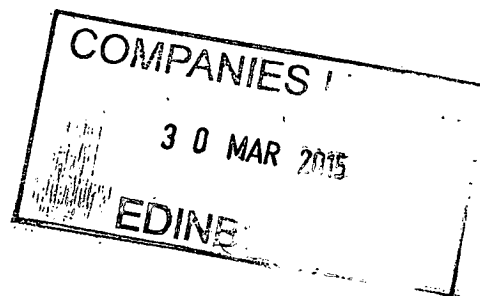


Stewart Milne Part Exchange Limited

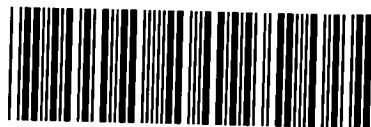
**Directors' report and financial
statements**

Registered number SC204848

30 June 2015



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Directors' report

The directors present their directors' report and financial statements for the year ended 30 June 2015.

Principal activity

The company did not trade during the year.

Dividends

No dividends were paid during the year (2014: £nil). The directors do not recommend the payment of a final dividend.

Strategic report

Due to its size, the company is exempt from the requirement to prepare a Strategic Report.

Directors

The directors who held office during the year are shown below:

S Milne CBE
GFW Allison CA
JC Irvine CA (resigned 30th January 2015)
SA MacGregor FCA (appointed 29th April 2015)

Disclosure of information to auditor

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 auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

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

By order of the board



SA MacGregor
Director

Peregrine House
Westhill Business Park
Westhill
Aberdeen
AB32 6JQ

30 March 2016

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).

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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 auditor's report to the members of Stewart Milne Part Exchange Limited

We have audited the financial statements of Stewart Milne Part Exchange Limited for the year ended 30 June 2015 set out on pages 4 to 8. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

Duncan MacAskill (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

37 Albyn Place

Aberdeen

AB10 1JB

30 March 2016

Profit and Loss Account
for the year ended 30 June 2015

	<i>Note</i>	2015 £	2014 £
Profit on ordinary activities before taxation	2-4	-	-
Tax on profit on ordinary activities	5	(3)	(2)
Loss for the financial year	9	<u>(3)</u>	<u>(2)</u>

All figures relate to continuing operations.

The company had no recognised gains or losses other than the results reported above.

Balance Sheet
at 30 June 2015

	Note	£	2015	£	£	2014	£
Current assets							
Debtors	6	298			300		
Creditors: amounts falling due within one year	7	(3)			(2)		
Net current assets				295		298	
Net assets				295		298	
Capital and reserves							
Called up share capital	8			1		1	
Profit and loss account	9			294		297	
Shareholders' funds	10			295		298	

These financial statements were approved by the board of directors on 30 March 2016 and were signed on its behalf by:



SA MacGregor
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 financial statements.

Basis of preparation

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

As set out in note 11, the company is party to a cross guarantee arrangement given in respect of the Group's bank borrowings and guarantee facilities.

The Group has recently entered into a three year funding facility with Bank of Scotland which is due to expire on 31 October 2018. This facility currently assumes that the existing debt level will be reduced in line with agreed step-downs by the end of the facility term. The company is currently engaged in a collaborative and joint process to review the repayment profile within the facility with a view to securing land opportunities and allowing the group to meet its business growth objectives. It is anticipated that this process will be concluded by June 2016.

After making enquiries and considering the uncertainties described above, the directors of the parent company, Stewart Milne Group have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and for these reasons, the directors of this company have a reasonable expectation that the contingent liabilities in the company will not crystallise in the foreseeable future and so have prepared the accounts on a going concern basis.

The Company is exempt from the requirement of Financial Reporting Standard No 1 to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Stewart Milne Group Limited and its cash flows are included within the consolidated cash flow statement of that company.

As the Company is a wholly owned subsidiary of Stewart Milne Group Limited, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group. The consolidated financial statements of Stewart Milne Group Limited, within which this Company is included, can be obtained from the address given in note 12.

Taxation

The charge for taxation is based on the profit 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.

2 Note to the profit and loss account

Auditor's remuneration

The company's audit fee of £1,000 (2014: £1,000) was borne by its parent undertaking.

3 Remuneration of directors

The directors received no remuneration from the company during the year (2014: *£nil*).

4 Staff numbers and costs

The company had no employees during the year (2014: *none*).

Notes (continued)

5 Taxation

Analysis of charge in year

	2015 £	2014 £
<i>UK corporation tax</i>		
Current tax on income for the year		
being tax on profit on ordinary activities	3	2
	<u>3</u>	<u>2</u>

Factors affecting the tax charge for the current year

The current tax charge for the year is higher (2014: higher) than the standard rate of corporation tax in the UK of 20.75% (2014: 22.5%). The differences are explained below.

	2015 £	2014 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	-	-
	<u>-</u>	<u>-</u>
Current tax at 20.75% (2014: 22.5%)	-	-
	<u>-</u>	<u>-</u>
<i>Effects of:</i>		
Transfer pricing adjustment	3	2
	<u>3</u>	<u>2</u>
Total current tax charge (see above)	<u>3</u>	<u>2</u>

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. These reductions will reduce the company's future current tax charge accordingly.

6 Debtors

	2015 £	2014 £
Amounts due from group undertakings	298	300
	<u>298</u>	<u>300</u>

7 Creditors: amounts falling due within one year

	2015 £	2014 £
Corporation tax	3	2
	<u>3</u>	<u>2</u>

Notes (continued)

8 Called up share capital

	2015 £	2014 £
<i>Allotted, called up and fully paid</i>		
1 Ordinary share of £1 each	1	1
	<u>1</u>	<u>1</u>

9 Profit and loss account

	£
At beginning of year	297
Loss for the financial year	(3)
	<u>294</u>
At end of year	<u>294</u>

10 Reconciliation of movements in shareholders' funds

	2015 £	2014 £
Loss for the financial year	(3)	(2)
Opening shareholders' funds	298	300
	<u>295</u>	<u>298</u>
Closing shareholders' funds	<u>295</u>	<u>298</u>

11 Contingent liabilities

The company, its ultimate parent company and certain fellow subsidiaries are parties to a cross guarantee given in respect of their bank borrowings and guarantee facilities. At 30 June 2015 the total value of such facilities utilised across the group for which the company is jointly and severally liable was £201,017,000 (2014: £193,805,000).

12 Ultimate parent undertaking

The company is a subsidiary undertaking of Stewart Milne Group Limited, incorporated in Scotland, which is the ultimate parent company.

The only group in which the results of the company are consolidated is that headed by Stewart Milne Group Limited. The consolidated accounts of this company are available to the public and may be obtained from the Registrar of Companies, 4th Floor Edinburgh Quay 2, 139 Fountainbridge, Edinburgh.