

895848

SCANIA PROPERTIES LIMITED
ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2005



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Registered number 895848

SCANIA PROPERTIES LIMITED
YEAR ENDED 31 DECEMBER 2005

DIRECTORS REPORT

The Directors present their annual report together with the financial statements for the year ended 31 December 2005.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company during the year was that of renting property to Scania distributors, all of which are fellow subsidiary companies.

The Directors consider the results to be satisfactory and in line with expectation.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £1,000 (2004: £125,000 loss). Ordinary dividends of £1,730,000 were paid during the year.

FUTURE DEVELOPMENTS

As a result of restructuring in the Scania Group, the company has ceased to trade with effect from 31 December 2005. From that date, the trade and assets of the company became a trading division of Scania (Great Britain) Limited, the company's immediate parent undertaking.

DIRECTORS

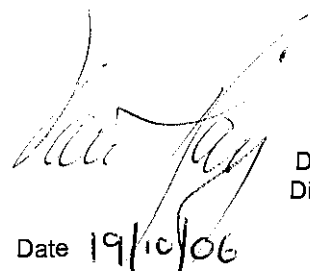
The Directors who served during the year were:

D Hoij
S A Wager

DIRECTORS' INTERESTS

The Directors have no interests which require to be recorded in the register maintained by the company under section 325 of the Companies Act 1985.

ON BEHALF OF THE BOARD



D HOIJ
Director

Date 19/10/06

SCANIA PROPERTIES LIMITED
YEAR ENDED 31 DECEMBER 2005

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors 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 period. In preparing those 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 accounting standards have been followed
- 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 ensuring that the Directors' report and other information included in the annual report is prepared in accordance with company law in the United Kingdom.

The Directors are also 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 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.

SCANIA PROPERTIES LIMITED
YEAR ENDED 31 DECEMBER 2005

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SCANIA PROPERTIES LIMITED

We have audited the company's financial statements for the year ended 31 December 2005, which comprise the Profit and Loss Account, the Balance Sheet, statement of Total Recognised Gains and Losses and the related notes 1 to 15. These financial statements have been prepared under 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 are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as 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 if, in our opinion, the Directors' 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 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.

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 December 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Ernst & Young LLP
Registered Auditor
Luton

19 October 2006

SCANIA PROPERTIES LIMITED
YEAR ENDED 31 DECEMBER 2005

PROFIT AND LOSS ACCOUNT

	Notes	2005 £'000	2004 £'000
Turnover – rental income	2	1,488	1,187
Rents payable and other property outgoings		(552)	(502)
Net rental income		936	685
Administrative expenses		(4)	(26)
Operating profit		932	659
Profit on sale of properties		-	-
Interest payable and similar charges	3	(777)	(679)
Profit/(loss) on ordinary activities before taxation	4	155	(20)
Tax on profit on ordinary activities	6	(156)	(105)
(Loss)/profit for the financial year	12	(1)	(125)

There were no other recognised gains or losses other than the loss for the period of £1,000 attributable to shareholders for the year ended 31 December 2005 (2004 £125,000).

SCANIA PROPERTIES LIMITED
YEAR ENDED 31 DECEMBER 2005

BALANCE SHEET

	<u>Notes</u>	<u>2005</u> £'000	<u>2004</u> £'000
FIXED ASSETS			
Tangible assets	8	-	16,769
CURRENT ASSETS			
Debtors	9	501	-
CREDITORS			
Amounts falling due Within one year	10	-	(14,509)
NET CURRENT ASSETS/(LIABILITIES)		501	(14,509)
TOTAL ASSETS LESS CURRENT LIABILITIES		501	2,260
PROVISIONS	7	-	(28)
NET ASSETS		501	2,232
CAPITAL AND RESERVES			
Called up share Capital	11	500	500
Profit and loss Account	12	1	1,732
SHAREHOLDERS' FUNDS	13	501	2,232

The financial statements were approved by the Board on 29/3/2006

S WAGER

Director

SCANIA PROPERTIES LIMITED
YEAR ENDED 31 DECEMBER 2005

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

a Basis of preparation of financial statements

The financial statements are prepared under the historical cost and convention, as modified to include the revaluation of certain land and buildings.

b Turnover

Turnover comprises rental income under operating leases on land and buildings received from group undertakings and third parties

c Tangible fixed assets and depreciation

Tangible fixed assets are shown at cost or subsequent valuation as set out in note 8. Depreciation is provided at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows:

Freehold buildings	4%
Leasehold property	over the period of the lease, or 50 years if less
Plant and machinery	10% per annum on cost

Freehold land is not depreciated

d Deferred taxation

Deferred taxation is provided on material timing differences between the incidence of income and expenditure for taxation and accounting purposes on a full provision basis in accordance with the provisions set out in FRS 19 "Deferred tax".

Deferred tax assets are only recognised when they arise from timing differences where their recoverability in the short term is regarded as being probable

e Operating leases

Rentals under operating leases are charged to the profit and loss account as they fall due

2 TURNOVER

All turnover arose in the United Kingdom, from the principal activity of the company.

