

Registered No: 406925

Coats Statutory Company No: 316

HICKING PENTECOST LIMITED

REPORT AND ACCOUNTS FOR THE YEAR ENDED

31 DECEMBER 2004

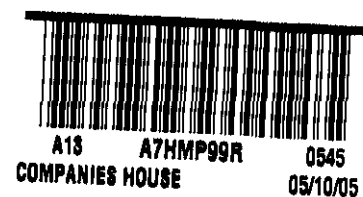
COUNTRY OF REGISTRATION: ENGLAND

REGISTERED OFFICE: 1 THE SQUARE
STOCKLEY PARK
UXBRIDGE
MIDDLESEX
UB11 1TD

DIRECTORS: R BEVAN
G J C ALDRIDGE
G C MEREDITH

SECRETARY: G J C ALDRIDGE

AUDITORS: DELOITTE & TOUCHE LLP
MANCHESTER



HICKING PENTECOST LIMITED

DIRECTORS' REPORT

The directors present their annual report and audited accounts for the year ended 31 December 2004.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The company has no trading activities. Its results for the year are shown in the profit and loss account on page 5. A dividend of £2,913,000 was paid during the year (prior year: £ nil).

DIRECTORS

The following served as directors during the year or were appointed after the year end:

C W Healy	(resigned 30 July 2004)
J D Lea	(resigned 30 June 2004)
G. J. C. Aldridge	
G.C. Meredith	
R. Bevan	(appointed 5 July 2004)

DIRECTORS' INTERESTS

As at 31 December 2003, or date of appointment if later, and 31 December 2004, the Directors did not have any beneficial interest in the shares of this or any other group company.

HICKING PENTECOST LIMITED

DIRECTORS' REPORT (continued)

DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare accounts for each financial period which give a true and fair view of the state of the company's affairs and of the result of the company for that period. In preparing accounts the directors are required to:

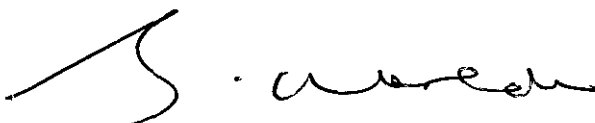
- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts 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 to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

Elective resolutions to dispense with holding annual general meetings, the laying of accounts before the company in general meeting and the appointment of auditors annually are currently in force. The auditors, Deloitte & Touche LLP, will therefore be deemed to have been reappointed at the end of the period of 28 days beginning with the day on which copies of this report and accounts are sent to members unless a resolution is passed under section 393 of the Companies Act 1985 to the effect that their appointment be brought to an end.

By order of the board


Directors

9 August 2005

HICKING PENTECOST LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HICKING PENTECOST LIMITED

We have audited the financial statements of Hicking Pentecost Ltd for the year ended 31 December 2004 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes 1 to 9, together with the statement of accounting policies. 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

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 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 the information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

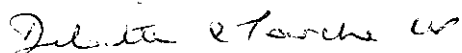
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 as 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.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Manchester



HICKING PENTECOST LIMITED**PROFIT AND LOSS ACCOUNT**

For the Year ended 31 December 2004

	<u>Notes</u>	2004 £'000	2003 £'000
Amounts written off loans to subsidiary undertakings		<u>4,323</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION		4,323	-
Equity dividend payable	3	<u>(2,913)</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		<u>1,410</u>	<u>-</u>

There were no recognised gains or losses other than the result for the year. Other than the result for both years there were no other movements in shareholders' funds.

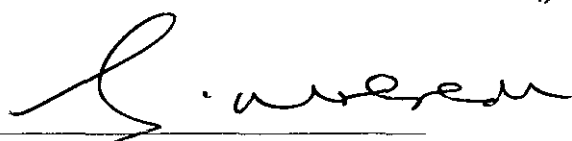
The notes on pages 8 to 10 form part of these accounts.

HICKING PENTECOST LIMITED**BALANCE SHEET**

At 31 December 2004

	<u>Notes</u>	2004 £'000	2003 £'000
DEBTORS- falling due after more than one year	4	<u>43,500</u>	<u>46,500</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		43,500	46,500
CREDITORS - amounts falling due after more than one year	5	<u>-</u>	<u>(4,410)</u>
NET ASSETS		<u>43,500</u>	<u>42,090</u>
CAPITAL AND RESERVES			
SHARE CAPITAL	6	15,945	15,945
SHARE PREMIUM ACCOUNT	7	8,521	8,521
OTHER CAPITAL RESERVES	7	19,034	19,034
PROFIT AND LOSS ACCOUNT	7	<u>-</u>	<u>(1,410)</u>
EQUITY SHAREHOLDERS' FUNDS		<u>43,500</u>	<u>42,090</u>

Approved by the Board of Directors on 9 August 2005 and signed on their behalf.



