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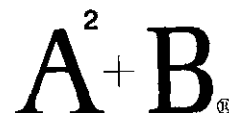
**SKENE INVESTMENTS (ABERDEEN) LIMITED**  
(Company Number: 57524)

**DIRECTORS' REPORT AND ACCOUNTS**

**31 JANUARY 2009**



**SKENE INVESTMENTS (ABERDEEN) LIMITED**  
**DIRECTORS' REPORT**



Directors: C P Skene (Chairman)  
Mrs A J K Skene  
I S McArthur  
P J Medley  
R M Skene  
Mrs J M Lindsay  
Mrs P C Norris  
B McMenemy (Appointed 1 September 2008)

Secretaries: Ledingham Chalmers LLP

Registered office: Johnstone House, 52-54 Rose Street, Aberdeen

The directors submit their report and the audited accounts of the company for the year ended 31 January 2009.

**RESULTS AND DIVIDENDS**

The profit for the year, amounting to £1,080,349 (2008 - £1,177,986), has been dealt with as shown in the profit and loss account. During the year the directors paid dividends of £30,000 (2008 - £30,000).

**PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS DEVELOPMENTS**

The company is engaged in the provision of serviced apartments, serviced offices, the operation of communications and business centres and the leasing of retail establishments.

The directors are satisfied with the results for the year.

The company's activities are affected by the level of offshore oil and gas activity which is influenced by world oil pricing and demand for oil.

The company is committed to the development of its staff and to the maintenance of a safe working environment.

**CHARITABLE CONTRIBUTIONS**

During the year the company made a charitable contribution totalling £60,000 (2008 - £nil).

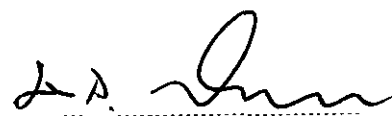
**PROVISION OF INFORMATION TO AUDITORS**

As far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware and we have taken all steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

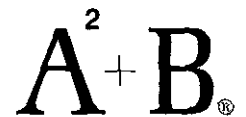
Anderson Anderson & Brown LLP have expressed their willingness to continue in office and a resolution proposing their re-appointment will be submitted at the annual general meeting.

Signed on behalf of the board of directors

  
.....  
Director - I S McArthur

.....  
11/1/09 Date

SKENE INVESTMENTS (ABERDEEN) LIMITED  
STATEMENT OF DIRECTORS' RESPONSIBILITIES



Company law requires the directors to prepare accounts 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 period. In preparing those accounts, the directors are required to:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether or not applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and,
- (d) prepare the accounts 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 which enable them to ensure that the accounts comply with the Companies Act 1985. They are 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.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF  
SKENE INVESTMENTS (ABERDEEN) LIMITED**

**A<sup>2</sup>+B<sup>®</sup>**

We have audited the accounts of Skene Investments (Aberdeen) Limited for the year ended 31 January 2009 which comprise the Profit and Loss Account, the Company Balance Sheet, the Cash Flow Statement and the related notes. These accounts have been prepared in accordance with the accounting policies set out therein.

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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether or not the accounts give a true and fair view, are properly prepared in accordance with the Companies Act 1985 and the information given in the directors' report is consistent with the accounts. We also report to you if, in our opinion, 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.

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

**Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

**Opinion**

In our opinion:-

- the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 January 2009 and of its profit for the year then ended;
- the accounts have been properly prepared in accordance with the Companies Act 1985; and
- the information provided in the directors' report is consistent with the accounts.

