

SCRAN Limited

Directors' report and financial  
statements

31 August 2007

Registered number SC 163518

TUESDAY



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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 August 2007

### Principal activity

The company provides value added access to the SCRAN networked resource base, sells uses of multimedia resources and products derived from them and provides consultancy and web based services based on the expertise of the SCRAN team

### Business review

The results for the year are set out in the profit and loss account on page 5

### Directors

The directors who held office during the year were as follows

M Wade (resigned 26 September 2006)

D Murray

M Jones (resigned 18 September 2006)

J Hume (appointed 1 March 2007)

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company

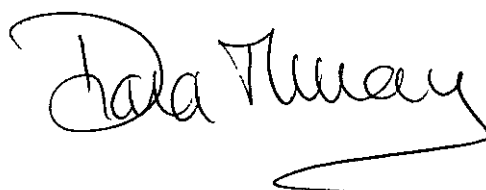
### Small Company Exemptions

The directors' report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

### Approval of the report

At the time of approving the report the directors are aware of no relevant audit information of which the company's auditors are unaware and have taken all steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

By order of the board



28.4.08

**D Murray**  
Director

28 April 2008

## Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The accounts are required by law to 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, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- 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. They are also responsible for the maintenance and integrity of the corporate and financial information included on the company's website.



# HENDERSON LOGGIE

Chartered Accountants  
34 Melville Street  
Edinburgh  
EH3 7HA

## Independent auditors' report to the shareholders of SCRAN Limited

We have audited the financial statements of SCRAN Limited for the year ended 31 August 2007 which comprise the profit and loss account, the balance sheet, and the related notes. These financial statements 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements 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 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 whether in our opinion the information given in the directors' report is consistent with the financial statements. In addition we 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 other transactions 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 audit 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 financial statements. It also includes an assessment of the significant estimates and judgments 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.

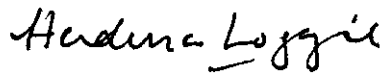
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## **Independent auditors' report to the shareholders of SCRAN Limited *(continued)***

### **Opinion**

In our opinion

- the financial statements 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 August 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' report is consistent with the financial statements



**Henderson Loggie**  
*Registered Auditors*

28 April 2008

**Profit and loss account**  
*for the year ended 31 August 2007*

	<i>Note</i>	<b>2007</b> £	2006 £
Licence fee income		320,828	391,456
Consultancy fees		249,603	445,959
Other income		16,746	20,104
		<hr/>	<hr/>
Administrative expenses		587,177 (448,675)	857,519 (493,742)
		<hr/>	<hr/>
<b>Operating profit</b>		138,502	363,777
Bank interest receivable		11,620	5,885
Gain on sale of fixed asset		200	
Other interest payable		(3,627)	(4,452)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>	2	146,695	365,210
Tax on profit on ordinary activities	5	(2,257)	(591)
		<hr/>	<hr/>
<b>Retained profit for the financial year</b>		144,438	364,619
		<hr/>	<hr/>

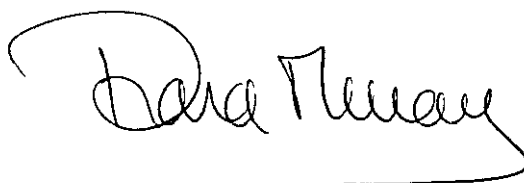
The company had no recognised gains or losses other than profit for the current and preceding financial years  
 All activities are classed as continuing

**Balance sheet**  
*at 31 August 2007*

	<i>Note</i>	<b>2007</b>	<b>2006</b>
		£	£
<b>Fixed assets</b>			
Tangible assets	6	15,017	5,648
<b>Current assets</b>			
Debtors	7	487,452	440,184
Cash at bank and in hand		166,607	87,451
		<u>654,059</u>	<u>527,635</u>
<b>Creditors</b> amounts falling due within one year	8	<u>(469,672)</u>	<u>(469,704)</u>
<b>Net current assets</b>		<b>184,387</b>	<b>57,931</b>
<b>Total assets less current liabilities</b>		<b>199,404</b>	<b>63,579</b>
<b>Creditors</b> amounts falling due after more than one year	9		(8,613)
<b>Net assets</b>		<b>199,404</b>	<b>54,966</b>
<b>Capital and reserves</b>			
Called up share capital	10	1,908,158	1,908,158
Profit and loss account		(1,708,754)	(1,853,192)
<b>Equity shareholders' funds</b>	11	<b>199,404</b>	<b>54,966</b>

These financial statements have been prepared in accordance with the special provision of Part VII of the Companies Act 1985. They were approved and authorised for issue by the board of directors on 28 April 2008 and signed on its behalf by

**D Murray**  
Director

 28.4.08



## 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 company's financial statements

#### *Basis of preparation*

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

Advantage has been taken of the Special Provisions of Part VII of the Companies Act 1985 relating to small companies

The company is a small company and is exempt by Financial Reporting Standard 1 from the requirement to prepare a cash flow statement

As the company is a wholly owned subsidiary of The SCRAN Trust, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of The SCRAN Trust, within which this company is included, can be obtained from the Registrar of Companies, Companies House, 37 Castle Terrace, Edinburgh EH1 2EB

#### *Fixed assets and depreciation*

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Systems computer equipment	3 years
Office computer equipment	on acquisition

#### *Leases*

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease

#### *Pension scheme*

The company contributes to defined contribution pension schemes on behalf of all employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting year

