

# Factory Holdings Group Limited

Directors' report and financial statements

Year ended 31 March 2001

Registered number: 598098



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## Directors' report

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The directors present their annual report and audited financial statements for the year ended 31 March 2001.

### Principal activity and business review:

The principal activity of the company is property investment.

The results for the year ended 31 March 2001 are set out in the profit and loss account on page 4. The directors recommend that no dividend be paid for the year ended 31 March 2001 (2000 - £nil).

### Directors and their interests:

The directors of the company who held office during the year were as follows:-

N G Ellis

A R Wyatt

E S Dugdale

N S K Shattock

No director nor any of their immediate family held a beneficial interest in the share capital of the company. The directors listed above are also directors of the ultimate parent company and, as such, their interests in the share and loan capital of that company are shown in its directors' report.

### Auditors:

In accordance with section 384 of the Companies Act 1985 a resolution concerning the re-appointment of KPMG Audit Plc as auditors of the company will be proposed at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD,



R. Worthington

Secretary

17 December 2001

58 Davies Street

London W1K 5JF

## Statement of directors' responsibilities

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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 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, subject to any material departures disclosed and explained in the financial statements; and
- 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**Report of the auditors to the members of Factory Holdings Group Limited**

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We have audited the financial statements on pages 4 to 8.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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. 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 with the company is not disclosed.

**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 March 2001 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc  
Chartered Accountants  
and Registered Auditor  
8 Salisbury Square  
London EC4Y 8BB

*KPMG Audit Plc*

17 December 2001

**Profit and loss account**

For the year ended 31 March 2001

|   | Notes | 2001<br>£ | 2000<br>£ |
|---|-------|-----------|-----------|
| <b>Turnover</b>   | 2     | -         | 100       |
| Cost of sales   |       | -         | -         |
| <b>Gross profit</b>   |       | -         | 100       |
| Administrative expenses                                     |       | -         | (2,497)   |
| <b>Profit (loss) on ordinary activities before taxation</b> | 3     | -         | (2,397)   |
| Tax on profit (loss) on ordinary activities                 | 4     | -         | 242       |
| <b>Retained profit (loss) for the year</b>                  |       | -         | (2,155)   |

The accompanying notes are an integral part of this profit and loss account.

All items in the profit and loss account relate to continuing operations.

There were no recognised gains and losses other than those included in the profit and loss account.

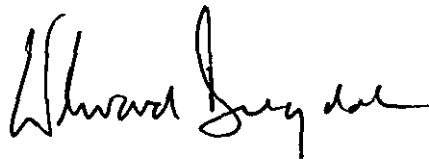
**Balance sheet**

As at 31 March 2001

|   | Notes | 2001<br>£      | 2000<br>£      |
|---|-------|----------------|----------------|
| <b>Current assets</b>                                 |       |                |                |
| Debtors   | 5     | 310,961        | 310,434        |
| <b>Creditors: amounts falling due within one year</b> | 6     | (15,749)       | (15,222)       |
| <b>Net assets</b>                                     |       | <u>295,212</u> | <u>295,212</u> |
| <b>Capital and reserves</b>                           |       |                |                |
| Called up share capital                               | 7     | 100            | 100            |
| Profit and loss account                               | 8     | <u>295,112</u> | <u>295,112</u> |
| <b>Equity shareholders' funds</b>                     |       | <u>295,212</u> | <u>295,212</u> |

These financial statements were approved by the board of directors on 17 December 2001 and were signed on its behalf by:

E S Dugdale - Director



The accompanying notes are an integral part of these statements.