*Anderson Anderson & Brown LLP*

Anderson Anderson & Brown LLP  
Chartered Accountants  
Registered Auditors  
Aberdeen

11 AUGUST 2009

SKENE INVESTMENTS (ABERDEEN) LIMITED  
 PROFIT AND LOSS ACCOUNT  
 FOR THE YEAR ENDED 31 JANUARY 2009



	Note	2009 £	2008 £
TURNOVER	2	5,834,770	5,048,290
Cost of sales		3,424,615	2,679,303
GROSS PROFIT		<u>2,410,155</u>	<u>2,368,987</u>
Administrative expenses		1,030,790	846,767
OPERATING PROFIT	3	<u>1,379,365</u>	<u>1,522,220</u>
Interest payable	6	61,024	76,363
Interest receivable		190,303	228,469
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>1,508,644</u>	<u>1,674,326</u>
Taxation	7	428,295	496,340
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>£ 1,080,349</u>	<u>£ 1,177,986</u>

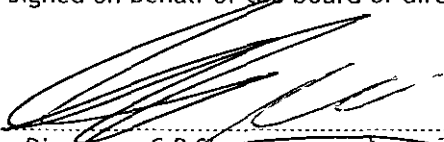
The company made no gains or losses other than as reported above. Movements on reserves are as set out in Note 16.

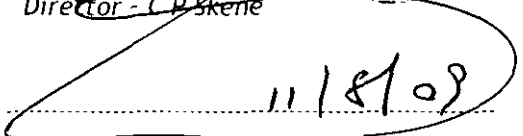
SKENE INVESTMENTS (ABERDEEN) LIMITED  
BALANCE SHEET - 31 JANUARY 2009

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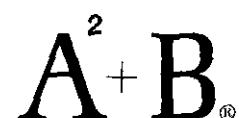
	Note	2009 £	2008 £
<b>FIXED ASSETS</b>			
Tangible assets	9	19,540,542	19,076,690
Investments	10	-	-
		<u>19,540,542</u>	<u>19,076,690</u>
<b>CURRENT ASSETS</b>			
Debtors	11	813,110	1,020,981
Cash at bank and in hand		3,381,730	3,600,203
		<u>4,194,840</u>	<u>4,621,184</u>
CREDITORS: <i>amounts falling due within one year</i>	12	1,152,420	800,504
NET CURRENT ASSETS		<u>3,042,420</u>	<u>3,820,680</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		22,582,962	22,897,370
CREDITORS: <i>amounts falling due after more than one year</i>	13	-	1,395,000
PROVISION FOR LIABILITIES AND CHARGES	14	376,687	346,444
		<u>£ 22,206,275</u>	<u>£ 21,155,926</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	1,573,248	1,573,248
Revaluation reserve	16	2,151,072	2,151,072
Profit and loss account	16	18,481,955	17,431,606
SHAREHOLDERS' FUNDS	16	<u>£ 22,206,275</u>	<u>£ 21,155,926</u>

Signed on behalf of the board of directors

  
.....  
Director - C. B. Skene

  
.....  
Date

SKENE INVESTMENTS (ABERDEEN) LIMITED  
 CASH FLOW STATEMENT  
 FOR THE YEAR ENDED 31 JANUARY 2009



	Note	2009 £	2008 £
Net cash inflow from operating activities	21	1,623,837	1,707,999
Returns on investments and servicing of finance	22	99,279	122,106
Taxation		(478,989)	(546,676)
Capital expenditure and financial investment	22	(751,758)	(3,331,528)
Other financing	22	(710,842)	1,393,420
<b>Decrease in cash in year</b>		<b>£ (218,473)</b>	<b>£ (654,679)</b>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	Note	2009 £	2008 £
Decrease in cash in the year		(218,473)	(654,679)
Cash outflow/(inflow) from change in financing		710,842	(1,393,420)
Change in net funds resulting from cash flows	23	492,369	(2,048,099)
<b>Net funds at 31 January 2008</b>	23	<b>2,519,269</b>	<b>4,567,368</b>
<b>Net funds at 31 January 2009</b>	23	<b>£ 3,011,638</b>	<b>£ 2,519,269</b>

1. ACCOUNTING POLICIES

(a) *Basis of accounts preparation*

The accounts are prepared under the historical cost convention, modified to include the revaluation of investment property and heritable property, and in accordance with applicable accounting standards.

(b) *Group accounts*

The company is exempt by virtue of Section 248 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

(c) *Properties*

The company's properties comprise principally freehold land and buildings which are utilised in the provision of serviced accommodation on a short term basis. As noted below the buildings are not depreciated although components such as furniture and fittings are separately identified and depreciated accordingly.

