

**LITTLEWOODS OF LIVERPOOL LIMITED**  
(Registered No. 234834)

**REPORTS AND FINANCIAL STATEMENTS**

**31 DECEMBER 2004**



**LITTLEWOODS OF LIVERPOOL LIMITED**

**REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004**

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## **LITTLEWOODS OF LIVERPOOL LIMITED**

### **REPORT OF THE DIRECTORS**

The directors hereby submit their report, together with the audited financial statements of the company, for the year ended 31 December 2004.

#### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity continued to be the hiring out of plant and machinery and renting out of property. There are no plans to diversify into any other activity. The director considers the results for the year to be satisfactory. Future prospects are considered reasonable.

#### **RESULTS AND DIVIDENDS**

The profit for the period after taxation amounted to £29,604 (31 December 2003, £36,501). The directors do not recommend a dividend (2003, £nil).

#### **DIRECTORS**

The directors who held office during the period were:

Mr. G. Speakman

Mr. G. A. Rushton

Mr. R. D. Withers

Resigned 8 November 2004

Appointed 1 December 2004

The interests of the directors, who are also directors of the ultimate parent company, Sportech PLC, are disclosed in the annual report of that company. The directors had no interest in the share capital of the company. During the period no remuneration or benefits of any kind were received by any director from the company.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. The directors also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2004 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 1985. The directors 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.

# **LITTLEWOODS OF LIVERPOOL LIMITED**

## **REPORT OF THE DIRECTORS**

### **FIXED ASSETS**

The changes in tangible fixed assets are set out in note 4 to the financial statements.

The directors are of the opinion that the market value of all land and buildings does not differ significantly from the balance sheet values at 31 December 2004.

All these assets are held for use by other group businesses via operating leases.

### **POLICY ON PAYMENT OF CREDITORS**

The company does not follow any code or standard on payment practices, and there is no fixed policy for payment of other goods and services. Payment is made promptly once authorisation of the invoice is obtained.

Creditor payment days outstanding at 31 December 2004 were 16 (2003: 53).

### **AUDITORS**

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

BY ORDER OF THE BOARD



G. Speakman  
Secretary

3 October 2005  
LIVERPOOL

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
LITTLEWOODS OF LIVERPOOL LIMITED**

We have audited the financial statements which comprise the profit and loss account, balance sheet, the statement of accounting policies and the related notes.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards 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 United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

**Basis of audit opinion**

We conducted our audit in accordance with 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 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 of the state of the company's affairs at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*PricewaterhouseCoopers LLP*

**PricewaterhouseCoopers LLP**  
Chartered Accountants and Registered Auditors  
Liverpool  
3 October 2005

**LITTLEWOODS OF LIVERPOOL LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

	Notes	2004 £000	2003 £000
TURNOVER	1	2,267	2,114
Cost of sales		(2,154)	(1,995)
GROSS PROFIT		<u>113</u>	<u>119</u>
Administrative expenses		(2)	(20)
OPERATING PROFIT		<u>111</u>	<u>99</u>
Bank interest payable		(7)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	<u>104</u>	<u>99</u>
Taxation	3	(74)	(62)
RETAINED PROFIT FOR THE YEAR	9	<u>30</u>	<u>37</u>

There is no difference between the profit on ordinary activities before taxation, and the profit for the year stated above, and their historical cost equivalents.

The company has no other recognised gains or losses other than the profit for the financial year shown above, and therefore no separate statement of total recognised gains and losses has been presented.

All operations are classed as continuing.

**LITTLEWOODS OF LIVERPOOL LIMITED**

**BALANCE SHEET**

**AS AT 31 DECEMBER 2004**

	Notes	2004 £000	2003 £000
<b>FIXED ASSETS</b>			
Tangible assets	4	<u>6,614</u>	<u>7,039</u>
<b>CURRENT ASSETS</b>			
Debtors – amounts falling due within one year	5	56	209
Debtors – amounts falling due after more than one year	5	320	439
Cash at bank and in hand		<u>645</u>	<u>1</u>
		1,021	649
<b>CREDITORS:</b>			
Amounts falling due within one year	6	<u>(3,044)</u>	<u>(3,516)</u>
<b>NET CURRENT LIABILITIES</b>		(2,023)	(2,867)
<b>CREDITORS: amounts falling due after one year</b>	7	<u>(588)</u>	<u>(199)</u>
<b>NET ASSETS</b>		<u>4,003</u>	<u>3,973</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	2,000	2,000
Profit and loss account	9	<u>2,003</u>	<u>1,973</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	9	<u>4,003</u>	<u>3,973</u>

The financial statements on pages 4 to 12 were approved by the Directors on 3 October 2005 and signed on their behalf by

  
G. Speakman  
Director

## **LITTLEWOODS OF LIVERPOOL LIMITED**

### **STATEMENT OF ACCOUNTING POLICIES**

#### **PRINCIPAL ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with the Companies Act 1985 and applicable Accounting Standards in the United Kingdom. A summary of the more important group accounting policies, which have been applied consistently, is set out below.

