

Racing Green Limited

Report and Financial Statements

Period Ended

31 March 2003



BDO Stoy Hayward
Chartered Accountants



RACING GREEN LIMITED

Annual report and financial statements for the period ended 31 March 2003

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Directors

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Directors

A A Brick
A P Brick
B D Brick
J S Freedman

Secretary and registered office

A P Brick, SRG House, Chester Road, Borehamwood WD6 1LT

Company number

2460533

Auditors

BDO Stoy Hayward, 8 Baker Street, London, W1U 3LL.

RACING GREEN LIMITED

Report of the directors for the period ended 31 March 2003

The directors present their report together with the audited financial statements for the period ended 31 March 2003.

Results and dividends

The profit and loss account is set out on page 5. The company has not traded in the period and is now dormant.

The company has paid a dividend of £7,117 (2002 - £Nil) for the period.

Principal activities, trading review and future developments

The company did not trade during the period and there are no intentions to reactivate it. It holds the leases of certain properties and trademarks on behalf its parent company, Speciality Retail Group plc.

There have been no events since the balance sheet date which materially affect the position of the company.

Directors

The directors of the company and their interest in the company at 31 March in each period or at the date of appointment or resignation were:

| | |
|--------------|---|
| A A Brick | (appointed 28 June 2002) |
| A P Brick | (appointed 28 June 2002) |
| B D Brick | (appointed 28 June 2002) |
| J S Freedman | (appointed 31 March 2003) |
| D N Brown | (resigned 28 June 2002) |
| C P Duckels | (resigned 28 June 2002) |
| A A Goldman | (resigned 28 June 2002) |
| I P Jackman | (resigned 28 June 2002) |
| T S York | (appointed 28 June 2002, resigned 24 December 2002) |

No director had any interest in the ordinary shares of the company at any time during the period (2002 - Nil).

Messrs A A Brick, A P Brick, B D Brick and J S Freedman are also directors of the ultimate parent company, Speciality Retail Group plc. Their interests in the share capital of that company are shown in its financial statements.

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 of the company 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

RACING GREEN LIMITED

Report of the directors for the period ended 31 March 2003

Directors' responsibilities *(Continued)*

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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

PricewaterhouseCoopers resigned as auditors during the period and BDO Stoy Hayward, who were appointed as auditors of the company by the directors, have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board

A P Brick

A handwritten signature in dark ink, appearing to read 'A P Brick', written over a faint horizontal line.

Secretary

30 July 2003

RACING GREEN LIMITED

Report of the independent auditors

To the shareholders of Racing Green Limited

We have audited the financial statements of Racing Green Limited for the period ended 31 March 2003 on pages 5 to 10 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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 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.

We read other information contained in the annual report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. 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.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit 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.

RACING GREEN LIMITED

Report of the independent auditors (*Continued*)

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 2003 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



BDO STOY HAYWARD

*Chartered Accountants
and Registered Auditors
London*

30 July 2003

RACING GREEN LIMITED**Profit and loss account for the period ended 31 March 2003**

| | | Period from 28 June 2002 to 31 March 2003 £'000 | Period from 26 August 2001 to 27 June 2002 £'000 |
|---|-------------|--|---|
| | Note | | |
| Turnover | 2 | - | 10,167 |
| Cost of sales | | - | - |
| | | <hr/> | <hr/> |
| Gross profit and profit on ordinary activities before taxation | 4 | - | 10,167 |
| Taxation on profit from ordinary activities | 5 | - | 3,050 |
| | | <hr/> | <hr/> |
| Profit on ordinary activities after taxation | | - | 7,117 |
| Dividends paid | | (7,117) | - |
| | | <hr/> | <hr/> |
| (Loss)/profit for the financial period | 9 | (7,117) | 7,117 |
| | | <hr/> | <hr/> |

All amounts relate to discontinued activities.

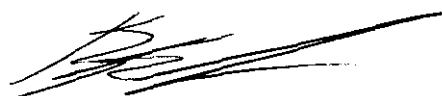
All recognised gains and losses are included in the profit and loss account.

The notes on pages 7 to 10 form part of these financial statements.

