

SLAP (Trading) Limited

**Directors' report and financial
statements**

Registered number SC86832

31 March 2007



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Directors and advisers

Directors	WH Manson JH Henry AJ Cluness CB Eunson AGL Duncan CHJ Miller IJ Hawkins AS Wishart	(Chairman) (Vice Chairman)
Chief Executive	MH Goodlad	
Secretary	JP Goddard	
Registered office	22 24 North Road Lerwick Shetland ZE1 0NQ	
Auditors	KPMG LLP 37 Albyn Place Aberdeen AB10 1JB	
Bankers	Bank of Scotland 117 Commercial Street Lerwick Shetland ZE1 0DN	

Directors' report

The directors present their directors' report and financial statements for the year ended 31 March 2007

Principal activities

The company carries out equipment leasing and hire purchase activities

Business review

The one remaining active HP agreement was assigned to the parent company, Shetland Leasing and Property Developments Limited during the course of the year, and all current activity has ceased. The Directors' intend to retain the company to protect the name

Proposed dividend

The directors are not entitled to recommend the payment of a final dividend due to the company not having distributable reserves at the year end

Directors

The directors who held office during the year and up to the date of this report were as follows

WH Manson	
AJ Cluness	
CB Eunson	
AGL Duncan	(appointed 5 July 2007)
CHJ Miller	(appointed 5 July 2007)
IJ Hawkins	(appointed 5 July 2007)
AS Wishart	(appointed 5 July 2007)
JH Henry	(appointed 5 July 2007)
BJ Cheyne	(resigned 5 July 2007)
FB Grains	(resigned 5 July 2007)
WA Ratter	(resigned 5 July 2007)
W Tait	(resigned 5 July 2007)

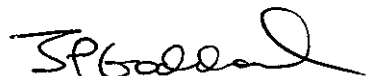
Disclosure of information to auditors

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 or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

In accordance with section 384 of the Companies Act 1985, a resolution for the re appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting

By order of the board



JP Goddard
Secretary

22 24 North Road
Lerwick
Shetland

19 September 2007

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)

The financial statements are required by law to 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 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. 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



37 Albyn Place
Aberdeen
AB10 1JB
United Kingdom

Independent auditors' report to the members of SLAP (Trading) Limited

We have audited the financial statements of SLAP (Trading) Limited for the year ended 31 March 2007 which comprise the Profit and loss account, the Balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, 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 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

19 September 2007

Profit and loss account

for the year ended 31 March 2007

	<i>Note</i>	2007 £	2006 £
Turnover	<i>1</i>		2,724
Operating expenses [including exceptional credit of £nil (2006 £27,761)]	<i>2</i>	(18,807)	(15,231)
		<hr/>	<hr/>
Operating loss		(18,807)	(12,507)
Interest receivable	<i>5</i>	6,053	12,507
		<hr/>	<hr/>
Loss on ordinary activities before taxation	<i>2 4</i>	(12,754)	
Tax on loss on ordinary activities	<i>6</i>	(6,708)	
		<hr/>	<hr/>
Loss for the financial year	<i>10</i>	(19,462)	
		<hr/>	<hr/>

Turnover and the operating losses above arose wholly from continuing operations

There were no recognised gains or losses other than the results for the financial years reported above

Balance sheet

at 31 March 2007

	Note	2007 £	2006 £
Current assets			
Debtors	7	227,376	254,488
Cash at bank and in hand		12,740	299,432
		<u>240,116</u>	<u>553,920</u>
Creditors: amounts falling due within one year	8	(10,494)	(69,587)
		<u>229,622</u>	<u>484,333</u>
Net current assets			
Debtors due after more than one year	7	5,250,000	5,014,751
		<u>5,479,622</u>	<u>5,499,084</u>
Total assets less current liabilities			
		<u>5,479,622</u>	<u>5,499,084</u>
Net assets			
Capital and reserves			
Called up share capital	9	6,000,000	6,000,000
Profit and loss account	10	(520,378)	(500,916)
		<u>5,479,622</u>	<u>5,499,084</u>
Shareholders' funds	11		
		<u>5,479,622</u>	<u>5,499,084</u>

These financial statements were approved by the board of directors on 19 September 2007 and were signed on its behalf by



WH Manson
Director



J Henry
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

Basis of preparation

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

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

Hire purchase

Debtors in respect of assets sold on hire purchase are stated at the total of the minimum instalments receivable less finance income allocated to future periods Finance income is credited to the profit and loss account using the 'rule of 78'

Taxation

The charge or credit for taxation is based on the profit or loss for the year and takes into account taxation deferred 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

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of hire purchase finance to customers and arises entirely in the United Kingdom

