

Black Hill Industrial Estate Limited
FINANCIAL STATEMENTS
for the year ended
31 December 2012



Black Hill Industrial Estate Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

G B Anderson
S M Laurensen
H A N Jamieson
M Roberts
A B M Spence

SECRETARY

V I Sandison

REGISTERED OFFICE

Albert Building
Lerwick
Shetland
ZE1 0LL

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
St. Olaf's Hall
Church Road
Lerwick
Shetland
ZE1 0FD

SOLICITORS

Anderson & Goodlad
52 Commercial Street
Lerwick
Shetland
ZE1 0BD

Black Hill Industrial Estate Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Black Hill Industrial Estate Limited for the year ended 31 December 2012.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the development, maintenance, administration and leasing of industrial sites in Shetland.

DIRECTORS

The directors who served the company during the year were as follows:

G B Anderson
S M Laurensen
H A N Jamieson
M Roberts
A B M Spence

(Appointed 2 January 2012)

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Registered office:
Albert Building
Lerwick
Shetland
ZE1 0LL

On behalf of the board



M Roberts
Director

12 September 2013

Black Hill Industrial Estate Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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 those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. 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 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 AUDITOR'S REPORT TO THE MEMBERS OF BLACK HILL INDUSTRIAL ESTATE LIMITED

We have audited the financial statements on pages 5 to 10. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 more fully explained in the Directors' Responsibilities Statement set out on page 3, 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 (APB'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 APB's website at [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx)

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

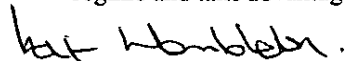
Opinion on other matter prescribed by the Companies Act 2006

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report.



IRENE HAMBLETON (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

St. Olaf's Hall

Church Road

Lerwick

Shetland ZE1 0FD

B September 2013

Black Hill Industrial Estate Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2012

		2012	2011
	<i>Notes</i>	£	£
TURNOVER		64,510	72,236
Cost of sales		(16,907)	(16,906)
Gross profit		47,603	55,330
Other operating charges		(122)	(82)
Administrative expenses		(12,952)	(9,321)
OPERATING PROFIT	2	34,529	45,927
Interest receivable	3	5,471	8,183
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		40,000	54,110
Taxation	4	(11,127)	(14,659)
PROFIT FOR THE FINANCIAL YEAR	11	28,873	39,451

Black Hill Industrial Estate Limited**BALANCE SHEET****31 December 2012**

	Notes	£	2012 £	£	2011 £
FIXED ASSETS					
Tangible assets	5		494,619		511,526
CURRENT ASSETS					
Debtors	6	26,029		17,263	
Cash at bank and in hand		560,303		520,401	
		586,332		537,664	
CREDITORS					
Amounts falling due within one year	7	(42,636)		(40,099)	
NET CURRENT ASSETS			543,696		497,565
TOTAL ASSETS LESS CURRENT LIABILITIES			1,038,315		1,009,091
Deferred taxation	8		(1,628)		(1,277)
			1,036,687		1,007,814
CAPITAL AND RESERVES					
Called up share capital	10		320,000		320,000
Profit and loss account	11		716,687		687,814
SHAREHOLDERS' FUNDS			1,036,687		1,007,814

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements on pages 5 to 10 were approved by the board of directors and authorised for issue on 12 September 2013 and are signed on their behalf by:



M Roberts
Director



H A N Jamieson
Director

Black Hill Industrial Estate Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

1 ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

TURNOVER

Turnover represents the amount derived from the leasing of sites and the provision of goods and services in the UK which fall within the company's ordinary activities, stated net of value added tax.

All the company's activities are considered to be continuing and no acquisitions have been made during the year.

FIXED ASSETS

All fixed assets are initially recorded at cost.

DEPRECIATION

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

Freehold Property	- 25 years	
Site works and roadway	- 50 years	Freehold land - nil

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have 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 financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

GOING CONCERN

No material uncertainties that may cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors. As a result they have adopted the going concern basis of accounting.

Black Hill Industrial Estate Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

2 OPERATING PROFIT

Operating profit is stated after charging:

	2012 £	2011 £
Depreciation of owned fixed assets	16,907	16,906
Auditor's fees	<u>2,825</u>	<u>2,740</u>

3 INTEREST RECEIVABLE

	2012 £	2011 £
Bank interest receivable	<u>5,471</u>	<u>8,183</u>

4 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2012 £	2011 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 20% (2011 - 20%)	10,776	13,382
Total current tax	<u>10,776</u>	<u>13,382</u>
Deferred tax:		
Origination and reversal of timing differences (note 8)		
Capital allowances	351	1,277
Tax on profit on ordinary activities	<u>11,127</u>	<u>14,659</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20% (2011 - 20%), as explained below

	2012 £	2011 £
Profit on ordinary activities before taxation	<u>40,000</u>	<u>54,110</u>
Profit on ordinary activities by rate of tax	8,000	10,822
Effects of:		
Depreciation for period in excess of capital allowances	2,776	2,397
Tax chargeable at higher rates	-	163
Total current tax (note 4(a))	<u>10,776</u>	<u>13,382</u>

Black Hill Industrial Estate Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

5 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Site, works and roadway £	Total £
Cost			
At 1 January 2012 and 31 December 2012	<u>204,009</u>	<u>551,309</u>	<u>755,318</u>
Depreciation			
At 1 January 2012	11,728	232,064	243,792
Charge for the year	<u>5,881</u>	<u>11,026</u>	<u>16,907</u>
At 31 December 2012	<u>17,609</u>	<u>243,090</u>	<u>260,699</u>
Net book value			
At 31 December 2012	<u>186,400</u>	<u>308,219</u>	<u>494,619</u>
At 31 December 2011	<u>192,281</u>	<u>319,245</u>	<u>511,526</u>

6 DEBTORS

	2012 £	2011 £
Trade debtors	25,431	15,331
Prepayments and accrued income	<u>598</u>	<u>1,932</u>
	<u>26,029</u>	<u>17,263</u>

7 CREDITORS: Amounts falling due within one year

	2012 £	2011 £
Trade creditors	6,308	30
Corporation tax	10,777	13,383
Other taxation	4,032	4,115
Other creditors	<u>21,519</u>	<u>22,571</u>
	<u>42,636</u>	<u>40,099</u>

8 DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	2012 £	2011 £
Provision brought forward	1,277	-
Profit and loss account movement arising during the year	<u>351</u>	<u>1,277</u>
Provision carried forward	<u>1,628</u>	<u>1,277</u>

Black Hill Industrial Estate Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

8 DEFERRED TAXATION *(continued)*

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2012 £	2011 £
Excess of taxation allowances over depreciation on fixed assets	1,628	1,277
	<u>1,628</u>	<u>1,277</u>

9 RELATED PARTY TRANSACTIONS

Throughout the year the Lerwick Port Authority owned 51% of the shares in the company. During the year the company purchased goods and services amounting to £4,758 (2011 - £4,555) at normal market prices. Included in trade creditors at the year end was £5,480 (2011 - £Nil) due to Lerwick Port Authority.

10 SHARE CAPITAL

	2012 £	2011 £
Allotted, called up and fully paid: 320,000 Ordinary shares of £1 each	<u>320,000</u>	<u>320,000</u>

11 PROFIT AND LOSS ACCOUNT

	2012 £	2011 £
At the beginning of the year	687,814	648,363
Profit for the financial year	<u>28,873</u>	<u>39,451</u>
At the end of the year	<u>716,687</u>	<u>687,814</u>

12 ULTIMATE PARENT COMPANY

The majority shareholder is the Lerwick Port Authority holding 51% of the shares in the company.