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Colne Valley Workshops Limited

Director's report and financial statements

31 March 2004

Registered number 1651497



Colne Valley Workshops Limited

Director's report and financial statements

Director

I.M. Directors Limited

Secretary

Grosvenor Secretaries Limited

Registered office

PO Box 506
98 Kirkstall Road
Leeds
LS3 1YN

Auditors

Horwath Clark Whitehill LLP
Chartered Accountants and Registered Auditors
Arkwright House
Parsonage Gardens
Manchester
M3 2HP

Colne Valley Workshops Limited

Director's report and financial statements

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Colne Valley Workshops Limited

Director's report

The director presents its annual report together with the audited financial statements for the year ended 31 March 2004.

Business review

The company is a property holding company.

Results

The profit for the year was £5,390 (2003 : £7,911).

Directors

The directors during the year were:

I.M. Directors Limited

I.M. Secretaries Limited – resigned 6 August 2004

There are no director's shareholding interests requiring disclosure under the Companies Act 1985.

Auditors

Following the resignation of Grant Thornton, Horwath Clark Whitehill LLP were appointed as auditors of the company on the 27 April 2004.

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of Horwath Clark Whitehill as auditors of the company, is to be proposed at the forthcoming Annual General Meeting.

By order of the Board

A. M. Murray

For and on behalf of
Grosvenor Secretaries Limited
Secretary

PO Box 506
98 Kirkstall Road
Leeds
LS3 1YN

24 January 2005

Colne Valley Workshops Limited

Statement of director's responsibilities for the financial statements

Company law requires the director to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss of the company for the year then ended. In preparing these financial statements, the director is required to:

- select suitable accounting policies as described on page 8 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the company and to enable it to ensure that the financial statements are in accordance with applicable law and United Kingdom accounting standards. It is also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of Colne Valley Workshops Limited

We have audited the financial statements on pages 5 to 10 which have been prepared under the historical cost convention, as modified by the revaluation of investment properties and the accounting policies set out on page 8.

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 auditor's 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 neither our audit work, nor the opinion formed.

Respective responsibilities of the director and the auditors

The director's responsibilities for preparing the director's report and the financial statements in accordance with applicable law and United Kingdom accounting standards are set out in the statement of the director's responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom 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 to you if, in our opinion, the director's 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.

We read other information contained in the director's report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of 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 director 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.

Independent auditors' report to the members of Colne Valley Workshops Limited (*continued*)

Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 2 of the financial statements concerning the statement that the accounts have not been prepared on the going concern basis. In view of the significance of this event we consider it necessary that it should be drawn to your attention but our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 March 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Horwath Clark Whitehill LLP

Horwath Clark Whitehill LLP
Chartered Accountants and Registered Auditors
Arkwright House
Parsonage Gardens
Manchester
M3 2HP

28 JAN 2005

Colne Valley Workshops Limited

Profit and loss account

for the year ended 31 March 2004

	Note	2004 £	2003 £
Rental income		4,800	4,800
Release of provision against amount owed by fellow subsidiary undertaking		590	3,851
		<hr/>	<hr/>
Operating profit		5,390	8,651
Interest payable	4	-	(740)
		<hr/>	<hr/>
Retained profit for the financial year	9	5,390	7,911
Retained loss brought forward		(608,343)	(616,254)
		<hr/>	<hr/>
Retained loss carried forward		(602,953)	(608,343)
		<hr/>	<hr/>

There were no recognised gains or losses other than those reflected above (2003 : £nil).

A statement of movements on reserves and in shareholders' funds is given in note 9.

All profits and losses relate to the continuing activities of the company.

Colne Valley Workshops Limited

Balance sheet

31 March 2004

	Note	2004 £	2003 £
Fixed assets			
Investment property	6	90,000	33,676
		<hr/>	<hr/>
Creditors: amounts falling due after more than one year	7	(636,627)	(642,017)
		<hr/>	<hr/>
Net liabilities		(546,627)	(608,341)
		<hr/>	<hr/>
Capital and reserves			
Called up equity share capital	8	2	2
Revaluation reserve	9	56,324	-
Profit and loss account	9	(602,953)	(608,343)
		<hr/>	<hr/>
Equity shareholders' funds	9	(546,627)	(608,341)
		<hr/>	<hr/>

These financial statements were approved by the Board of Directors on 24 January 2005 and signed on its behalf by:

