



Stewart Milne Part Exchange Limited

**Directors' report and financial
statements**

Registered number SC204848

30 June 2017



Directors' report

The directors present their directors' report and financial statements for the year ended 30 June 2017.

Principal activity

The company did not trade during the current year and the directors do not intend to seek a future trade. As a result, the financial statements have not been prepared on a going concern basis, as set out in Note 1.2 to the financial statements.

Dividends

No dividends were paid during the year (2016: £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
SA MacGregor FCA

The directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

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

28 March 2018

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), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so. As such, the directors have not prepared the financial statements on a going concern basis. The effect of this is explained in Note 1.2.

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 are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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

Opinion

We have audited the financial statements of Stewart Milne Part Exchange Limited ("the company") for the year ended 30 June 2017 which comprise the Profit and Loss Account and Other Comprehensive Income, the Balance Sheet and the Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Emphasis of matter – non going concern basis of preparation

We draw attention to the disclosure made in Note 1.2 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reasons set out in that note. Our opinion is not modified in respect of this matter.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.



Independent auditor's report to the members of Stewart Milne Part Exchange Limited **(continued)**

Directors' responsibilities

As explained more fully in their 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

David Derbyshire (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

37 Albyn Place
Aberdeen
AB10 1JB
United Kingdom

28 March 2018

Profit and Loss Account and Other Comprehensive Income
for the year ended 30 June 2017

	<i>Note</i>	2017 £	2016 £
Profit before taxation	2-4	-	-
Tax on profit	5	(3)	(3)
Loss for the financial year		<u>(3)</u>	<u>(3)</u>
Other comprehensive income		-	-
Total comprehensive loss for the year		<u>(3)</u>	<u>(3)</u>

All results relate to discontinued operations.

Balance Sheet
at 30 June 2017

	<i>Note</i>	2017	2016
		£	£
Current assets			
Debtors	6	292	295
Creditors: amounts falling due within one year	7	(3)	(3)
Net current assets		<u>289</u>	<u>292</u>
Net assets		<u>289</u>	<u>292</u>
Capital and reserves			
Called up share capital	8	1	1
Profit and loss account		288	291
Shareholders' funds		<u>289</u>	<u>292</u>

These financial statements were approved by the board of directors on 28 March 2018 and were signed on its behalf by:



SA MacGregor
Director

SC204848

Statement of Changes in Equity

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 July 2015	1	294	295
Total comprehensive loss for the year			
Loss for the year	-	(3)	(3)
	<hr/>	<hr/>	<hr/>
Total comprehensive loss for the year	-	(3)	(3)
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2016	1	291	292
	<hr/>	<hr/>	<hr/>
Balance at 1 July 2016	1	291	292
Total comprehensive loss for the year			
Loss for the year	-	(3)	(3)
	<hr/>	<hr/>	<hr/>
Total comprehensive loss for the year	-	(3)	(3)
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2017	1	288	289
	<hr/>	<hr/>	<hr/>

Notes

(forming part of the financial statements)

1 Accounting policies

Stewart Milne Part Exchange Limited ("the company") is a private company incorporated, domiciled and registered in the UK. The registered number is SC204848 and the registered address is Peregrine House, Mosscroft Avenue, Westhill, AB32 6JQ.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling.

The company's intermediately parent undertaking, Stewart Milne Group Limited includes the company in its consolidated financial statements. The consolidated financial statements of Stewart Milne Group Limited are prepared in accordance with FRS 102 and are available to the public and may be obtained from Registrar of Companies, 4th Floor Edinburgh Quay 2, 139 Fountainbridge, Edinburgh. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to the end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Stewart Milne Group Limited include the equivalent disclosures, the company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The directors, in the application of these accounting policies, have not made any judgments that would have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

As the directors do not intend to acquire a replacement trade, they have not prepared the financial statements on a going concern basis.

No adjustments have been required at the balance sheet date to reflect this basis of accounting.

Notes (continued)

1 Accounting policies (continued)

1.3 Classification of financial instruments issued by the company

In accordance with FRS 102.22, financial instruments issued by the company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.4 Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

1.5 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes (continued)

2 Note to the profit and loss account

Auditor's remuneration

The company's audit fee of £1,000 (2016: £1,000) was borne by a fellow group undertaking.

3 Remuneration of directors

The directors received no remuneration for their provision of qualifying services to the company during the year (2016: £nil).

4 Staff numbers and costs

The company had no employees during the year (2016: none).

5 Taxation

Analysis of charge in year

	2017 £	2016 £
<i>UK corporation tax</i>		
Current tax on income for the year	3	3
	<hr/>	<hr/>
Total tax on loss	3	3
	<hr/>	<hr/>

The total tax charge has been recognised in the profit and loss account in the current and prior year.

Factors affecting the tax charge for the current year

The tax charge for the year is higher (2016: higher) than the standard rate of corporation tax in the UK of 19.75% (2016: 20%). The differences are explained below.

	2017 £	2016 £
<i>Total tax reconciliation</i>		
Loss for the year	(3)	(3)
<i>Total tax expense</i>	3	3
Loss before tax	-	-
	<hr/>	<hr/>
Current tax at 19.75% (2016: 20%)	-	-
	<hr/>	<hr/>
<i>Effects of:</i>		
Transfer pricing adjustment	3	3
	<hr/>	<hr/>
Total tax charge (see above)	3	3
	<hr/>	<hr/>

Factors affecting the future tax charge

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was 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 additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016.

This will reduce the company's future tax charge accordingly.

Notes (continued)

6 Debtors

	2017 £	2016 £
Amounts owed by group undertakings	292	295

7 Creditors: amounts falling due within one year

	2017 £	2016 £
Corporation tax payable	3	3

8 Called up share capital

	2017 £	2016 £
<i>Allotted, called up and fully paid</i>		
1 Ordinary shares of £1 each	1	1

9 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 2017 the total value of such facilities utilised across the group for which the company is jointly and severally liable was £161,377,000 (2016: £170,814,000).

10 Ultimate parent undertaking

The company is a subsidiary undertaking of Stewart Milne Group Holdings Limited. The ultimate controlling party is Stewart Milne.

The only group in which the results of the company are consolidated for the year ended 30 June 2017 is that headed by Stewart Milne Group Limited, Peregrine House, Mosscroft Avenue, Westhill Business Park, Westhill, Aberdeen, AB32 6JQ. The consolidated financial statements of Stewart Milne Group Limited are available to the public and may be obtained from the Registrar of Companies, 4th Floor Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.