RETAIL PARKS (SCOTLAND) LIMITED

Directors' report and financial statements

For the year ended 31 December 2004

Registered number SC153510

Directors' report and financial statements

Contents

Directors' report

The directors present their annual report and audited financial statements for the year ended 31 December 2004.

Principal activities

The principal activity of the company is that of property development.

Results

The result for the year is set out in the profit and loss account on page 4. The profit for the year is £1,584 (2003: £38,577 profit)

Directors

The directors of the company during the year were:

PH Miller
RS Barrott (resigned 06/04/05)
P Smyth
J D Blair (resigned 30/06/05)
J M Jackson (appointed 25/02/05)
M Wood (appointed 25/02/05)

The directors had no interests in shares of the company during the year.

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

Pamela J Smyth
Secretary
16th August 2005

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that year. In preparing those 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 accounting standards have been followed subject to any material departures disclosed and explained in the financial statements;
- 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the 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.

Independent auditors' report to the members of Retail Parks (Scotland) Limited

We have audited the financial statements on pages 4 to 8.

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 are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards 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 of the state of the company's affairs as at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor
Edinburgh

1 September 2005

Profit and loss account
for the year ended 31 December 2004

	Notes	**2004**	2003
		£	£
Turnover			
Cost of sales		**(493)**	(4,760)
Gross loss		**(493)**	(4,760)
Interest receivable	*2*	**2,449**	3,166
Interest payable	*2*	**-**	27,289
Profit on ordinary activities before taxation		**1,956**	25,695
Tax on profit on ordinary activities	*3*	**(372)**	12,882
Profit on ordinary activities after taxation		**1,584**	38,577
Retained profit brought forward		**52,306**	13,729
Retained profit carried forward		**53,890**	52,306

There have been no recognised gains or losses other than the profit for the year.

Balance sheet
at 31 December 2004

	Note	**2004** **£**	2003 £
Current assets			
Debtors	4	-	3,062
Cash at bank and in hand		**74,962**	70,993
		74,962	74,055
Creditors: amounts falling due within one year	5	**(1,072)**	(1,749)
Net assets		**73,890**	72,306
Capital and reserves			
Share capital	6	**20,000**	20,000
Profit and loss account		**53,890**	52,306
Equity shareholders' funds	7	**73,890**	72,306

These financial statements were approved by the board of directors on the 16th August 2005 and were signed on its behalf by:

P H Miller
Director

Notes

(forming part of the financial statements)

1. Accounting policies

The following accounting policies have been applied consistently in dealing with the items considered material 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.

Cash flow statement

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

Taxation

The charge for taxation is based on the profit 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.

2. Interest

	2004	2003
	£	£
Interest receivable		
Bank interest	**2,449**	3,043
Other interest	-	123
	2,449	3,166
Interest payable		
Bank interest	-	(18)
Other interest	-	27,307
	-	27,289

The interest payable credit relates to the release of part of the previous year's provision.

Notes (cont'd)

3. Taxation

	2004	2003
	£	£
Analysis of charge in period		
UK Corporation tax		
Current tax on income for the period	**(372)**	-
Adjustments in respect of prior periods	-	12,882
Tax on profit on ordinary activities	**(372)**	12,882

Factors affecting the tax charge for the current period
The current tax charge for the period is lower (*2003: lower*) than the standard rate of corporation tax in the UK 30% *(2003: 30%)*. The differences are explained below.

	2004	2003
Current tax reconciliation	**£**	£
Profit on ordinary activities before tax	**1,956**	25,695
Current tax at 30% (*2003: 30%*)	**587**	7,708
Effects of:		
Adjustments in respect of prior periods	-	(12,882)
Small companies relief	**(215)**	-
Tax losses carried forward	-	(484)
Other	-	8,192
Total current tax charge (see above)	**372**	(12,882)

4. Debtors

	2004	2003
	£	£
Corporation tax	-	3,062

Notes (cont'd)

5. Creditors: amounts falling due within one year

	2004	2003
	£	£
Accruals and deferred income	**1,072**	1,749

6. Share capital

	2004	2003
Equity	£	£
Authorised, allotted, called up and fully paid		
10,000 'A' ordinary shares of £1 each	**10,000**	10,000
10,000 'B' ordinary shares of £1 each	**10,000**	10,000
	20,000	20,000

The "A" and "B" shares rank pari-passu in all respects.

7. Reconciliation of movement in shareholders' funds

	2004	2003
	£	£
Profit for the year	**1,584**	38,577
Opening shareholders' funds	**72,306**	33,729
Closing shareholders' funds	**73,890**	72,306

8. Related party disclosures

The company is a joint venture between the Miller Investments Holdings Limited and Stannifer Group Limited.