#### **BASIS OF ACCOUNTING**

The financial statements are prepared on the historical cost basis of accounting for the 53 week period from 3 January 2004 to 7 January 2005 (2003: 52 week period).

#### **CASH FLOW**

The company is a wholly owned subsidiary of Sportech PLC; consequently, the company is exempt from the requirement of Financial Reporting Standard No.1 (Revised) to prepare a separate cash flow statement.

#### **TURNOVER**

Turnover represents the value of goods and services sold to external customers, after deduction of value added tax.

#### **FIXED ASSETS AND DEPRECIATION**

Fixed assets are included at cost less depreciation.

Depreciation is provided on the straight line basis to write off the cost or valuation of fixed assets over their anticipated useful lives at the following annual rates:

Freehold land	NIL
Freehold buildings	8.3%
Leasehold land and buildings	The lesser of the remaining lease term or 100 years
Buildings fixtures and fittings	4.0%
Plant, equipment and other fixtures and fittings	10.0% - 13.3%
Computers	16.7% - 33.3%
Motor Vehicles	12.5% - 25.0%

#### **FOREIGN CURRENCIES**

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Profits and losses on foreign exchange transactions, relating to the supply of merchandise are taken through the profit and loss account in the period in which they arise.

## **LITTLEWOODS OF LIVERPOOL LIMITED**

### **STATEMENT OF ACCOUNTING POLICIES**

#### **RELATED PARTY TRANSACTIONS**

In accordance with the exemption conferred by Financial Reporting Standard No. 8, details of transactions with entities in the same group have not been disclosed.

#### **DEFERRED TAX**

Deferred tax is provided in full on all timing differences which result in either an obligation at the balance sheet date to pay more tax or a right to pay less tax. Deferred tax assets are only recognised to the extent that it is more likely than not they will crystallise. Assets and liabilities are calculated at rates expected to apply when they crystallise, and are not discounted.

#### **IMPAIRMENT OF FIXED ASSETS**

Fixed assets are subject to review for impairment in accordance with FRS 11, Impairment of Fixed Assets and Goodwill. Any impairment would be recognised in the profit and loss account in the year in which it occurs.

#### **LEASED ASSETS**

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Tangible fixed assets acquired under hire purchase agreements are capitalised and depreciated over their expected useful lives as it is anticipated that the option to purchase the asset outright will be taken. The interest element of the rental obligations is charged to the profit and loss account over the period of the agreement.

# **LITTLEWOODS OF LIVERPOOL LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004**

### **1. TURNOVER**

	2004 £000	2003 £000
Income from operating leases:		
Rental of land and buildings	102	104
Other	<u>2,165</u>	<u>2,010</u>
	<u>2,267</u>	<u>2,114</u>

### **2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

	2004 £000	2003 £000
Profit on ordinary activities before taxation is stated after charging:		
Depreciation - owned assets	1,947	1,782
Hire of other assets - operating leases	4	15
Auditors' remuneration for audit	<u>2</u>	<u>5</u>

Remuneration of the company's auditor for provision of non-audit services to the company was £Nil (2003 - £Nil).

The company has no employees. The emoluments of the directors are paid by the ultimate parent company, Sportech PLC. The directors' services to this company are of a non-executive nature and therefore none of their emoluments are attributable to this company. Accordingly, the profit and loss account includes no emoluments in respect of the directors.

