-

**Factors that may affect future tax charges**

In the budget of 22 June 2010, the Chancellor of the Exchequer announced tax changes, which if enacted in the proposed manner, would have an impact on the company's future tax position. The budget proposed a decrease in the rate of UK corporation tax from 28% to 24% by 1% each year from April 2011, to be enacted annually. As at the balance sheet date, only the first 1% tax reduction from April 2011 has been 'substantively enacted' and hence in accordance with accounting standards, it is only the impact of this 1% reduction that has been reflected in the company's financial statements as at 31 December 2010.

In the budget of 23 March 2011, this proposal was amended such that the rate will reduce to 26% from April 2011 with a subsequent 1% reduction in each of the next three years taking the rate to 23%, from April 2014.

The effect on the company of the further proposed reductions in the UK corporation tax rate will be reflected in the company's financial statements in future years, as appropriate, once the proposals have been substantively enacted.

The Company has not recognised a deferred tax asset in respect of losses due to the uncertainty over recovery.

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**SWAN HILL PROPERTIES (SCOTLAND) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

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**5. DEBTORS**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>7,766</b>	<b>8,005</b>
Prepayments and accrued income	<b>1,888</b>	<b>1,888</b>
	<b><u>9,654</u></b>	<b><u>9,893</u></b>

**6. CREDITORS:  
Amounts falling due within one year**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>-</b>	<b>2,472</b>
Amounts owed to parent and fellow subsidiary undertakings	<b>261,696</b>	<b>252,097</b>
Accruals and deferred income	<b>1,888</b>	<b>1,888</b>
	<b><u>263,584</u></b>	<b><u>256,457</u></b>

**7. SHARE CAPITAL**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<b><u>100</u></b>	<b><u>100</u></b>

**8. RESERVES**

	<b>Profit and loss account £</b>
At 1 January 2010	<b>(246,664)</b>
Loss for the year	<b>(7,366)</b>
At 31 December 2010	<b><u>(254,030)</u></b>

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**SWAN HILL PROPERTIES (SCOTLAND) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

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**9. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Opening shareholders' deficit	<b>(246,564)</b>	<b>(240,229)</b>
Loss for the year	<b>(7,366)</b>	<b>(6,335)</b>
Closing shareholders' deficit	<b>(253,930)</b>	<b>(246,564)</b>

**10. OPERATING LEASE COMMITMENTS**

At 31 December 2010 the company had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>	
	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Expiry date:</b>		
Between 2 and 5 years	<b>21,540</b>	<b>21,540</b>

**11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The Company's immediate parent undertaking is Swan Hill Property Holdings Limited, a company registered in England and Wales. Its registered office is 21 Knightsbridge, London SW1X 7LY.

The smallest and largest group of undertakings of which the company is a member and for which group financial statements are prepared is Raven Russia Limited, a company incorporated in Guernsey. A copy of Raven Russia Limited's group financial statements can be obtained from Raven Russia's website [www.ravenrussia.com](http://www.ravenrussia.com).

**12. RELATED PARTY TRANSACTIONS**

The Company is a wholly owned subsidiary of Raven Russia Limited, and as such has taken advantage of the exemption under FRS 8 for disclosing transactions with entities which are wholly owned within the Group. There have been no transactions with any other related parties during the year and there are no balances due.