The company's properties are subject to an annual impairment review by the directors. No provision is made for depreciation and this departure from the requirement of the Companies Act 1985, which require all properties to be depreciated is, in the opinion of the directors, necessary for the accounts to show a true and fair view.

(d) *Depreciation*

Except for properties, the cost of fixed assets is written off over their expected useful lives as follows:

Plant, fixtures and fittings	5 - 10 years straight line
Motor vehicles	4 years straight line

(e) *Taxation*

Current tax, including UK corporation tax and foreign tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have been originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the accounts that arise from the inclusion of gains and losses in tax assessments in the period which are different from those recognised in the accounts. Deferred tax has been measured on a non-discounted basis.

(f) *Operating leases*

Rentals paid under operating leases are charged to income over the term of the lease.



1. ACCOUNTING POLICIES (continued)

(g) Pensions

The company operates two defined contribution pension schemes for the employees of the company and its related undertaking. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the schemes.

(h) Grants

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

(i) Investments

Investments are stated at cost less provision for any permanent diminution in value.

2. TURNOVER

Turnover comprises the provision of goods and services in the UK which fall within the company's ordinary activities, net of value added tax.

3. OPERATING PROFIT is stated after charging/(crediting):

	2009 £	2008 £
Depreciation	287,906	269,082
Auditors' remuneration - audit services	6,500	6,500
- non audit services	2,000	2,000
Gain on sale of fixed assets	-	(32,426)
Loss on sale of investments	-	62,593
	<u>296,406</u>	<u>307,059</u>

4. STAFF COSTS AND NUMBERS

	2009 £	2008 £
Staff costs - wages and salaries	2,158,769	1,754,962
- social security costs	170,704	147,698
- other pension costs	29,749	28,125
	<u>£ 2,359,222</u>	<u>£ 1,930,785</u>

The average number of persons employed by the company during the year, including the directors, was 196 (2008 - 156).

5. DIRECTORS' REMUNERATION

	2009 £	2008 £
Emoluments (including benefits in kind)	394,420	382,047
Pension contributions	11,380	9,485
	<u>£ 405,800</u>	<u>£ 391,532</u>

The amounts in respect of the highest paid director are as follows:

	2009	2008
Emoluments (excluding pension contributions)	<u>£ 172,391</u>	<u>£ 169,419</u>

Payments were made to a defined contribution scheme on behalf of 4 directors (2008 - 3).

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2009 £	2008 £
Bank and loan interest	58,685	73,916
Other interest	2,339	2,447
	<u>£ 61,024</u>	<u>£ 76,363</u>

7. TAXATION *charge based on the profit for the year comprises:*

	2009 £	2008 £
Current year:		
Corporation tax	398,720	427,000
Deferred tax	29,680	71,000
	<u>428,400</u>	<u>498,000</u>
Prior years:		
Corporation tax	(668)	(1,872)
Deferred tax	563	212
	<u>£ 428,295</u>	<u>£ 496,340</u>

The tax charge above does not differ materially from the current tax charge that would result from applying the company's tax rate of 28.33% to its pre tax profits.

8. DIVIDENDS

	2009 & 2008
45.4p per ordinary "B" share paid (2008 - 45.4p)	<u>£ 30,000</u>

9. TANGIBLE FIXED ASSETS

	Investment property £	Land & buildings £	Plant, fixtures & fittings £	Motor vehicles £	Total £
<b>COST OR VALUATION</b>					
At 1 February 2008	872,706	16,715,803	4,325,258	190,604	22,104,371
Additions	-	456,121	295,637	-	751,758
<b>At 31 January 2009</b>	<u>872,706</u>	<u>17,171,924</u>	<u>4,620,895</u>	<u>190,604</u>	<u>22,856,129</u>
<b>DEPRECIATION</b>					
At 1 February 2008	-	-	2,905,510	122,171	3,027,681
Charge for year	-	-	249,767	38,139	287,906
<b>At 31 January 2009</b>	<u>-</u>	<u>-</u>	<u>3,155,277</u>	<u>160,310</u>	<u>3,315,587</u>
<b>Net book amounts at:</b>					
31 January 2009	<u>£ 872,706</u>	<u>£ 17,171,924</u>	<u>£ 1,465,618</u>	<u>£ 30,294</u>	<u>£ 19,540,542</u>
31 January 2008	<u>£ 872,706</u>	<u>£ 16,715,803</u>	<u>£ 1,419,748</u>	<u>£ 68,433</u>	<u>£ 19,076,690</u>