# **LITTLEWOODS OF LIVERPOOL LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004**

### **3. TAXATION**

	2004 £000	2003 £000
Current tax:		
UK corporation tax at 30% (2003, 30%)	8	8
Group relief at 30% (2003, 30%)	(53)	(170)
Adjustments in respect of prior periods	-	(14)
Total current tax	<u>(45)</u>	<u>(176)</u>
Deferred tax:		
Current year	119	239
Adjustments in respect of prior periods	-	(1)
Total deferred tax (note 5)	<u>119</u>	<u>238</u>
Total taxation charge	<u>74</u>	<u>62</u>

The current tax for the period is lower (2003: lower) than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2004 £000	2003 £000
Profit on ordinary activities before tax	<u>104</u>	<u>99</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2003: 30%)	31	30
Effects of:		
Adjustments to tax in respect of prior periods	-	(14)
Permanent differences	43	47
Origination and reversal of timing differences	<u>(119)</u>	<u>(239)</u>
	<u>(45)</u>	<u>(176)</u>

There are no factors that may affect future tax charges.

# LITTLEWOODS OF LIVERPOOL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

### 4. TANGIBLE FIXED ASSETS

	Land and buildings £000	Fixtures, fittings and equipment £000	Assets in course of construction £000	Total £000
<b>COST</b>				
At 1 January 2004	1,954	29,299	90	31,343
Additions	26	1,631	127	1,784
Disposals	-	(993)	-	(993)
Transfers	-	77	(77)	-
At 31 December 2004	<u>1,980</u>	<u>30,014</u>	<u>140</u>	<u>32,134</u>
<b>DEPRECIATION</b>				
At 1 January 2004	492	23,812	-	24,304
Charge for the period	158	1,789	-	1,947
Disposals	-	(731)	-	(731)
At 31 December 2004	<u>650</u>	<u>24,870</u>	<u>-</u>	<u>25,520</u>
<b>NET BOOK VALUE</b>				
At 31 December 2004	<u>1,330</u>	<u>5,144</u>	<u>140</u>	<u>6,614</u>
At 31 December 2003	<u>1,462</u>	<u>5,487</u>	<u>90</u>	<u>7,039</u>

Land and buildings consists wholly of depreciable freehold and long leasehold land and buildings.

Included in fixed assets are £840,467 (2004; £243,137) of assets held under finance leases.

### 5. DEBTORS

	2004 £000	2003 £000
Amounts falling due within one year:		
Trade debtors	-	30
Amounts owed by group undertakings	-	179
Prepayments and accrued income	56	-
	<u>56</u>	<u>209</u>
Amounts falling after more than one year:		
Deferred taxation	320	439
Deferred tax comprises:		
Depreciation in excess of capital allowances	<u>320</u>	<u>439</u>
Movement in deferred tax asset during the year		
At 1 January 2004	439	
Amount charged to profit and loss	(119)	
At 31 December 2004	<u>320</u>	

# LITTLEWOODS OF LIVERPOOL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

### 6. CREDITORS – amounts falling due within one year

	2004 £000	2003 £000
Bank overdrafts	-	-
Trade creditors	111	381
Amounts owed to group undertakings	2,628	2,932
Obligations under finances leases and hire purchase contracts	261	44
Corporation tax	8	96
Other taxation	36	63
	<u>3,044</u>	<u>3,516</u>

### 7. CREDITORS – amounts falling due after one year

	2004 £000	2003 £000
Obligations under finances leases and hire purchase contracts	<u>588</u>	<u>199</u>
Obligations under finances leases and hire purchase contracts are repayable:		
Within one year	261	44
Between one and two years	261	44
Between two and five years	327	132
After more than five years	-	23
	<u>849</u>	<u>243</u>

### 8. CALLED UP SHARE CAPITAL

	2004 £000	2003 £000
<b>Authorised</b>		
2,000,000 ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>
<b>Allotted, called up and fully paid</b>		
2,000,000 ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>

### 9. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	Share capital £000	Profit and loss account £000	2004 Total £000	2003 Total £000
Opening equity shareholders' funds	2,000	1,973	3,973	3,936
Profit for financial year	<u>-</u>	<u>30</u>	<u>30</u>	<u>37</u>
Closing equity shareholders' funds	<u>2,000</u>	<u>2,003</u>	<u>4,003</u>	<u>3,973</u>

## **LITTLEWOODS OF LIVERPOOL LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004**

#### **10. ULTIMATE HOLDING COMPANY**

The company is a subsidiary of Littlewoods Promotions Limited incorporated in Great Britain.

The largest Group in which the results of the company are consolidated is that headed by Sportech PLC. No other Group accounts include the results of the Company. Copies of Sportech PLC consolidated financial statements can be obtained from the Company Secretary at Sportech House, 2 Enterprise Way, Wavertree Technology Park, Liverpool L13 1FB.