

RETAIL PARKS (SCOTLAND) LIMITED

Directors' report and financial statements

For the year ended 31 December 2003

Registered number SC153510



Directors' report and financial statements

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Directors' report

The directors present their annual report and audited financial statements for the year ended 31 December 2003.

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 £38,577 (2002: £24,809 loss)

Directors

The directors of the company during the year were:

PH Miller
RS Barrott
P Smyth
J D Blair

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
23 June 2004

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 31st December 2003 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

21 July 2004

Profit and loss account
for the year ended 31 December 2003

	<i>Notes</i>	2003 £	2002 £
Turnover	2	-	-
Cost of sales		(4,760)	105,374
		<hr/>	<hr/>
Gross (loss) / profit		(4,760)	105,374
Interest receivable	3	3,166	5,041
Interest payable	3	27,289	(108,078)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		25,695	2,337
Tax on profit on ordinary activities	4	12,882	(27,145)
		<hr/>	<hr/>
Profit / (loss) on ordinary activities after taxation		38,577	(24,809)
Retained profit brought forward		13,729	38,538
		<hr/>	<hr/>
Retained profit carried forward		52,306	13,729
		<hr/> <hr/>	<hr/> <hr/>

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

Balance sheet
at 31 December 2003

	Note	2003 £	2002 £
Current assets			
Debtors	5	3,062	-
Cash at bank and in hand		70,993	174,069
		<hr/>	<hr/>
		74,055	174,069
Creditors: amounts falling due within one year	6	(1,749)	(140,340)
		<hr/>	<hr/>
Net assets		72,306	33,729
		<hr/>	<hr/>
Capital and reserves			
Share capital	7	20,000	20,000
Profit and loss account		52,306	13,729
		<hr/>	<hr/>
Equity shareholders' funds	8	72,306	33,729
		<hr/>	<hr/>

These financial statements were approved by the board of directors on the 7th July 2004 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. Turnover

Turnover comprises income received from property developments and arises entirely in the United Kingdom.

3. Interest	2003 £	2002 £
<u>Interest receivable</u>		
Bank interest	3,043	5,041
Other interest	123	-
	<hr/> 3,166 <hr/>	<hr/> 5,041 <hr/>
 <u>Interest payable</u>		
Bank interest	(18)	-
Other interest	27,307	(108,078)
	<hr/> 27,289 <hr/>	<hr/> (108,078) <hr/>

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

Notes (cont'd)

4. Taxation

	2003 £	2002 £
Analysis of charge in period		
UK Corporation tax		
Current tax on income for the period	-	(27,673)
Adjustments in respect of prior periods	12,882	528
	<hr/>	<hr/>
Tax on profit on ordinary activities	12,882	(27,145)
	<hr/>	<hr/>

Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2002: *higher*) than the standard rate of corporation tax in the UK 30% (2002: 30%). The differences are explained below.

	2003 £	2002 £
Current tax reconciliation		
Profit on ordinary activities before tax	25,695	2,337
	<hr/>	<hr/>
Current tax at 30% (2002: 30%)	7,708	701
<i>Effects of:</i>		
Expenses not deductible for tax purposes	-	32,423
Adjustments in respect of prior periods	(8,192)	-
Utilisation of tax losses	-	(5,451)
Tax losses carried forward	484	-
	<hr/>	<hr/>
Total current tax charge (see above)	-	27,673
	<hr/>	<hr/>

5. Debtors

	2003 £	2002 £
Corporation tax	3,062	-
	<hr/>	<hr/>

Notes (cont'd)

6. Creditors:	amounts falling due within one year	2003	2002
		£	£
	Trade creditors	-	3,290
	Accruals and deferred income	1,749	109,377
	Corporation tax payable	-	27,673
		<hr/>	<hr/>
		1,749	140,340
		<hr/>	<hr/>
7. Share capital		2003	2002
	Equity	£	£
	<i>Authorised, allotted, called up and fully paid</i>		
	10,000 'A' ordinary shares of £1 each	10,000	10,000
	10,000 'B' ordinary shares of £1 each	10,000	10,000
		<hr/>	<hr/>
		20,000	20,000
		<hr/>	<hr/>
	The "A" and "B" shares rank pari-passu in all respects.		
8. Reconciliation of movement in shareholders' funds			
		2003	2002
		£	£
	Profit/(loss) for the year	38,577	(24,809)
	Opening shareholders' funds	33,729	58,538
		<hr/>	<hr/>
	Closing shareholders' funds	72,306	33,729
		<hr/>	<hr/>

9. Related party disclosures

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