SLAP (Trading) Limited

Directors' report and financial statements

Registered number SC86832

31 March 2008

Contents

Directors and advisers

Directors	WH Manson	(Chair)
	JH Henry	(Vice Chair)
	AJ Cluness	
	AGL Duncan	
	CHJ Miller	
	IJ Hawkins	
	AS Wishart	
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 2008

Principal activities and business review

The company has previously carried out equipment leasing and hire purchase activities However, all such agreements have come to an end and the company was inactive during the year The directors now intend to explore options to progress the wind up of the company The directors intend to mitigate the small tax charge shown as due at 31 March 2008 through making a gift aid payment to the ultimate parent, a charity

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	(deceased December 2007)
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

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the board

JP Goddard
Secretary

22 24 North Road
Lerwick
Shetland

13 November 2008

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

KPMG

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 2008 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
As described in the Statement of Directors' Responsibilities on page 3, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

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 2008 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

13 November 2008

Profit and loss account
for the year ended 31 March 2008

	Note	**2008**	2007
		£	£
Turnover	*1*		
Operating expenses		**(10,768)**	(18,807)
Operating loss		**(10,768)**	(18,807)
Interest receivable	*5*	**1,591**	6,053
Interest payable and similar charges	*6*	**(194)**	
Loss on ordinary activities before taxation	*2 4*	**(9,371)**	(12,754)
Tax on loss on ordinary activities	*7*	**(318)**	(6,708)
Loss for the financial year	*11*	**(9,689)**	(19,462)

Turnover and the operating losses above arose wholly from discontinued operations

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

Balance sheet
at 31 March 2008

	Note	2008	2007
		£	£
Current assets			
Debtors (*including 2007 £5,250,000 due after more than one year*)	*8*	**5,450,372**	5,477,376
Cash at bank and in hand		**25,379**	12,740
		5,475,751	5,490,116
Creditors: amounts falling due within one year	*9*	**(5,818)**	(10,494)
Net assets		**5,469,933**	5,479,622
Capital and reserves			
Called up share capital	*10*	**6,000,000**	6,000,000
Profit and loss account	*11*	**(530,067)**	(520,378)
Shareholders' funds	*12*	**5,469,933**	5,479,622

These financial statements were approved by the board of directors on 13 November 2008 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 They have been prepared on a going concern basis as while the directors intend to explore options to wind up the company, no decision has been taken It is not believed, however, that there would be any material difference to the carrying value of the assets or liabilities had the going concern basis not been adopted and consequently the directors believe that this basis of preparation is appropriate

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

	2008	2007
Loss on ordinary activities before taxation is stated *after charging*	**£**	£
Auditors' remuneration		
Audit of these financial statements	**4,500**	6,500

3 Remuneration of directors

The directors received no remuneration from the company during the year *(2007 nil)*

4 Staff numbers and costs

The company had no employees during the year (*2007 none*)

5 Interest receivable

	2008	2007
	£	£
On bank deposits	**1,591**	6,053

Notes *(continued)*

6 Interest payable

	2008	2007
	£	£
Interest payable on VAT liability	194	

7 Taxation

	2008	2007
	£	£
UK corporation tax		
Current tax on income for the year	318	
Adjustment in respect of prior years		6,708
Total current tax being tax on loss on ordinary activities	318	6,708

Factors affecting the tax charge for the year

The current tax charge for the year is higher *(2007 higher)* than obtained by applying the small companies rate of corporation tax of 20% (*2007 30%)* to the loss on ordinary activities before taxation The differences are explained below

	2008	2007
	£	£
Current tax reconciliation		
Loss on ordinary activities before taxation	(9,371)	(12,754)
Current tax at 20% *(2007 30%)*	(1,874)	(3,826)
Effects of		
Permanently disallowable expenditure	2,192	2,263
Group relief surrendered for no consideration		1,563
Adjustment in respect of prior years		6,708
Total current tax charge (see above)	318	6,708

At the year end, there is a potential deferred tax asset of £2,503 *(2007 £2,264)*, calculated at 21% (*2007 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

8 Debtors

	2008		2007	
	Due within one year	Due outwith one year	Due within one year	Due outwith one year
	£	£	£	£
Amount owed by immediate parent undertaking (see note 13)	5,450,000		226,370	5,250,000
Other debtors	372		1,006	
	5,450,372		227,376	5,250,000

Notes *(continued)*

9 Creditors: amounts falling due within one year

	2008 £	2007 £
Other creditors and accruals	**5,500**	10,494
Corporation tax payable	**318**	
	5,818	10,494

10 Called up share capital

	2008 £	2007 £
Authorised:		
Ordinary shares of £1 each	**10,000,000**	10,000,000
Allotted, called up and fully paid:		
Ordinary shares of £1 each	**6,000,000**	6,000,000

11 Profit and loss account

	2008 £
At beginning of year	(520,378)
Loss for the financial year	(9,689)
At end of year	**(530,067)**

12 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Loss for the financial year being net reduction in shareholders' funds	**(9,689)**	(19,462)
Opening shareholders' funds	**5,479,622**	5,499,084
Closing shareholders' funds	**5,469,933**	5,479,622

13 Related party disclosures

The company is controlled by Shetland Charitable Trust which is its ultimate parent undertaking (see note 14) The company's immediate parent undertaking is Shetland Leasing and Property Developments Limited

At the year end the immediate parent undertaking owed the company a total amount of £5,450,000 *(2007 £5,476,370)*, which includes a loan of £5,450,000 *(2007 £5,250,000)* which bears no interest and is repayable in three instalments, commencing in March 2010 The loan is, however, repayable on demand, and given the directors' intention to look to explore the winding up of the company, the loan has been classified as payable within one year as the company is likely to seek repayment as part of this process

Notes *(continued)*

14 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