3 INTEREST PAYABLE AND SIMILAR CHARGES

	2005 £'000	2004 £'000
Bank Interest	777	679
	<hr/>	<hr/>

4 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit/(loss) on ordinary activities before Taxation is stated after charging:

Depreciation	436	387
Auditors' remuneration – audit fee	2	2
Operating lease rentals on land and buildings	115	145
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SCANIA PROPERTIES LIMITED
YEAR ENDED 31 DECEMBER 2005

5 STAFF COSTS

Except for the Directors, the company had no employees during the year (2004: None)

None of the Directors who served in the year received any remuneration for their service

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2005 £'000	2004 £'000
a Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	156	108
Adjustments in respect of previous periods	-	-
	<hr/>	<hr/>
Total current tax (note 6b)	156	108
	<hr/>	<hr/>
Tax on profit/(loss) on ordinary activities	156	108
	<hr/>	<hr/>
b Factors affecting the tax charge for period		
Profit/(loss) on ordinary activities before Tax	155	(20)
Expected tax at 30%	46	(6)
Expenses not deductible for tax purposes	110	114
Depreciation in excess of capital allowances	-	-
Adjustment in respect of previous periods	-	-
	<hr/>	<hr/>
Actual tax charge	156	108
	<hr/>	<hr/>

7 PROVISION FOR DEFERRED TAX

	2005 £'000	2004 £'000
Accelerated capital allowances	28	28
	<hr/>	<hr/>
Provision at start of period	31	31
	<hr/>	<hr/>
Provision at end of period	-	28
	<hr/>	<hr/>

SCANIA PROPERTIES LIMITED
YEAR ENDED 31 DECEMBER 2005

8 TANGIBLE FIXED ASSETS

	Land and Buildings		Short	Construction	
	Freehold	Long	leasehold	in progress	Total
	Property	leasehold			
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 January 2005	16,024	318	2,379	25	18,746
Additions	2,763	-	-	-	2,763
Reclassifications	25	-	-	(25)	-
Disposals	(18,812)	(318)	(2,379)	-	(21,509)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2005	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1 January 2005	1,339	90	548	-	1,977
Charge for the year	328	13	95	-	436
Disposals	(1,667)	(103)	(643)	-	(2,413)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2005	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book amount					
At 31 December 2005	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2004	14,685	228	1,831	25	16,769
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Historical Cost					
At 31 December 2005	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2004	16,024	318	2,379	-	18,746
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

9 DEBTORS

	2005	2004
	£'000	£'000
Amount owed by group undertaking	501	-
	<hr/>	<hr/>

SCANIA PROPERTIES LIMITED
YEAR ENDED 31 DECEMBER 2005

	2005 £'000	2004 £'000
10 CREDITORS		
Due within one year		
Bank overdraft	-	14,150
Corporation tax	-	53
Accruals and deferred income	-	306
	<hr/>	<hr/>
	-	14,509
	<hr/>	<hr/>

The bank overdraft represents amounts due under Scania AB group banking facilities with SEB Bank

	2005 £'000	2004 £'000
11 SHARE CAPITAL		
At 1 January 2005 and 31 December 2005		
Ordinary shares of £1 each		
Authorised, allotted, called up and fully paid	444	444
Deferred shares of £1 each		
Authorised, allotted, called up and fully paid	56	56
	<hr/>	<hr/>
	500	500
	<hr/>	<hr/>

The rights attaching to the deferred shares, in respect of dividends, return of capital and entitlement to vote, are subordinate to the rights attaching to the ordinary shares

	Profit and loss Account £'000
12 RESERVES	
At 1 January 2005	1,732
Loss for the year	(1)
Dividends	(1,730)
	<hr/>
At 31 December 2005	1
	<hr/>

SCANIA PROPERTIES LIMITED
YEAR ENDED 31 DECEMBER 2005

13 SHAREHOLDERS' FUNDS

	2005 £'000	2004 £'000
(Loss) for the financial year	(1)	(125)
Dividends	(1,730)	-
	<hr/>	<hr/>
Net (reduction) to shareholders funds	(1,731)	(125)
Balance at 1 January 2005	2,232	2,357
	<hr/>	<hr/>
Balance at 31 December 2005	501	2,232
	<hr/>	<hr/>

14 GUARANTEES AND OTHER FINANCIAL COMMITMENTS

Operating leases

At 31 December 2005 the company is committed to make annual payments in respect of operating leases on land and buildings as follows:

	2005 £'000	2004 £'000
Leases expiring over 5 years	-	241
	<hr/>	<hr/>

15 ULTIMATE PARENT COMPANY, CONTROLLING PARTY AND RELATED PARTY DISCLOSURES

The company's parent company, Scania (Great Britain) Limited is incorporated in Great Britain. In the opinion of the directors the ultimate parent company is Scania AB, which is incorporated in Sweden. Consolidated accounts are prepared by the ultimate parent and are available from S151 87 Sodertalje, Sweden.

No disclosure has been made within these financial statements of any transactions with the ultimate parent company or fellow subsidiaries in accordance with the exemptions allowed by Financial Reporting Standard No 8.