Notes (forming part of the financial statements)

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1. ACCOUNTING POLICIES:

The principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, are set out below-

a) Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the accounting policies below, and in accordance with applicable accounting standards.

b) Cash flow statement

Under the provisions of FRS 1 (Revised), the company has not prepared a cash flow statement because its ultimate parent company, Quintain Estates and Development PLC, which is incorporated in Great Britain, has prepared consolidated financial statements which include the financial statements of the company for the year and which contain a cash flow statement.

c) Turnover

Turnover is stated net of VAT and comprises rental income [sales of trading stocks], commissions and fees receivable. Rent increases arising from rent reviews due during the year are taken into account only to the extent that such reviews are agreed with tenants at the accounting date.

d) Taxation

Corporation tax payable is provided on taxable profits at the effective rate of corporation tax for the year.

Amounts payable or receivable for group relief relating to losses for taxation purposes surrendered between group undertakings are provided for on the basis of the consideration agreed between the relevant group undertakings.

Deferred tax assets are recognised to the extent that they are considered recoverable. Provision is made for timing differences on the liability method to the extent that it is probable that a liability will crystallise in the foreseeable future. No provision for deferred tax is made in respect of the surplus arising on the revaluation of investment properties, except where it is anticipated that a property will be sold.

Notes (continued)

2. TURNOVER:

|   | 2001<br>£ | 2000<br>£ |
|---|-----------|-----------|
| Turnover which arises wholly in the United Kingdom comprises- |           |           |
| Other income  | -         | 100       |
|   | -         | 100       |

3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION:

Auditors' remuneration has been wholly borne by the ultimate parent company, Quintain Estates and Development PLC.

The directors received no remuneration during the year (2000 - £nil). Directors' remuneration in respect of the directors of the company is wholly borne by and disclosed in the accounts of the ultimate parent company, Quintain Estates and Development PLC. There were no employees other than the directors during the year (2000 - nil).

4. TAXATION:

|                                | 2001<br>£ | 2000<br>£ |
|--------------------------------|-----------|-----------|
| Amounts payable – current year | -         | (242)     |

5. DEBTORS :

|   | 2001<br>£ | 2000<br>£ |
|---|-----------|-----------|
| Amounts due from fellow subsidiary undertakings | 310,961   | 310,434   |

No interest has been charged on amounts due from other group undertakings during either year.

6. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR:

Creditors falling due within one year comprise-

|   | 2001<br>£ | 2000<br>£ |
|---|-----------|-----------|
| Amounts owed to ultimate parent company | 1,857     | 1,330     |
| Corporation tax                         | 13,892    | 13,892    |
|   | 15,749    | 15,222    |

No interest has been charged on amounts owed to the ultimate parent company during either year.

Notes (continued)

7. SHARE CAPITAL:

|                                     | 2001 | 2000 |
|-------------------------------------|------|------|
|                                     | £    | £    |
| Authorised-                         |      |      |
| 100 ordinary shares of £1 each      | 100  | 100  |
| Allotted, called up and fully paid- |      |      |
| 100 ordinary shares of £1 each      | 100  | 100  |

8. RESERVES:

|                               | Profit and<br>loss account |
|-------------------------------|----------------------------|
|                               | £                          |
| As at 1 April 2000            | 295,112                    |
| Result for the financial year | -                          |
| As at 31 March 2001           | 295,112                    |

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS:

|   | 2001    | 2000    |
|---|---------|---------|
|   | £       | £       |
| Result for the financial year                       | -       | (2,155) |
| Net addition (reduction) to shareholders' funds     | -       | (2,155) |
| Shareholders' funds, at start of the financial year | 295,212 | 297,367 |
| Shareholders' funds, at end of the financial year   | 295,212 | 295,212 |

10. RELATED PARTY TRANSACTIONS:

The company is a wholly owned subsidiary undertaking of Quintain Estates and Development PLC and therefore it has taken advantage of the exemption under FRS 8 not to provide information on related party transactions with other undertakings within the group.

11. ULTIMATE PARENT COMPANY:

The company's ultimate parent company is Quintain Estates and Development PLC. The results of the company are consolidated in the financial statements of Quintain Estates and Development PLC. Group financial statements are available on request from 58 Davies Street, London W1K 5JF.