CB Finance Limited
Unaudited
Report and Financial Statements
For the year ended 31 December 2007

Company information

Directors	A D M MacDonald MA LLB CA CBE J A M Orr MA LLB WS
Secretary	Queensferry Secretaries Limited
Company number	SC125201
Registered office	Caledonian Exchange 19a Canning Street Edinburgh EH3 2YR
Accountants	Ernst & Young LLP Ten George Street Edinburgh EH2 2DZ
Bankers	Bank of Scotland 38 St Andrew Square Edinburgh EH2 2YR

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Directors' Report
For the year ended 31 December 2007

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

Principal activities and review of business

The company provided finance for leasing and hire purchase of vehicles, plant and equipment It has now ceased to trade

Results

The loss for the year, after taxation, amounted to £6,521 (2006 profit £985,055)

Directors

The directors who served during the year were

A D M MacDonald MA LLB CA CBE
J A M Orr MA LLB WS

This report was approved by the board and signed on its behalf by

A D M MacDonald
Director

29 October 2008

Statement of directors' responsibilities for the year ended 31 December 2007

The directors are responsible for preparing the Annual 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) The financial statements are required by law to give a true and fair view of the state of the affairs of the company and of the surplus or deficit 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,
- 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 the financial statements comply with the Companies Act 1985 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

Accountants' report to the board of directors on the unaudited financial statements of CB Finance Limited

In order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise the Profit and loss account the Balance sheet and the related notes from the accounting records and information and explanations you have given to us

This report is made to the company's Board of Directors, as a body, in accordance with the terms of our engagement Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this 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 Board of Directors, as a body, for our work or for this report

You have acknowledged on the Balance sheet as at 31 December 2007 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985 You consider that the company is exempt from the statutory requirement for an audit for the year

have not been instructed to carry out an audit of the financial statements For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements

Ernst & Young LLP

Ernst & Young LLP
Ten George Street
Edinburgh
EH2 2DZ

29 October 2008

Profit and loss account
for the year ended 31 December 2007

	Note	2007 £	2006 £
Administrative expenses		(10,385)	981,084
Operating (loss)/profit	2	(10,385)	981,084
Interest receivable	4	3,864	3,971
(Loss)/profit on ordinary activities before taxation		(6,521)	985,055
Tax on (loss)/profit on ordinary activities	5		
(Loss)/profit on ordinary activities after taxation		(6,521)	985,055

All amounts relate to continuing operations

There were no recognised gains and losses for 2007 or 2006 other than those included in the Profit and loss account

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

Balance sheet
as at 31 December 2007

	Note	£	2007 £	£	2006 £
Tangible fixed assets	6				
***Creditors.** amounts falling due within one year*	7		(8,871)		(2,350)
Deficiency of assets			(8,871)		(2,350)
Capital and Reserves					
Called up share capital	9		100		100
Profit and loss account	10		(8,971)		(2,450)
Shareholders' deficit	11		(8,871)		(2,350)

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(1) of the Companies Act 1985 and members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2) of the Act The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 December 2007 and of its loss for the year then ended in accordance with the requirements of section 226 of the Act and which otherwise comply with the requirements of the Companies Act 1985 relating to the financial statements so far as applicable to the company

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

A D M MacDonald
Director

29 October 2008

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

Notes to the financial statements
For the year ended 31 December 2007

1 Accounting policies

1 1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention

1 2 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Office equipment	20%	over 5 years straight line

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, with the following exceptions

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,

- 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)/profit

The operating (loss)/profit is stated after debiting / (crediting)

	2007	*2006*
	£	*£*
Waiver of amount due by (to) group undertaking	3,464	(985,362)

3. Staff costs

The company has no employees other than the directors, who did not receive any remuneration (2006 £NIL)

Notes to the financial statements
For the year ended 31 December 2007

4. Interest receivable

	2007 £	2006 £
Bank interest receivable	3,864	3,971

5. Taxation

	2007 £	2006 £
UK corporation tax charge on (loss)/profit for the year		

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2006 – lower than) the standard rate of corporation tax in the UK (30%) The differences are explained below

	2007 £	2006 £
(Loss)/profit on ordinary activities before tax	(6,521)	985,055
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006 30%)	(1,956)	295,517
Effects of·		
Disallowed expenses	1,074	
Unutilised tax losses carried forward	906	92
Transfer pricing adjustment	(24)	
Non taxable income		(295,609)
Current tax charge for the year *(see note above)*		

Factors that may affect future tax charges

Deferred tax assets of £17,475 (2006 £17,817) consisting of tax losses carried forward have not been recognised as there is insufficient evidence as to their recoverability in the foreseeable future

Notes to the financial statements
For the year ended 31 December 2007

6 Tangible fixed assets

	Furniture, fittings and equipment £
Cost	
At 1 January 2007	2,050
Disposals	(2,050)
At 31 December 2007	
Depreciation	
At 1 January 2007	2,050
On disposals	(2,050)
At 31 December 2007	
Net book value	
At 31 December 2007	
At 31 December 2006	

7 Creditors: Amounts falling due within one year

	2007 £	*2006* £
Amounts owed to parent undertaking	1,293	
Accruals and deferred income	7,578	2,350
	8,871	2,350

8. Contingencies and commitments

The company has entered into a cross corporate guarantee along with other group companies in respect of group bank net borrowings which amounted to approximately £1,932,000 at 31 December 2007 (2006 £1,709,000)

Notes to the financial statements
For the year ended 31 December 2007

9 Share capital

	2007 £	2006 £
Authorised		
1,000 Ordinary Shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
100 Ordinary Shares of £1 each	100	100

10. Reserves

	Profit and loss account £
At 1 January 2007	(2,450)
Loss for the year	(6,521)
At 31 December 2007	(8,971)

11. Reconciliation of movement in shareholders' deficit

	2007 £	2006 £
Opening shareholders' deficit	(2,350)	(987,405)
(Loss)/profit for the year	(6,521)	985,055
Closing shareholders' deficit	(8,871)	(2,350)

12 Ultimate parent undertaking and controlling party

The ultimate parent undertaking is MacDonald Orr Limited, a company registered in Scotland and incorporated in Great Britain The accounts of MacDonald Orr Limited are available from Companies House, 37 Castle Terrace, Edinburgh, EH1 2EB