

Registered No: 406925

Coats Statutory Company No: 316

HICKING PENTECOST LIMITED

REPORT AND ACCOUNTS FOR THE YEAR ENDED

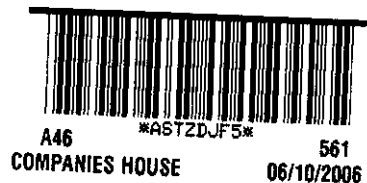
31 DECEMBER 2005

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
C A GIBSON



HICKING PENTECOST LIMITED

DIRECTORS' REPORT

The directors present their annual report and audited accounts for the year ended 31 December 2005.

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. No dividend was paid during the year (2004: £2,913,000).

DIRECTORS

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

G. J. C. Aldridge
R. Bevan
G.C. Meredith

DIRECTORS' INTERESTS

None of the directors have any beneficial interest in the shares of this company. Mr Bevan holds 'A' shares in the intermediate parent, Coats plc, which were allotted to him on 22 March 2005, details of which are shown in the accounts of J. & P. Coats, Limited, a fellow subsidiary undertaking.

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.

HICKING PENTECOST LIMITED

DIRECTORS' REPORT (continued)

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.

By order of the board

A handwritten signature in black ink, appearing to be 'S. [unclear]', written over a horizontal line.

Director

28/7/2006

HICKING PENTECOST LIMITED**PROFIT AND LOSS ACCOUNT**

For the Year ended 31 December 2005

| | <u>Notes</u> | 2005 £'000 | 2004 £'000 |
|--|--------------|-----------------------------|-----------------------------|
| Amounts written off loans to subsidiary undertakings | | - | 4,323 |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | - | 4,323 |
| Taxation | 3 | - | - |
| PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION | | - | 4,323 |
| Equity dividend payable | 4 | - | (2,913) |
| PROFIT FOR THE FINANCIAL YEAR | | - | 1,410 |

There were no recognised gains or losses other than the result for the preceding year. Accordingly, a statement of total recognised gains and losses and a note of movements in shareholders funds has not been prepared.

The notes on pages 6 to 9 form part of these accounts.

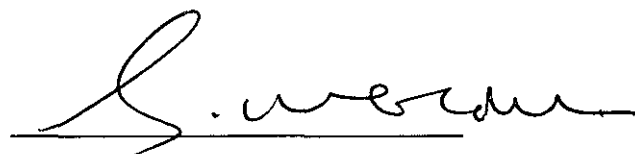
HICKING PENTECOST LIMITED**BALANCE SHEET**

At 31 December 2005

| | <u>Notes</u> | 2005 £'000 | 2004 £'000 |
|--|--------------|-----------------------------|-----------------------------|
| DEBTORS- falling due after more than one year | 5 | <u>43,500</u> | <u>43,500</u> |
| NET ASSETS | | <u>43,500</u> | <u>43,500</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>-</u> |
| EQUITY SHAREHOLDERS' FUNDS | | <u>43,500</u> | <u>43,500</u> |

The company is entitled to exemption under Subsection (1) of Section 249AA of the Companies Act 1985 in respect of its accounts for the year ended 31 December 2005. No members have required the company to obtain an audit of its accounts for the year in question in accordance with Section 249B(2). The directors acknowledge their responsibilities for ensuring that the company keeps accounting records that comply with responsibilities for preparing accounts which give a true and fair views of the state of affairs of the company as at the end of the financial year in accordance with Section 226 of the Companies Act 185 and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company.

Approved by the Board of Directors on 28/7/06 and signed on their behalf.



Director

The notes on pages 6 to 9 form part of these accounts.

**HICKING PENTECOST LIMITED
NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2005**

1. 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 law and 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.

2. DIRECTORS' REMUNERATION AND EMPLOYEES

None of the directors receive emoluments in respect of their services to the company (2004: £nil). There were no employees during the year (2004: none).

HICKING PENTECOST LIMITED
NOTES TO THE ACCOUNTS (Continued)
YEAR ENDED 31 DECEMBER 2005

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

| | 2005 | 2004 |
|---------------------------|-------------------|-------------------|
| | £'000 | £'000 |
| UK Corporation tax at 30% | - | - |
| | <u> </u> | <u> </u> |

The standard rate of current tax for the year, based on UK standard rate of corporation tax, is 30% (2004 – 30%). The current tax charge for the year is lower than 30% for the reasons set out in the following reconciliation:

| | 2005 | 2004 |
|---|-------------------|-------------------|
| | £'000 | £'000 |
| Profit on ordinary activities before tax | - | 4,323 |
| | <u> </u> | <u> </u> |
| Tax on profit on ordinary activities at standard rate | - | 1,297 |
| Adjusted for the effects of: | | |
| Gains not subject to taxation | - | (1,297) |
| | <u> </u> | <u> </u> |

Any United Kingdom liability which may arise and is not eliminated by the offset of group relief for which payment will not be made, will be discharged by Coats Holdings Ltd.

4. DIVIDENDS PAYABLE

| | 2005 | 2004 |
|------------------|-------------------|--------------|
| | £'000 | £'000 |
| Dividend payable | <u> </u> | <u>2,913</u> |

HICKING PENTECOST LIMITED
NOTES TO THE ACCOUNTS (Continued)
YEAR ENDED 31 DECEMBER 2005

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

| | 2005 | 2004 |
|---|----------------------|----------------------|
| | £'000 | £'000 |
| Amounts owed by intermediate parent company | <u>43,500</u> | <u>43,500</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.

6. CALLED UP SHARE CAPITAL

| | 2005 | 2004 |
|---|----------------------|----------------------|
| | £'000 | £'000 |
| Authorised | | |
| Ordinary shares of 50p each | <u>20,000</u> | <u>20,000</u> |
| Called up, allotted and fully paid | | |
| Ordinary shares of 50p each | <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 2005 and 31 December 2005 | <u>8,521</u> | <u>5</u> | <u>19,029</u> | <u>-</u> |

HICKING PENTECOST LIMITED
NOTES TO THE ACCOUNTS (Continued)
YEAR ENDED 31 DECEMBER 2005

8. ULTIMATE PARENT COMPANY

Guinness Peat Group plc, a company incorporated in England and Wales, is 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 for which consolidated accounts are prepared is Coats plc, a company incorporated in England and Wales. Copies of its accounts are available from the company's registered office, 1 The Square, Stockley Park, Uxbridge, Middlesex UB11 1TD

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.