

Colne Valley Workshops Limited

Directors' report and financial statements

31 March 2001

Registered number 1651497



Colne Valley Workshops Limited

Directors' report and financial statements

Directors

I.M. Directors Limited
I.M. Secretaries Limited

Secretary

I.M. Secretaries Limited

Registered office

P O Box 122
Fairweather Green
Thornton Road
Bradford
West Yorkshire
BD8 0HZ

Auditors

Grant Thornton
Registered Auditors
Chartered Accountants
St Johns Centre
110 Albion Street
Leeds
LS2 8LA

Colne Valley Workshops Limited

Directors' report and financial statements

| <i>Contents</i> | <i>Page</i> |
|--|-------------|
| Directors' report | 1 |
| Statement of directors' responsibilities | 2 |
| Auditors' report | 3 |
| Profit and loss account | 4 |
| Balance sheet | 5 |
| Notes | 6 |

Colne Valley Workshops Limited

Directors' report

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

Business review

The company is a property holding company.

Results

The loss for the year was £43,159 (2000 : £106,137).

Directors

The directors during the year were:

I.M. Directors Limited
I.M. Secretaries Limited

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

Auditors

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

By order of the Board



I.M. Secretaries Limited
Secretary

P O Box 122
Fairweather Green
Thornton Road
Bradford
West Yorkshire
BD8 0HZ

28 January 2002

Colne Valley Workshops Limited

Statement of directors' responsibilities for the financial statements

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 its 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;
- 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 maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the auditors to the members of Colne Valley Workshops Limited

We have audited the financial statements on pages 4 to 8 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of financial statements in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

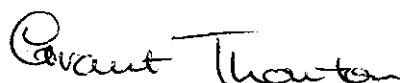
Basis of opinion

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



Grant Thornton
Registered Auditors
Chartered Accountants
Leeds

31 January 2002

Colne Valley Workshops Limited

Profit and loss account

for the year ended 31 March 2001

| | Note | 2001 £ | 2000 £ |
|--|------|------------------|------------------|
| Rental income | | 4,800 | 4,800 |
| | | <hr/> | <hr/> |
| Operating profit | | 4,800 | 4,800 |
| Loan interest payable | 6 | (47,959) | (122,059) |
| | | <hr/> | <hr/> |
| Loss on ordinary activities before taxation | | (43,159) | (117,259) |
| Taxation on loss on ordinary activities | 3 | - | 11,122 |
| | | <hr/> | <hr/> |
| Retained loss for the financial year | 9 | (43,159) | (106,137) |
| Retained loss brought forward | | (537,104) | (430,967) |
| | | <hr/> | <hr/> |
| Retained loss carried forward | | (580,263) | (537,104) |
| | | <hr/> | <hr/> |

There were no recognised gains or losses other than those reflected above (2000 : £nil).

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

Colne Valley Workshops Limited

Balance sheet

31 March 2001

| | Note | 2001 | 2000 |
|--|------|-----------|-----------|
| | | £ | £ |
| Fixed assets | | | |
| Investment property | 4 | 33,676 | 33,676 |
| Current assets | | | |
| Debtors: amounts falling due within one year | 5 | - | 9,600 |
| Debtors: amounts falling due after more than one year | 5 | - | 402,648 |
| | | <hr/> | <hr/> |
| | | - | 412,248 |
| Creditors: amounts falling due within one year | 6 | (594,016) | (448,026) |
| | | <hr/> | <hr/> |
| Net current liabilities | | (594,016) | (35,778) |
| | | <hr/> | <hr/> |
| Total assets less current liabilities | | (560,340) | (2,102) |
| Creditors: amounts falling due after more than one year | 7 | (19,921) | (535,000) |
| | | <hr/> | <hr/> |
| Net liabilities | | (580,261) | (537,102) |
| | | <hr/> | <hr/> |
| Capital and reserves | | | |
| Called up equity share capital | 8 | 2 | 2 |
| Profit and loss account | 9 | (580,263) | (537,104) |
| | | <hr/> | <hr/> |
| Equity shareholders' funds | 9 | (580,261) | (537,102) |
| | | <hr/> | <hr/> |

These financial statements were approved by the Board of Directors on 28 January 2002 and signed on its behalf by:

Imma Chambers

For and on Behalf of I. M. Directors Limited
I.M. Directors Limited
 Director

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.

Basis of preparation of financial statements

The company's parent undertaking has confirmed that it will continue to provide financial support to the company and on the strength of this assurance the financial statements have been prepared on the basis of a going concern.

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.

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 Staff numbers and costs

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

3 Taxation

| | 2001 £ | 2000 £ |
|-----------------------|-----------|-----------|
| Group relief released | - | 11,122 |

The tax credit for the year ended 31 March 2000 was increased by £11,122 in respect of prior year group relief written off.

The company has a potential deferred tax asset of £17,704 (2000 : £134,000) calculated at 30% in relation to short term timing differences.

Colne Valley Workshops Limited

Notes (continued)

4 Investment property

| | Long leasehold £ |
|--------------------------------------|------------------------|
| Cost and valuation: | |
| At 1 April 2000 and at 31 March 2001 | 33,676 |

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

5 Debtors

| | 2001 £ | 2000 £ |
|---|-----------|-----------|
| Amounts falling due within one year | | |
| Amounts owed by fellow subsidiary undertakings | - | 9,600 |
| Amounts falling due after more than one year | | |
| Amounts owed by parent and fellow subsidiary undertakings | - | 402,648 |

6 Creditors: amounts falling due within one year

| | 2001 £ | 2000 £ |
|---|----------------|----------------|
| Amounts due to fellow subsidiary undertakings | - | - |
| Accruals | 59,016 | 448,026 |
| Other creditors | 535,000 | - |
| | <u>594,016</u> | <u>448,026</u> |

Other creditors and accruals represent a loan and accrued interest due to the Kingsbridge Directors' Pension Scheme, of which Mr A J Lewis is the sole beneficiary. The movement in the year is in respect of the interest charge for the year, which is charged at commercial market rates, less payments made.

Mr A J Lewis beneficially owns the whole of the issued share capital of the ultimate parent undertaking, Hartley Investment Trust Limited

7 Creditors: amounts falling due after more than one year

| | 2001 £ | 2000 £ |
|-----------------------------------|---------------|----------------|
| Amounts due to parent undertaking | 19,921 | - |
| Other creditors (see note 6) | - | 535,000 |
| | <u>19,921</u> | <u>535,000</u> |

Colne Valley Workshops Limited

Notes (continued)

8 Equity share capital

| | 2001 £ | 2000 £ |
|---|-----------|-----------|
| Authorised | | |
| 100 ordinary shares of £1 each | 100 | 100 |
| Allotted, called up and fully paid | | |
| 2 ordinary shares of £1 each | 2 | 2 |

9 Shareholders' funds

| | Share capital £ | Profit and loss account £ | Shareholders' funds £ |
|-----------------------------|-----------------------|---------------------------------|-----------------------------|
| At 1 April 2000 | 2 | (537,104) | (537,102) |
| Loss for the financial year | - | (43,159) | (43,159) |
| At 31 March 2001 | 2 | (580,263) | (580,261) |

10 Parent undertakings and ultimate parent company

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.