Director

The notes on pages 8 to 10 form part of these accounts.

HICKING PENTECOST LIMITED

STATEMENT OF ACCOUNTING POLICIES

Basis of Accounting

The financial accounts are prepared on the basis of historical cost and in accordance with applicable United Kingdom accounting policies.

Taxation

Coats Holdings Ltd has assumed the responsibility for discharging any liability for United Kingdom corporation tax, current or deferred, for accounting periods during which the Company remains a member of the Coats Group. The Directors have received assurances that:

- (i) there is no intention to revoke the undertaking to discharge the taxation liabilities of the Company for those periods, and
- (ii) full provision for deferred taxation has been made by Coats Holdings Ltd in respect of the Company.

HICKING PENTECOST LIMITED
NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2004

1. DIRECTORS' REMUNERATION AND EMPLOYEES

None of the directors receive emoluments in respect of their services to the company (2003: £nil). There were no employees during the year (2003: none).

2. TAX ON PROFIT ON ORDINARY ACTIVITIES

No charge to United Kingdom taxation has been provided on the results for the period.

Any United Kingdom corporation tax liability which is not eliminated by the offset of double taxation relief and the receipt of group relief and/or advance corporation tax, for neither of which payment will be made, will be discharged by Coats Holdings Ltd.

3. DIVIDENDS PAYABLE

	2004 £'000	2003 £'000
Final dividend payable	<u>2,913</u>	<u>-</u>

**4. DEBTORS (Amounts falling due
after more than one year)**

	2004 £'000	2003 £'000
Amounts owed by parent company	<u>43,500</u>	<u>46,500</u>

The amounts owed from group undertakings have no specified dates of repayment and are only repayable on receipt of twelve month's notice and do not bear interest.

**5. CREDITORS (Amounts falling due
after more than one year)**

Amounts owed to group undertakings	<u>-</u>	<u>4,410</u>
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The amounts owed to group undertakings have no specified dates of repayment and are only repayable on receipt of twelve month's notice and do not bear interest.

HICKING PENTECOST LIMITED**NOTES TO THE ACCOUNTS (Continued)**
YEAR ENDED 31 DECEMBER 2004**6. CALLED UP SHARE CAPITAL**

	NUMBER	2004 £'000	2003 £'000
Authorised			
Ordinary shares of 50p each	40,000,000	<u>20,000</u>	<u>20,000</u>
Called up, allotted and fully paid			
Ordinary shares of 50p each	31,890,849	<u>15,945</u>	<u>15,945</u>

	Share premium £'000	Capital redemption reserve £'000	Capital reserve £'000	Profit and loss account £'000
7. RESERVES				
At 1 January 2004	8,521	5	19,029	(1,410)
Profit for the year	-	-	-	1,410
At 31 December 2004	<u>8,521</u>	<u>5</u>	<u>19,029</u>	<u>-</u>

8. ULTIMATE PARENT COMPANY

From 1 January 2004 to 31 March 2004, the ultimate parent company and controlling party was Coats Group Limited, a company incorporated in the British Virgin Islands.

At 1 April 2004, Guinness Peat Group plc, a company incorporated in England and Wales, became the ultimate parent company and controlling party. The consolidated accounts for this company can be obtained from its registered office at First Floor, Times Place, 45 Pall Mall, London SW1Y 5GP.

The smallest group of which this Company is a member and for which consolidated accounts are prepared is Coats Holdings Ltd, a company incorporated in England and Wales. Copies of its accounts are available from the Company's registered office at 1 The Square, Stockley Park, Uxbridge, Middlesex UB11 1TD.

HICKING PENTECOST LIMITED

NOTES TO THE ACCOUNTS (Continued)
YEAR ENDED 31 DECEMBER 2004

9. RELATED PARTY TRANSACTIONS

The company is a subsidiary of Guinness Peat Group plc, 90% or more of its voting rights are controlled within the Group, and the Group's consolidated financial statements are publicly available. In accordance with FRS 8, therefore, disclosure is not required of transactions with entities that are part of the Group or investees of the Group qualifying as related parties.