A.M. Murray
for and on behalf
I.M. Directors Limited
Director

Colne Valley Workshops Limited

Statement of total recognised gains and losses for the year ended 31 March 2004

	2004 £	2003 £
Profit for the financial year	5,390	7,911
Surplus arising on the revaluation of investment property	56,324	-
	<hr/>	<hr/>
Total recognised gains and losses relating to the year	61,714	7,911
	<hr/>	<hr/>

Reconciliation of movements in shareholders' funds for the year ended 31 March 2004

	2004 £	2003 £
Profit for the financial year	5,390	7,911
Surplus arising on the revaluation of investment property	56,324	-
	<hr/>	<hr/>
Net increase in shareholders' funds	61,714	7,911
Opening shareholders' funds	(608,341)	(616,252)
	<hr/>	<hr/>
Closing shareholders' funds	546,627	(608,341)
	<hr/>	<hr/>

Colne Valley Workshops Limited

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Accounting convention

The financial statements have been prepared under the historical cost accounting rules, as modified by the revaluation of investment properties, and in accordance with applicable accounting standards.

Investment properties

The valuation of investment properties is considered annually and any aggregate surplus or deficit transferred to a revaluation reserve. No depreciation is provided in respect of investment properties which constitutes a departure from the statutory rules requiring fixed assets to be depreciated over their useful economic lives, and is necessary to enable the financial statements to give a true and fair view. Depreciation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Rental income

Rental income represents amounts (excluding value added tax) derived from the rental of the company's investment properties to tenants during the year.

Cash flow statement

Under Financial Reporting Standard 1 (revised 1996) the company is exempt from the requirements to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

2 Basis of preparation of financial statements

The directors have considered the ability of the company to continue as a going concern. The majority of the external finance for the company has been provided by inter-group balances. As it is not known if group finance will continue to be provided, the accounts have not been prepared on a going concern basis, and assets are stated at their net realisable value.

3 Staff numbers and costs

The company has no employees and the directors received no remuneration in respect of services to this company.

4 Interest payable

	2004	2003
	£	£
Interest on overdue tax	<u>-</u>	<u>740</u>

5 Tax reconciliation

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 30% (2003 : 30%). The differences are explained as follows:

	2004	2003
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax in the United Kingdom of 30%	1,617	2,373
Effect of:		
Expenses not deductible	(177)	(933)
Group relief not accounted for	<u>(1,440)</u>	<u>(1,440)</u>
Current tax charge for the year	<u>-</u>	<u>-</u>

Colne Valley Workshops Limited

Notes (continued)

6 Investment property

	Long leasehold £
At 1 April 2003	33,676
Revaluation adjustment	<u>56,324</u>
At 31 March 2004	<u>90,000</u>

No depreciation has been charged against investment property in accordance with the accounting policies set out in note 1.

The property was revalued as at 31 March 2004 by the directors.

If the investment property had not been revalued it would have been included on the historical cost basis at £33,676 (2003 : £33,676).

7 Creditors: amounts falling due after more than one year

	2004 £	2003 £
Amounts due to parent undertaking	<u>636,627</u>	<u>642,017</u>

8 Equity share capital

	2004 £	2003 £
Authorised		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

9 Shareholders' funds

	Share capital £	Revaluation Reserve £	Profit and loss account £	Shareholders' funds £
At 1 April 2003	2	-	(608,343)	(608,341)
Profit for the financial year	-	-	5,390	5,390
Surplus arising on revaluation of investment property	-	56,324	-	56,324
At 31 March 2004	<u>2</u>	<u>56,324</u>	<u>(602,953)</u>	<u>(546,627)</u>

Colne Valley Workshops Limited

Notes *(continued)*

10 Parent undertakings, ultimate parent company and transactions with related parties

Hartley Investment Trust Limited, which is incorporated in Great Britain and registered in England and Wales, is the ultimate parent company of Colne Valley Workshops Limited. It is also the parent undertaking of the only group of undertakings for which group financial statements are drawn up and of which Colne Valley Workshops Limited is a member.

The financial statements of Hartley Investment Trust Limited will be filed with the Registrar of Companies.

As a wholly owned subsidiary of Hartley Investment Trust Limited, the company is exempt from the requirements of FRS8 to disclose transactions with other members of the group headed by Hartley Investment Trust Limited, on the grounds that group accounts are publicly available from Companies House.