

Chantrey Vellacott DFK LLP



**FARLEY SERVICES LIMITED**  
**(formerly Farley Group Limited)**

**Financial statements**  
**30 September 2004**

# **FARLEY SERVICES LIMITED**

## **Financial statements for the year ended 30 September 2004**

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# **FARLEY SERVICES LIMITED**

## **Directors, officers and advisers**

### **Directors**

P M Farley  
T M James  
S A R Wharmby

### **Secretary**

P M Farley

### **Registered Office**

Russell Square House  
10-12 Russell Square  
London  
WC1B 5LF

### **Registered number**

2935197

### **Auditors**

Chantrey Vellacott DFK  
Chartered Accountants  
Russell Square House  
10-12 Russell Square  
London  
WC1B 5LF

# FARLEY SERVICES LIMITED

## Directors' report for the year ended 30 September 2004

The directors present their report and the financial statements for the year ended 30 September 2004. The company changed its name from Farley Group Limited with effect from 19 December 2003.

### Principal activity

The principal activity is that of an intermediate holding company.

### Dividends

The directors recommend the payment of a dividend of £25,426.67 per share.

### Directors

The directors during the year and their beneficial interests in the share capital of the company were as follows:

|               | 0.1p ordinary shares<br>at 30 September 2004 | £1 ordinary shares<br>at 1 October 2003 |
|---------------|--|---|
| P M Farley    | -  | 5                                       |
| T M James     | -  | 3                                       |
| S A R Wharmby | -  | -                                       |

During the year, the company became a wholly owned subsidiary of Farley Group plc.

The interests of the directors in the share capital of Farley Group plc are disclosed in its accounts.

### Directors' responsibilities in respect of the preparation of 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 the profit or loss of the company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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 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

The company has taken advantage of the elective resolutions under Sections 252, 366A and 386 of the Companies Act 1985 to dispense with the requirements to hold an Annual General Meeting, to lay accounts before the company in General Meeting and to reappoint auditors annually.

P M Farley

Secretary

19 November 2004

# **FARLEY SERVICES LIMITED**

## **Independent auditors' report to the Shareholders of Farley Services Limited**

We have audited the financial statements of Farley Services Limited for the year ended 30 September 2004 which comprise the Profit and Loss Account, Balance Sheet and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

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**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### **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.

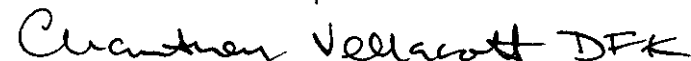
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

# **FARLEY SERVICES LIMITED**

## **Independent auditors' report to the members of Farley Services Limited**

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2004 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
CHANTREY VELLACOTT DFK

Chartered Accountants  
Registered Auditors  
London

19 November 2004

Chantrey Vellacott DFK LLP

# **FARLEY SERVICES LIMITED**

## **Profit and loss account for the year ended 30 September 2004**

|  | <b>Notes</b> | <b>2004</b><br>£ | <b>2003</b><br>£ |
|--|--------------|------------------|------------------|
| <b>Other income</b>                                |              |                  |                  |
| - Dividend receivable from subsidiary undertakings |              | <b>60,000</b>    | -                |
| - Write back of intercompany creditor              |              | <b>168,840</b>   | -                |
|  |              | <hr/>            | <hr/>            |
| <b>Profit on ordinary activities before tax</b>    |              | <b>228,840</b>   | -                |
| Tax charge   | 2            | -                | -                |
|  |              | <hr/>            | <hr/>            |
|  |              | <b>228,840</b>   | -                |
| Dividend   | 3            | <b>228,840</b>   | -                |
|  |              | <hr/>            | <hr/>            |
| <b>Retained profit for the year</b>                | 9            | <b>-</b>         | -                |
|  |              | <hr/>            | <hr/>            |

Chantrey Vellacott DFK LLP

The notes on pages 6 to 8 form part of these financial statements.

# FARLEY SERVICES LIMITED

## Balance sheet at 30 September 2004

|   | Notes | 2004<br>£      | 2003<br>£ |
|---|-------|----------------|-----------|
| <b>Tangible fixed assets</b>                  |       |                |           |
| Investments                                   | 4     | 812,997        | 168,840   |
| <b>Current assets</b>                         |       |                |           |
| Debtors                                       | 5     | 60,008         | 8         |
| <b>Creditors due within one year</b>          | 6     | (228,840)      | (168,840) |
| <b>Net current liabilities</b>                |       | (168,832)      | (168,832) |
| <b>Total assets less current liabilities</b>  |       | 644,165        | 8         |
| <b>Creditors due after more than one year</b> |       | (544,157)      | -         |
|   |       | <u>100,008</u> | <u>8</u>  |
| <b>Capital and reserves</b>                   |       |                |           |
| Called up share capital                       | 7     | 9              | 8         |
| Share premium account                         | 8     | 99,999         | -         |
| Profit and loss account                       |       | -              | -         |
| <b>Equity shareholders' funds</b>             |       | <u>100,008</u> | <u>8</u>  |

Advantage has been taken in the preparation of the financial statements of the special exemptions applicable to small companies conferred by Part VII to the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective March 2000).