## Notes (continued)

### 2 Profit on ordinary activities before taxation

	2007	2006
	£	£
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
Auditors' remuneration	2,975	2,200
Depreciation of tangible fixed assets	8,978	2,814
Hire of land and buildings – operating leases	58,335	48,333
	<u>          </u>	<u>          </u>

### 3 Remuneration of directors

No director received any remuneration or reimbursement of expenses during the year (2006 £Nil)

### 4 Staff numbers and costs

The average number of employees of the company during the year, analysed by category, was as follows

	2007	2006
Management	1	1
Project implementation	6	6
Administration	2	2
	<u>          </u>	<u>          </u>
	9	9

The aggregate payroll costs of these employees were as follows

	2007	2006
	£	£
Wages and salaries	233,034	235,635
Social security costs	23,978	24,472
Other pension costs	16,499	14,820
	<u>          </u>	<u>          </u>
	273,511	274,927

### 5 Taxation

The tax charge on the profit on ordinary activities for the year was £2,257 (2006 £591)

#### Factors affecting the tax charge for the current period

The current tax charge for the period is higher (2006 higher) than the standard rate of corporation tax in the UK 20% (2006 19%). The differences are explained below

	2007	2006
	£	£
Profit on ordinary activities before tax	146,695	365,210
	<u>          </u>	<u>          </u>
Current tax at 20% (2006 19%)	29,339	69,390
Effects of		
Capital allowances in excess of depreciation	(4,293)	(4,741)
Profit on sale of fixed assets	(40)	
Losses carried forward for future offset/(utilised in year)	(23,664)	(60,247)
Expenses not deductible for tax purposes	1,032	665
Taxable income chargeable at 0%	(67)	(526)
Expenses deductible when paid		(3,950)
On line filing bonus	(50)	
	<u>          </u>	<u>          </u>
Total current tax charge	2,257	591

Losses available to carry forward are £1,627,296

## Notes (continued)

### 5 Taxation (continued)

Provision has not been made for deferred taxation as it is an asset and the future income streams of the company are uncertain

The elements of the deferred taxation asset not provided for are as follows

	2007 £	2006 £
Difference between depreciation and capital allowances	11,166	14,318
Trading losses available for future offset	325,459	331,667
Other timing differences		3,292
	<u>336,625</u>	<u>349,277</u>

### 6 Tangible fixed assets

	Systems computer equipment £	Office computer equipment £	Total £
<i>Cost</i>			
At beginning of year	86,871	30,740	117,611
Additions	13,567	4,780	18,347
Disposals	(67,745)	(22,265)	(90,010)
	<u>32,693</u>	<u>13,255</u>	<u>45,948</u>
<i>Depreciation</i>			
At beginning of year	81,223	30,740	111,963
Charge for year	4,198	4,780	8,978
Disposals	(67,745)	(22,265)	(90,010)
	<u>17,676</u>	<u>13,255</u>	<u>30,931</u>
<i>Net book value</i>			
At 31 August 2007	<u>15,017</u>		<u>15,017</u>
At 31 August 2006	<u>5,648</u>		<u>5,648</u>

### 7 Debtors

	2007 £	2006 £
Trade debtors	84,619	75,057
Other debtors	576	1,312
Prepayments and accrued income	402,257	363,815
	<u>487,452</u>	<u>440,184</u>

## Notes (continued)

### 8 Creditors: amounts falling due within one year

	2007 £	2006 £
Trade creditors	13,603	14,098
Amounts owed to group undertakings	39,000	39,000
Corporation tax	2,257	591
Taxation and social security	28,919	15,395
Other creditors	11,435	11,174
Accruals and deferred income	374,458	389,446
	<u>469,672</u>	<u>469,704</u>

### 9 Creditors: amounts falling due after more than one year

	2007 £	2006 £
Accruals and deferred income		8,613
	<u></u>	<u></u>

### 10 Called up share capital

	2007 £	2006 £
<i>Authorised</i>		
Equity Ordinary shares of £1 each	1,908,158	1,908,158
	<u></u>	<u></u>
<i>Allotted and called up</i>		
Equity Ordinary shares of £1 each	1,908,158	1,908,158
	<u></u>	<u></u>

### 11 Reconciliation of movements in shareholders' funds

	2007 £	2006 £
Profit for the financial year	144,438	366,884
Opening shareholders' funds/(deficit)	54,966	(311,918)
	<u></u>	<u></u>
Closing shareholders' funds	199,404	54,966
	<u></u>	<u></u>

### 12 Commitments

- (a) There were no capital commitments at the end of the financial year, or the previous financial year, for which provision has been made
- (b) Annual commitments under non cancellable operating leases are as follows

	Land and buildings 2007 £	2006 £
<i>Operating leases which expire:</i>		
Within one year		
In the second to fifth years inclusive	58,000	58,000
	<u></u>	<u></u>

**Notes** *(continued)*

**13 Related party transactions**

During the year the company paid royalties and received licence income from the Royal Commission on the Ancient and Historical Monuments of Scotland (RCAHMS), an organisation in which the company directors, Diana Murray and John Hume, are the Chief Executive and the Chairman respectively. All transactions were incurred on a normal commercial basis.

**14 Post balance sheet event**

On 1 April 2008, the employees of SCRAN Limited were transferred to the Royal Commission on the Ancient and Historic Monuments of Scotland.

**15 Ultimate parent company**

The company is a subsidiary undertaking of The SCRAN Trust. The consolidated financial statements of the group are available to the public and may be obtained from The Registrar of Companies, Companies House, 37 Castle Terrace, Edinburgh EH1 2EB.