

**McIntosh 88 Limited**

Directors' report and financial statements

Registered number 2172877

31 December 2003



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## Company information

Directors	RJJ Bell W McColl H Balfour G McSporran
Company secretary	AI Paterson
Registered office	30 Queen Charlotte Street Bristol
Bankers	Bank of Scotland Carberry Road Kirkcaldy KY1 3PA
Solicitors	Pagan Business Law 8 Manor Place Edinburgh
Auditors	KPMG Audit Plc 24 Blythswood Square Glasgow G2 4QS

## **Directors' report**

The directors present their report and the audited financial statements for the year ended 31 December 2003.

### **Principal activities**

The profit and loss account for the year is set out on page 6.

The principal activity of the company is that of a group holding company.

### **Review of business and future developments**

No trading activity was conducted during the year.

### **Dividends and transfer to reserves**

A final dividend payment of £3,000,000 was proposed (2002: £4,000,000).

### **Directors and directors' interests**

The directors of the company during the year were:

RJJ Bell  
W McColl  
H Balfour  
G McSporran

The directors, according to the register to be kept under Section 325 of the Companies Act 1985, did not have, at the beginning or end of the year, any interest in the shares of the company. H Balfour and G McSporran are also directors of Havelock Europa PLC and their interests in the shares of that company are disclosed in the annual report of that company. At 31 December 2003 W McColl, family and related trusts held 277,477 shares in Havelock Europa PLC.

## **Directors' report** *(continued)*

### **Health and Safety**

Strenuous efforts continue to be made throughout the company to improve our good record in this field.

### **Disabled persons**

The company's policy in respect of the employment of disabled persons is:

- a. to give full and fair consideration of all types of vacancies;
- b. to retain newly disabled employees wherever possible for rehabilitation and training; and
- c. to give equal opportunities for training, career development and promotion and, where applicable, to modify equipment and premises to use special equipment aids or to restructure jobs.

### **Employee involvement**

During the year employees have been briefed with information of matters of concern to them regarding the company's activities and progress.

### **Auditors**

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



**AI Paterson**  
*Company Secretary*

30 Queen Charlotte Street  
Bristol

15 October 2004

## **Statement of directors' responsibilities**

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;
- 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.



## KPMG Audit Plc

191 West George Street

Glasgow

G2 2LJ

United Kingdom

### **Report of the independent auditors to the members of McIntosh 88 Limited**

We have audited the financial statements on pages 6 to 9.

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 our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the directors' report and, as described on page 4, 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 1985. 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 as at 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

**KPMG Audit Plc**  
*Chartered Accountants*  
*Registered Auditor*

27 October 2004

# **Profit and loss account**

*for the year ended 31 December 2003*

	<i>Note</i>	<b>2003</b> <b>£</b>	<b>2002</b> <b>£</b>
<b>Income from shares in subsidiary company</b>	<b>2</b>	<b>3,000,000</b>	<b>4,000,000</b>
<b>Profit on ordinary activities before taxation</b>		<b>3,000,000</b>	<b>4,000,000</b>
Taxation on profit on ordinary activities		-	-
<b>Profit on ordinary activities after taxation</b>		<b>3,000,000</b>	<b>4,000,000</b>
Dividend paid		<b>(3,000,000)</b>	<b>(4,000,000)</b>
<b>Balance for the financial year</b>	<b>8</b>	<b>-</b>	<b>-</b>



**Balance sheet**  
*at 31 December 2003*

	Note	2003 £	£	2002 £	£
<b>Fixed assets</b>					
Investments	3		1		1
<b>Current assets</b>					
Debtors	4	7,286,887		4,286,887	
Cash at bank and in hand		111		111	
		<u>7,286,998</u>		<u>4,286,998</u>	
<b>Creditors: amounts falling due within one year</b>	5	<u>(7,000,000)</u>		<u>(4,000,000)</u>	
<b>Net current assets</b>			<u>286,998</u>		<u>286,998</u>
<b>Total assets less current liabilities</b>			<u>286,999</u>		<u>286,999</u>
<b>Capital and reserves</b>					
Called up share capital			111		111
Capital reserve			220,000		220,000
Profit and loss account	7		66,888		66,888
			<u>286,999</u>		<u>286,999</u>
<b>Equity shareholders' funds</b>	8		<u>286,999</u>		<u>286,999</u>

These financial statements were approved by the board of directors on 15 October 2004 and were signed on its behalf by:



**G MacSporran**  
Director

## 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.

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

#### *Cash flow statement*

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

### 2 Income from shares in subsidiary company

	2003 £	2002 £
Dividends received	3,000,000	4,000,000

### 3 Investments

	2003 £	2002 £
Shares at cost	1	1

Represented by:

<i>Subsidiary undertaking</i>	<i>Nature of business</i>	<i>Description of shares held</i>	<i>Proportion of nominal value held</i>
ESA McIntosh Limited (Scotland)	Manufacture and supply of educational and domestic furniture	Ordinary shares of £1 each	100%

## Notes (continued)

### 4 Debtors

	2003 £	2002 £
Amounts owed by subsidiary undertakings	7,286,887	4,286,887

### 5 Creditors

	2003 £	2002 £
Amounts owed to parent undertaking	7,000,000	4,000,000

### 6 Called up share capital

	2003 £	2002 £
<i>Authorised</i> 1,000 ordinary shares of £1 each	1,000	1,000
<i>Allotted, called up and fully paid</i> 111 ordinary shares of £1 each	111	111

### 7 Reconciliation of movements in shareholders' funds

	2003 £	2002 £
Profit for the financial year	3,000,000	4,000,000
Dividend paid	(3,000,000)	(4,000,000)
Net addition to shareholders' funds	-	-
Opening shareholders' funds	286,999	286,999
Closing shareholders' funds	286,999	286,999

### 8 Ultimate parent company and parent undertaking of larger group of which the company is a member

The largest group in which the results of the company are consolidated is that headed by Havelock Europa PLC, incorporated in England. The consolidated accounts of this group is available to the public and may be obtained from Mossway, Hillend Industrial Park, Dalgety Bay, Fife, KY11 9JS.