RACING GREEN LIMITED**Balance sheet at 31 March 2003**

| | Note | 31 March 2003 £'000 | 27 June 2002 £'000 |
|---|------|---------------------------|--------------------------|
| Current assets | | | |
| Debtors | 6 | 500,000 | 671,167 |
| Creditors: amounts falling due within one year | 7 | - | 164,050 |
| Net current assets | | <u>500,000</u> | <u>507,117</u> |
| Capital and reserves | | | |
| Called up share capital | 8 | 500,000 | 500,000 |
| Profit and loss account | 9 | - | 7,117 |
| Shareholders' funds - equity | 10 | <u>500,000</u> | <u>507,117</u> |

The financial statements were approved by the Board on 30 July 2003.



B D Brick
Director



J S Freedman
Director

The notes on pages 7 to 10 form part of these financial statements.

RACING GREEN LIMITED

Notes forming part of the financial statements for the period ended 31 March 2003

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policy has been applied:

Turnover

Turnover represents sales to outside customers at invoiced amounts less value added tax.

2 Turnover

Turnover is wholly attributable to agency income.

3 Employees

The only employees in the period were the directors as set out in the Directors' Report, none of whom received any remuneration during the period.

4 Profit on ordinary activities before taxation

Auditors' remuneration has been borne by the parent company, Speciality Retail Group plc.

5 Taxation on profit from ordinary activities

| | Period from 28 June 2002 to 31 March 2003 £ | Period from 26 August 2001 to 27 June 2002 £ |
|--|--|---|
| <i>Current tax</i> | | |
| UK corporation tax on profits on ordinary activities | - | 3,050 |
| | <hr/> | <hr/> |

RACING GREEN LIMITED**Notes forming part of the financial statements for the period ended 31 March 2003 (Continued)****5 Taxation on profit from ordinary activities (Continued)**

The tax assessed for the period is the standard rate of corporation tax in the UK.

| | Period from 28 June 2002 to 31 March 2003 £ | Period from 26 August 2001 to 27 June 2002 £ |
|---|--|---|
| Profit on ordinary activities before tax | - | 10,107 |
| Profit on ordinary activities multiplied at the standard rate of corporation tax in the UK of 30% (2001 – 30%) | - | 3,050 |

The directors expect the future tax charges of the company to be in line with those of the current period.

6 Debtors

| | 31 March 2003 £ | 27 June 2002 £ |
|------------------------------------|-----------------------|----------------------|
| Amounts owed by group undertakings | 500,000 | 671,167 |

All amounts shown under debtors fall due for payment within one year.

7 Creditors: amounts falling due within one year

| | 31 March 2003 £ | 27 June 2002 £ |
|------------------------------|-----------------------|----------------------|
| Taxation and social security | - | 164,050 |

RACING GREEN LIMITED

Notes forming part of the financial statements for the period ended 31 March 2003 (Continued)

8 Share capital

| | 31 March 2003 Number | 27 June 2002 Number | Authorised 31 March 2003 £ | 27 June 2002 £ |
|-----------------------------|----------------------------|---------------------------|--|----------------------|
| Ordinary shares of 10p each | 10,000,000 | 10,000,000 | 1,000,000 | 1,000,000 |
| | | | | |
| | 31 March 2003 Number | 27 June 2002 Number | Allotted, issued and fully paid 31 March 2003 £ | 27 June 2002 £ |
| Ordinary shares of 10p each | 5,000,000 | 5,000,000 | 500,000 | 500,000 |

9 Profit and loss account

| | £ |
|---------------------|---------|
| At 28 June 2002 | 7,117 |
| Loss for the period | (7,117) |
| | |
| At 31 March 2003 | - |

10 Reconciliation of movements in shareholders' funds

| | 31 March 2003 £ | 27 June 2002 £ |
|---------------------------------|-----------------------|----------------------|
| Profit for the financial period | - | 7,117 |
| Dividends | (7,117) | - |
| | | |
| | (7,117) | 7,117 |
| Opening shareholders' funds | 507,117 | 500,000 |
| | | |
| Closing shareholders' funds | 500,000 | 507,117 |

11 Related party transactions

The company has taken advantage of the exemption allowed by Financial Reporting Standard 8, "Related Party Transactions", not to disclose any transactions with entities that are included in the consolidated financial statements of Speciality Retail Group plc.

RACING GREEN LIMITED

Notes forming part of the financial statements for the period ended 31 March 2003 (*Continued*)

12 Cash flow statement

The company has used the exemption under Financial Reporting Standard 1, "Cash Flow Statements", not to prepare a cash flow statement as a consolidated cash flow statement is included in the financial statements of its ultimate parent company.

13 Ultimate parent company

The company's ultimate parent company is Speciality Retail Group plc.