

COMPANY REGISTRATION NUMBER SC237773

DARROCH LIMITED
FINANCIAL STATEMENTS
31 OCTOBER 2004

AITON & CO.

Chartered Accountants & Registered Auditors
50 Wellington Street
Glasgow
G2 6HJ



DARROCH LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2004

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DARROCH LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The director	Mr R Baxter
Company secretary	Kenneth Macdonald
Registered office	c/o Wright, Johnston & Mackenzie 302 St Vincent Street Glasgow G2 5RZ
Auditors	Aiton & Co. Chartered Accountants & Registered Auditors 50 Wellington Street Glasgow G2 6HJ
Bankers	Royal Bank of Scotland 53a High Street Dunblane Perthshire FK15 0EQ

DARROCH LIMITED
THE DIRECTOR'S REPORT
YEAR ENDED 31 OCTOBER 2004

The director presents his report and the financial statements of the company for the year ended 31 October 2004.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was financial services

Business in the year has been in line with expectations.

RESULTS AND DIVIDENDS

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

The director has not recommended a dividend.

THE DIRECTOR AND HIS INTERESTS IN THE SHARES OF THE COMPANY

The director who served the company during the year together with his beneficial interests in the shares of the company was as follows:

	Ordinary Shares of £1 each	
	At 31 October 2004	At 1 November 2003
Mr R Baxter	<u>1</u>	<u>1</u>

DIRECTOR'S RESPONSIBILITIES

Company law requires the director 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 of the company for that year. In preparing those financial statements, the director is required to:

select suitable accounting policies, as described on page 9, 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; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. The director is 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.

DARROCH LIMITED
THE DIRECTOR'S REPORT *(continued)*
YEAR ENDED 31 OCTOBER 2004

AUDITORS

A resolution to re-appoint Aiton & Co. as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

120 West Blackhall Street
Greenock
Renfrewshire
PA15 1XR

Signed by order of the director

A handwritten signature in black ink, appearing to read 'K Macdonald', with a long, sweeping horizontal line extending to the right.

KENNETH MACDONALD
Company Secretary

Approved by the director on 24 August 2005

DARROCH LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DARROCH LIMITED

YEAR ENDED 31 OCTOBER 2004

We have audited the financial statements of Darroch Limited for the year ended 31 October 2004 on pages 6 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an auditors' 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITORS

As described in the Statement of Director's Responsibilities the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Director's 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 director's remuneration and transactions with the company is not disclosed.

We read the Director's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom 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 director 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.

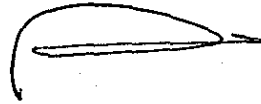
DARROCH LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DARROCH LIMITED *(continued)*

YEAR ENDED 31 OCTOBER 2004

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 October 2004 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



AITON & CO.
Chartered Accountants
& Registered Auditors

50 Wellington Street
Glasgow
G2 6HJ

24 August 2005

DARROCH LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 OCTOBER 2004

	Note	Year to 31 Oct 04 £	Period from 7 Oct 02 to 31 Oct 03 £
TURNOVER	2	125,720	5,679
Cost of sales		31,909	—
GROSS PROFIT		93,811	5,679
Administrative expenses		69,650	32,293
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		24,161	(26,614)
Tax on profit/(loss) on ordinary activities		—	—
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		24,161	(26,614)
Balance brought forward		(26,614)	—
Balance carried forward		(2,453)	(26,614)

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 9 to 13 form part of these financial statements.

DARROCH LIMITED

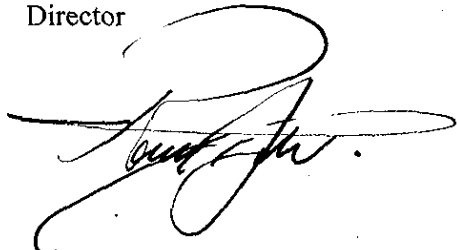
BALANCE SHEET

31 OCTOBER 2004

	Note	2004 £	2003 £
FIXED ASSETS			
Tangible assets	5	1,308	<u>653</u>
CURRENT ASSETS			
Debtors	6	20,346	4,083
Cash at bank		<u>37,278</u>	<u>16,217</u>
		57,624	20,300
CREDITORS: Amounts falling due within one year	7	<u>61,384</u>	<u>47,566</u>
NET CURRENT LIABILITIES		<u>(3,760)</u>	<u>(27,266)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(2,452)</u>	<u>(26,613)</u>
CAPITAL AND RESERVES			
Called-up equity share capital	9	1	1
Profit and loss account		<u>(2,453)</u>	<u>(26,614)</u>
DEFICIENCY	10	<u>(2,452)</u>	<u>(26,613)</u>

These financial statements were approved and signed by the director on 24 August 2005.

MR R BAXTER
Director



The notes on pages 9 to 13 form part of these financial statements.