2 Loss on ordinary activities before taxation

	2007 £	2006 £
<i>Loss on ordinary activities before taxation is stated</i>		
<i>after charging</i>		
Gift aid payment		30,248
<i>after crediting</i>		
Exceptional credit – reduction in doubtful debt provisions (included within operating expenses)		27,761
 <i>Auditors' remuneration</i>		
Audit of these financial statements	6,500	6,500

The exceptional credit of £nil (2006 £27,761) represents the net decrease in amounts provided by the directors against certain hire purchase and other loan debtors in earlier years following their re assessment of the likelihood of recovery of those debts

Notes (continued)

3 Remuneration of directors

The directors received no remuneration from the company during the year (2006 nil)

4 Staff numbers and costs

The company had no employees during the year (2006 none)

5 Interest receivable

	2007 £	2006 £
On local loans		715
On bank deposits	6,053	11,792
	<u>6,053</u>	<u>12,507</u>

6 Taxation

	2007 £	2006 £
<i>UK corporation tax</i>		
Current tax on income for the year		
Adjustment in respect of prior years	6,708	
	<u>6,708</u>	
Total current tax being tax on loss on ordinary activities	<u>6,708</u>	

Factors affecting the tax charge for the year

The current tax charge for the year is higher (2006 the same as) that obtained by applying the standard rate of corporation tax in the UK (30%) to the loss on ordinary activities before taxation. The differences are explained below

	2007 £	2006 £
<i>Current tax reconciliation</i>		
Loss on ordinary activities before taxation	(12,754)	
	<u>(12,754)</u>	
Current tax at 30% (2006 30%)	(3,826)	
<i>Effects of</i>		
Permanently disallowable expenditure	2,263	
Group relief surrendered for no consideration	1,563	
Adjustment in respect of prior years	6,708	
	<u>6,708</u>	
Total current tax charge (see above)	<u>6,708</u>	

At the year end, there is a potential deferred tax asset of £2,264 (2006 £2,264), calculated at 19%, and wholly in respect of other timing differences for which no credit has been taken in these accounts as the directors believe that insufficient evidence exists that it will be recoverable in the foreseeable future

Notes (continued)

7 Debtors

	Due within one year £	2007 Due outwith one year £	Due within one year £	2006 Due outwith one year £
Trade debtors hire purchase				
Gross investment in agreements (net of provisions)			8,193	14,751
Amount owed by immediate parent undertaking (see note 12)	226,370	5,250,000	226,370	5,000,000
Corporation tax recoverable			6,708	
Other debtors	1,006		5,673	
Gift aid payment/covenants recoverable (net)			7,544	
	<u>227,376</u>	<u>5,250,000</u>	<u>254,488</u>	<u>5,014,751</u>

8 Creditors: amounts falling due within one year

	2007 £	2006 £
Other creditors and accruals	10,494	9,530
Gift aid payable		60,057
	<u>10,494</u>	<u>69,587</u>

9 Called up share capital

	2007 £	2006 £
<i>Authorised</i> Ordinary shares of £1 each	10,000,000	10,000,000
<i>Allotted, called up and fully paid.</i> Ordinary shares of £1 each	6,000,000	6,000,000

Notes (continued)

10 Profit and loss account

	2007 £
At beginning of year	(500,916)
Loss for the financial year	(19,462)
	<hr/>
At end of year	(520,378)
	<hr/>

11 Reconciliation of movements in shareholders' funds

	2007 £	2006 £
Loss for the financial year being net reduction in shareholders' funds	(19,462)	
Opening shareholders' funds	5,499,084	5,499,084
	<hr/>	<hr/>
Closing shareholders' funds	5,479,622	5,499,084
	<hr/>	<hr/>

12 Related party disclosures

The company is controlled by Shetland Charitable Trust which is its ultimate parent undertaking (see note 13). The company's immediate parent undertaking is Shetland Leasing and Property Developments Limited.

At the year end, the company owed Shetland Leasing and Property Developments Limited a total amount of £5,476,370 (2006 £5,226,370), which includes a loan of £5,250,000 (2006 £5,000,000) which bears no interest and is repayable in one instalment in September 2008.

13 Ultimate parent undertaking

The company is a subsidiary undertaking of Shetland Charitable Trust which is its ultimate parent undertaking. The company's immediate parent undertaking is Shetland Leasing and Property Developments Limited.

Shetland Charitable Trust does not prepare consolidated accounts that include the results of the company as its trustees consider that the company is not material in relation to the Trust itself. Shetland Leasing and Property Developments Limited is exempt by virtue of s248 of the Companies Act 1985 from the requirement to prepare group accounts.

No group accounts include the results of the company.