T M JAMES

Director

Approved by the Board on 19 November 2004

The notes on pages 6 to 8 form part of these financial statements.



# FARLEY SERVICES LIMITED

## Notes to the financial statements For the year ended 30 September 2004

### 1. Accounting policies

#### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis in accordance and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

#### (b) Group accounts

The company is exempt under Section 248 of the Companies Act 1985 from the requirement to prepare group accounts since the company and its subsidiaries form a small group. These accounts present information about the holding company only.

#### (c) Investments

Investments are stated at cost with provision being made for any permanent diminution in value.

#### (d) Cash flow statement

The company is defined as a small company under Sections 246 and 247 of the Companies Act 1985. The directors have not prepared a cash flow statement as permitted by Financial Reporting Standard No. 1.

|    |   |                |                |
|----|---|----------------|----------------|
| 2. | <b>Tax on profit on ordinary activities</b> | <b>2004</b>    | <b>2003</b>    |
|    |   | £              | £              |
|    | Analysis of charge in period                |                |                |
|    | Current tax:                                |                |                |
|    | Corporation tax at 30%                      | -              | -              |
|    |   | <u>-</u>       | <u>-</u>       |
| 3. | <b>Dividends</b>                            | <b>2004</b>    | <b>2003</b>    |
|    |   | £              | £              |
|    | Dividends paid                              | <b>228,840</b> | -              |
|    |   | <u>228,840</u> | <u>-</u>       |
| 4. | <b>Investments</b>                          | <b>2004</b>    | <b>2003</b>    |
|    |   | £              | £              |
|    | Cost of shares at 1 October 2003            | <b>168,840</b> | 168,840        |
|    | Additions during the year                   | <b>644,157</b> | -              |
|    |   | <u>812,997</u> | <u>168,840</u> |
|    | Cost of shares at 30 September 2004         | <b>812,997</b> | 168,840        |

The cost shown above at 1 October 2003 represents 70.04% of the issued ordinary shares in the subsidiary undertaking, Farley & Co Limited.

The remaining 29.96% of the issued ordinary shares of Farley & Co Limited were purchased during the year for £644,157, resulting in Farley & Co Limited being a wholly owned subsidiary at 30 September 2004.

# FARLEY SERVICES LIMITED

## Notes to the financial statements For the year ended 30 September 2004

### 4. Investments

Farley & Co. Limited has two wholly owned subsidiaries: Farley Professional Services Limited and Farley Management Company Limited. All companies are registered and operate in England, and their results, financial position and principal activities are set out below:-

|                                      | Principal activity  | Capital and reserves at 30 September 2004<br>£ | Retained profit/(loss) for the year ended 30 September 2004<br>£ |
|--------------------------------------|---------------------|--|--|
| Farley & Co. Limited                 | Estate Agency       | 495,412  | 284,683  |
| Farley Professional Services Limited | Surveying           | (51,541)                                       | -  |
| Farley Management Company Limited    | Property Investment | 248,109  | (49,488)   |

### 5. Debtors

|                                 | 2004<br>£     | 2003<br>£ |
|---------------------------------|---------------|-----------|
| Other debtors                   | 8             | 8         |
| Due from subsidiary undertaking | 60,000        | -         |
|                                 | <u>60,008</u> | <u>8</u>  |

### 6. Creditors due within one year

|                               | 2004<br>£      | 2003<br>£      |
|-------------------------------|----------------|----------------|
| Due to subsidiary undertaking | -              | 168,840        |
| Due to holding company        | 228,840        | -              |
|                               | <u>228,840</u> | <u>168,840</u> |

### 7. Called up share capital

|   | 2004<br>£    | 2003<br>£    |
|---|--------------|--------------|
| <b>Authorised</b>   |              |              |
| 1,000,000 ordinary shares of 0.1p each<br>(2003 : 1,000 ordinary shares of £1 each) | <u>1,000</u> | <u>1,000</u> |
| <b>Allotted, issued:</b>  |              |              |
| 9,237 ordinary shares of 0.1p each<br>(2003 : 8 ordinary shares of £1 each)         | <u>9</u>     | <u>8</u>     |

# FARLEY SERVICES LIMITED

## Notes to the financial statements For the year ended 30 September 2004

### 7. Called up share capital

During the year the following changes to share capital took place:

On 14 November 2003 each ordinary share of £1 each was sub-divided into one thousand ordinary shares of 0.1 pence.

On 14 November 2003 1,237 shares were issued for cash at £81 per share, in order to provide additional capital for the company. The share premium arising on the allotment of 99,999 has been credited to the share premium account.

### 8. Share premium account

£

Arising on issue of shares in the period

**99,999**

At 30 September 2004

**99,999**

### 9. Profit and loss account

**2004**

**2003**

At 1 October 2003

-

-

Retained profit

-

-

At 30 September 2004

-

-

### 10. Ultimate parent undertaking and related party transactions

The ultimate parent undertaking is Farley Group plc, a company incorporated in England and Wales.

The company has taken advantage of the exemption in FRS8 from disclosing transactions with group undertakings.