The investment properties and land and buildings have been valued by the directors based on a valuation as at 31 January 2002 received from external chartered surveyors and valuers.

The historical cost of investment properties and land and buildings included at valuation is £10,514,954 (2008 - £10,058,833).

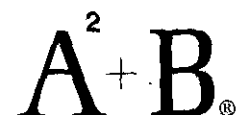
10. FIXED ASSET INVESTMENTS

	2009 £	2008 £
At 31 January 2008	-	1,149,155
Additions in year	-	50,917
Disposals	-	(1,200,072)
<b>At 31 January 2009</b>	<u>£ -</u>	<u>£ -</u>

The company holds 100% of the share capital of the following company:

<b>Albyn Properties Limited</b>	
<i>Holding:</i>	Ordinary shares
<i>Nature of business:</i>	Non trading
<i>Proportion of shares held:</i>	100%
<i>Aggregate capital and reserves:</i>	£nil

SKENE INVESTMENTS (ABERDEEN) LIMITED  
 NOTES ON THE ACCOUNTS - 31 JANUARY 2009



11. DEBTORS

	2009 £	2008 £
Trade debtors	575,274	439,804
Amounts owed by related undertaking	-	314,066
Prepayments and accrued income	237,836	264,965
Other debtors	-	2,146
	<u>£ 813,110</u>	<u>£ 1,020,981</u>

12. CREDITORS: *amounts falling due within one year*

	2009 £	2008 £
Trade creditors	226,106	267,791
Other creditors	28,914	51,937
Corporation tax	96,773	177,710
Other taxes and social security	162,861	94,380
Accruals and deferred income	267,674	208,686
Amounts owed to related undertaking	370,092	-
	<u>£ 1,152,420</u>	<u>£ 800,504</u>

13. CREDITORS: *amounts falling due after more than one year*

	2009	2008
Bank loans (Note 19)	<u>£ nil</u>	<u>£ 1,395,000</u>

14. PROVISION FOR LIABILITIES AND CHARGES

The provision represents the maximum potential liability to deferred tax as follows:

	£
At 1 February 2008	346,444
Transferred during the year	30,243
	<hr/>
At 31 January 2009	<u>£ 376,687</u>

Deferred taxation provided in the accounts and the amounts not provided are as follows:

	2009 £	Provided 2008 £	2009 £	Not provided 2008 £
Capital allowances in advance of depreciation	376,687	346,444	-	-
Taxation on revaluation surplus	-	-	45,720	51,178
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>£ 376,687</u>	<u>£ 346,444</u>	<u>£ 45,720</u>	<u>£ 51,178</u>

No deferred tax has been provided on the investment properties and land and buildings revalued on 31 January 2002 as there is no intention to sell these properties in the foreseeable future.

15. CALLED UP SHARE CAPITAL

	2009 & 2008 £
<b>Authorised:</b>	
“A” ordinary shares of £1 each	2,933,952
“B” ordinary shares of £1 each	66,048
	<hr/>
	<u>£ 3,000,000</u>
 <b>Allotted, called up and fully paid:</b>	
“A” ordinary shares of £1 each	1,507,200
“B” ordinary shares of £1 each	66,048
	<hr/>
	<u>£ 1,573,248</u>

Both “A” and “B” ordinary shares carry the same rights and entitlements and rank pari passu (as if they constituted one class of share).

