

COMPANY NO: 1190227

FAIRNE TEXTILE HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005



FAIRNE TEXTILE HOLDINGS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2005

| | PAGES |
|-----------------------------------|--------------|
| REPORT OF THE DIRECTORS | 2 |
| BALANCE SHEET | 3 |
| NOTES TO THE FINANCIAL STATEMENTS | 4 - 5 |

FAIRNE TEXTILE HOLDINGS LIMITED

REPORT OF THE DIRECTORS

The Directors present their report together with the financial statements of the company for the year ended 31 March 2005.

CONSOLIDATED FINANCIAL STATEMENTS

As the company is a wholly owned subsidiary of West Midlands Enterprise (Investments) Limited incorporated in England and Wales, consolidated financial statements have not been prepared.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of a holding company. Neither the company nor any of its subsidiaries traded during the year.

BUSINESS REVIEW

The company did not trade during the year ended 31 March 2005 and accordingly no profit and loss account is presented. It is anticipated that the company will remain dormant in the foreseeable future.

RESULTS AND DIVIDENDS

The company made neither a profit nor a loss for the year, and the directors do not recommend the payment of a dividend.

DIRECTORS AT 31 MARCH 2005

The directors who held office during the year were:

I M Booth
T R A Hazell

DIRECTORS AND THEIR INTERESTS

None of the directors at 31 March 2005 or subsequently had any beneficial interest in the share capital of the company at any time during the year.

By order of the Board



I M Booth
Secretary
26 July 2005

FAIRNE TEXTILE HOLDINGS LIMITED

BALANCE SHEET AS AT 31 MARCH 2005

| | NOTES | 2005 £ | 2004 £ |
|---|-------|-------------------|-------------------|
| FIXED ASSET INVESTMENTS | 3 | - | - |
| CREDITORS: Amounts falling due within one year | 4 | <u>(339,916)</u> | <u>(339,916)</u> |
| NET CURRENT LIABILITIES | | <u>(339,916)</u> | <u>(339,916)</u> |
| TOTAL LIABILITIES LESS ASSETS | | <u>£(339,916)</u> | <u>£(339,916)</u> |
| CAPITAL AND RESERVES | | | |
| Called up Share Capital | 6 | 191,949 | 191,949 |
| Share Premium | 7 | 215,563 | 215,563 |
| Profit and Loss Account | | <u>(747,428)</u> | <u>(747,428)</u> |
| Shareholders' Funds | | <u>£(339,916)</u> | <u>£(339,916)</u> |

The accounts on pages 3 to 5 were approved by the board of directors on 26 July 2005.

- a) For the year ended 31 March 2005 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.
- b) Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.
- c) The directors acknowledge their responsibility for:
 - i) ensuring the company keeps accounting records which comply with section 221, and
 - ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.



I M Booth
Director

FAIRNE TEXTILE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2005

1. ACCOUNTING POLICIES

Basis of Accounting

The Financial Statements have been prepared in accordance with applicable Accounting Standards.

Investments

Investments are carried at cost less provision for impairment.

2. PROFIT AND LOSS ACCOUNT

The company has not traded during the year and accordingly no profit and loss account is presented.

3. FIXED ASSET INVESTMENTS

| | 2005 £ | 2004 £ | Investment Proportion Held |
|---|------------------|------------------|----------------------------------|
| The company has the following Subsidiaries: | | | |
| WMEB Limited | | | |
| - At cost | 39,802 | 39,802 | 100% |
| Harries Whitfield & Co Limited | | | |
| - At cost | 4,469 | 4,469 | 100% |
| Holloway Brothers Limited | | | |
| - At cost | <u>110,534</u> | <u>110,534</u> | 100% |
| | 154,805 | 154,805 | |
| <u>Deduct:</u> Provision for Loss in Value of Investment | <u>(154,805)</u> | <u>(154,805)</u> | |
| | <u>Nil</u> | <u>Nil</u> | |

FAIRNE TEXTILE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2005 (Continued)

4. CREDITORS

| | 2005 £ | 2004 £ |
|------------------------------|-----------------|-----------------|
| Amount due to parent company | 339,102 | 339,102 |
| Amount due to subsidiary | <u>814</u> | <u>814</u> |
| | <u>£339,916</u> | <u>£339,916</u> |

The parent company and the subsidiary company have both stated that they will not seek payment of the sums due, within the next twelve months.

5. DEFERRED TAXATION

Deferred taxation is not provided for in the financial statements nor is there any potential liability.

6. SHARE CAPITAL

| | Authorised | | Allotted Called-up & Fully Paid | |
|--|----------------|----------------|------------------------------------|----------------|
| | 2005 £ | 2004 £ | 2005 £ | 2004 £ |
| Equity Shares | | | | |
| Ordinary Shares of £1 each | 16,949 | 16,949 | 16,949 | 16,949 |
| Non Equity Shares | | | | |
| 10% Cumulative Redeemable Preference Shares of £1 each | <u>175,000</u> | <u>175,000</u> | <u>175,000</u> | <u>175,000</u> |
| Shares of £1 each | <u>191,949</u> | <u>191,949</u> | <u>191,949</u> | <u>191,949</u> |

7. SHARE PREMIUM ACCOUNT

| | 2005 £ | 2004 £ |
|-------------|----------------|----------------|
| At 31 March | <u>215,563</u> | <u>215,563</u> |

8. ULTIMATE HOLDING COMPANY

The company is a wholly owned subsidiary of West Midlands Enterprise (Investments) Limited, whose ultimate holding company is West Midlands Enterprise Limited, which is incorporated in England and Wales. The company is therefore exempted under Section 228 of the Companies Act 1985 from the requirement to prepare group financial statements.