DARROCH LIMITED
CASH FLOW STATEMENT
YEAR ENDED 31 OCTOBER 2004

	Note	Year to 31 Oct 04 £	£	Period from 7 Oct 02 to 31 Oct 03 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	11		22,153	17,194
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	11		(1,092)	(978)
CASH INFLOW BEFORE FINANCING			<u>21,061</u>	<u>16,216</u>
FINANCING	11		-	1
INCREASE IN CASH	11		<u>21,061</u>	<u>16,217</u>

The notes on pages 9 to 13 form part of these financial statements.

DARROCH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2004

1. ACCOUNTING POLICIES

Basis of accounting

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

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Equipment - 25% reducing balance

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company. An analysis of turnover is given below:

	Year to 31 Oct 04	Period from 7 Oct 02 to 31 Oct 03
	£	£
United Kingdom	<u>125,720</u>	<u>5,679</u>

DARROCH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2004

3. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging:

	Year to 31 Oct 04	Period from 7 Oct 02 to 31 Oct 03
	£	£
Director's emoluments	—	—
Depreciation of owned fixed assets	437	325
Auditors' remuneration		
- as auditors	1,410	940
Operating lease costs:		
Land and buildings	<u>19,511</u>	<u>4,706</u>

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	Year to 31 Oct 04	Period from 7 Oct 02 to 31 Oct 03
	No	No
Number of administrative staff	2	1
Number of management staff	<u>1</u>	<u>1</u>
	<u>3</u>	<u>2</u>

The aggregate payroll costs of the above were:

	Year to 31 Oct 04	Period from 7 Oct 02 to 31 Oct 03
	£	£
Wages and salaries	25,297	3,459
Social security costs	<u>1,871</u>	<u>178</u>
	<u>27,168</u>	<u>3,637</u>

DARROCH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2004

5. TANGIBLE FIXED ASSETS

	Equipment £
COST	
At 1 November 2003	978
Additions	<u>1,092</u>
At 31 October 2004	<u>2,070</u>
DEPRECIATION	
At 1 November 2003	325
Charge for the year	<u>437</u>
At 31 October 2004	<u>762</u>
NET BOOK VALUE	
At 31 October 2004	<u>1,308</u>
At 31 October 2003	<u>653</u>

6. DEBTORS

	2004 £	2003 £
Trade debtors	16,644	1,255
Prepayments and accrued income	<u>3,702</u>	<u>2,828</u>
	<u>20,346</u>	<u>4,083</u>

7. CREDITORS: Amounts falling due within one year

	2004 £	2003 £
Other creditors including taxation and social security:		
Other taxation and social security	4,449	637
Other creditors	15,000	15,001
Directors current accounts	<u>36,674</u>	<u>28,008</u>
	56,123	43,646
Accruals and deferred income	<u>5,261</u>	<u>3,920</u>
	<u>61,384</u>	<u>47,566</u>

8. RELATED PARTY TRANSACTIONS

The company is been under the control of Mr R Baxter. Mr Baxter is the managing director and majority shareholder.

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

DARROCH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2004

9. SHARE CAPITAL

Authorised share capital:

	2004	2003
	£	£
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

Allotted, called up and fully paid:

	2004		2003
	No	£	No
			£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>
			<u>1</u>

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2004	2003
	£	£
Profit/(Loss) for the financial year	24,161	(26,614)
New equity share capital subscribed	—	1
Net addition/(reduction) to shareholders' equity deficit	<u>24,161</u>	<u>(26,613)</u>
Opening shareholders' equity deficit	<u>(26,613)</u>	—
Closing shareholders' equity deficit	<u>(2,452)</u>	<u>(26,613)</u>

11. NOTES TO THE STATEMENT OF CASH FLOWS

RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Year to 31 Oct 04	Period from 7 Oct 02 to 31 Oct 03
	£	£
Operating profit/(loss)	24,161	(26,614)
Depreciation	437	325
Increase in debtors	(16,263)	(4,083)
Increase in creditors	<u>13,818</u>	<u>47,566</u>
Net cash inflow from operating activities	<u>22,153</u>	<u>17,194</u>

CAPITAL EXPENDITURE

	Year to 31 Oct 04	Period from 7 Oct 02 to 31 Oct 03
	£	£
Payments to acquire tangible fixed assets	<u>(1,092)</u>	<u>(978)</u>
Net cash outflow from capital expenditure	<u>(1,092)</u>	<u>(978)</u>

DARROCH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2004

11. NOTES TO THE STATEMENT OF CASH FLOWS *(continued)*

FINANCING

	Year to 31 Oct 04	Period from 7 Oct 02 to 31 Oct 03
	£	£
Issue of equity share capital	—	1
Net cash inflow from financing	—	1

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2004	2003
	£	£
Increase in cash in the period	21,061	16,217
Movement in net funds in the period	21,061	16,217
Net funds at 1 November 2003	16,217	—
Net funds at 31 October 2004	37,278	16,217

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Nov 2003	Cash flows	At 31 Oct 2004
	£	£	£
Net cash:			
Cash in hand and at bank	16,217	21,061	37,278
Net funds	16,217	21,061	37,278