16. RECONCILIATION OF SHAREHOLDERS' FUNDS  
 AND MOVEMENTS ON RESERVES

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 31 January 2007	1,573,248	2,151,072	16,283,620	20,007,940
Profit for the year	-	-	1,177,986	1,177,986
Dividends	-	-	(30,000)	(30,000)
At 31 January 2008	1,573,248	2,151,072	17,431,606	21,155,976
Profit for the year	-	-	1,080,349	1,080,349
Dividends	-	-	(30,000)	(30,000)
At 31 January 2009	<u>£ 1,573,248</u>	<u>£ 2,151,072</u>	<u>£ 18,481,955</u>	<u>£ 22,206,275</u>

17. CAPITAL COMMITMENTS

Amounts contracted for but not provided in the accounts amounted to £147,260 (2008 - £164,309).

18. PENSION COMMITMENTS

The company operates a personal pension plan for Skene Investments (Aberdeen) Limited and a related undertaking Skene Enterprises (Aberdeen) Limited. A defined contribution scheme is operated for two directors of the company. The assets of the schemes are held separately in independently administered funds. The pension cost charge represents contributions payable to the funds and amounted to £29,747 (2008 - £28,125).

19. SECURITIES

The company has granted standard securities over the investment properties and a bond and floating charge over all the assets of the company.

The company has granted a guarantee in favour of the Bank of Scotland for payment of all sums due to the bank by Skene Enterprises (Aberdeen) Limited.

20. RELATED PARTY TRANSACTIONS

**Control**

Throughout the year the company was controlled by the directors.

**Transactions**

During the year the company entered into the following related party transactions:

Related party	Transaction	£	Balance due at year end £
Skene Enterprises (Aberdeen) Limited, a company under common ownership	Recharged costs	34,166	8,841
	Purchases	39	-
	Cash advances	(676,038)	(370,092)
Morgan Properties, a company under common ownership	Sales and recharge of costs	147,704	25,292
Skene Enterprise Trust, an entity under common ownership	Donation	60,000	-

21. RECONCILIATION OF OPERATING PROFIT TO  
 NET CASH INFLOW FROM OPERATING ACTIVITIES

	2009 £	2008 £
Operating profit	1,379,365	1,522,220
Depreciation	287,906	269,082
Increase in debtors	(106,195)	(40,047)
Increase/(decrease) in creditors	62,761	(73,423)
Gain on sale of fixed assets	-	(32,426)
Loss on sale of investments	-	62,593
Net cash inflow from operating activities	<u>£ 1,623,837</u>	<u>£ 1,707,999</u>

22. ANALYSIS OF CASH FLOWS FOR HEADINGS IN THE CASH FLOW STATEMENT

	2009 £	2008 £
<b>Returns on investments and servicing of finance</b>		
Interest received	190,303	228,469
Interest paid	(61,024)	(76,363)
Dividends	(30,000)	(30,000)
<b>Net cash inflow from returns on investments and servicing of finance</b>	<u>£ 99,279</u>	<u>£ 122,106</u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(751,758)	(4,450,515)
Sale of tangible fixed assets	-	32,425
Payment to acquire fixed asset investment	-	(50,917)
Sale of fixed asset investment	-	1,137,479
<b>Net cash outflow from capital expenditure and financial investment</b>	<u>£ (751,758)</u>	<u>£ (3,331,528)</u>
<b>Financing</b>		
New loans received	-	895,000
Repayment of amounts borrowed	(1,395,000)	-
Amounts advanced from related undertaking	684,158	498,420
<b>Net cash (outflow)/inflow from financing</b>	<u>£ (710,842)</u>	<u>£ 1,393,420</u>

23. ANALYSIS OF NET FUNDS

	At 31 January 2008 £	Cash flow £	At 31 January 2009 £
Cash at bank and in hand	3,600,203	(218,473)	3,381,730
Debt due greater than one year	(1,395,000)	1,395,000	-
Debt due in less than one year	314,066	(684,158)	(370,092)
	<u>£ 2,519,269</u>	<u>£ 492,369</u>	<u>£ 3,011,638</u>