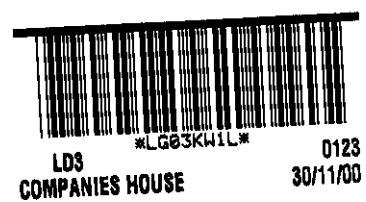


# **Crawley Business Quarter Limited**

**Directors' report and financial statements**

**31 January 2000**

Registered number: 3145531



# **Crawley Business Quarter Limited**

## **Directors' report and financial statements**

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# **Crawley Business Quarter Limited**

## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 January 2000. Comparative figures are for the nine month period ended 31 January 1999.

### **Principal activity and business review**

The principal activity of the Company is that of property development.

The Company completed a further property development during the year under review and holds land for future property development.

The results for the period are set out on page 4.

### **Dividends**

The directors do not recommend the payment of a dividend for the period (1999: £nil). The loss for the year transferred to the Company's reserves is £28,389 (1999: £110,274).

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

The directors who held office throughout the year were as follows:

Sir Richard Branson	(Resigned 14 December 1999)
Mr I S Burroughs	
Mr T Sands	
Mr A F Walker	

None of the directors who held office at the end of the year had any disclosable interest in the shares of the Company or other group companies.

### **Auditors**

The members of the Company have passed elective resolutions in accordance with Sections 366A, 252 and 386 of the Companies Act 1985 dispensing with the previous statutory requirement of holding annual general meetings, laying accounts before the Company in general meetings and reappointing auditors annually. This last resolution will lead to the continuing appointment of KPMG as auditors of the Company until further notice.

### **By order of the Board**



**P G Gram**  
*Company Secretary*

120 Campden Hill Road  
LONDON  
W8 7AR

29 November 2000

## **Statement of directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial period 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;
- ☐ state whether applicable accounting policies 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.

# **Crawley Business Quarter Limited**

## **Auditors' report to the members of Crawley Business Quarter Limited**

We have audited the financial statements on pages 4 to 10.

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

The directors are responsible for preparing the directors' report and, as described on page 2, 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. 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 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 January 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



30 November 2000

**KPMG**  
Chartered Accountants  
Registered Auditors

PO Box 695  
8 Salisbury Square  
LONDON EC4Y 8BB

# Crawley Business Quarter Limited

## Profit and loss account

for the year ended 31 January 2000

	Note	Year ended 31 January 2000 £	Period ended 31 January 1999 £
Turnover	2	6,484,436	1,729,917
Cost of sales		(6,349,924)	(1,729,917)
Gross profit		134,512	-
Administrative costs		(27,803)	(1,527)
Other operating income	5	-	10,035
Operating profit		106,709	8,508
Other interest receivable and similar income	7	46,383	23,271
Interest payable and similar charges	8	(193,461)	(191,597)
Loss on ordinary activities before taxation	6	(40,369)	(159,818)
Tax on loss on ordinary activities	9	11,980	49,544
Retained loss for the financial period		(28,389)	(110,274)
Retained profit brought forward		377,685	487,959
Retained profit carried forward	15	349,296	377,685

There are no recognised gains or losses other than the loss for the year. The loss for the year arises from continuing operations.

The notes on pages 6 to 10 form part of these financial statements.

# Crawley Business Quarter Limited

## Balance sheet

at 31 January 2000

	Note	31 January 2000		31 January 1999	
		£	£	£	£
<b>Fixed assets</b>					
Investments - group undertakings	10		4		4
			<u>4</u>		<u>4</u>
<b>Current assets</b>					
Stocks	11	3,261,167		4,059,057	
Debtors	12	945,970		241,297	
Cash at bank and in hand		2,014,619		96,133	
		<u>6,221,756</u>		<u>4,396,487</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(5,872,462)</u>		<u>(4,018,804)</u>	
<b>Net current assets</b>			<u>349,294</u>		<u>377,683</u>
<b>Total assets less current liabilities</b>			<u><u>349,298</u></u>		<u><u>377,687</u></u>
<b>Capital and reserves</b>					
Called up share capital	14		2		2
Profit and loss account			<u>349,296</u>		<u>377,685</u>
<b>Equity Shareholders' funds</b>	15		<u><u>349,298</u></u>		<u><u>377,687</u></u>

These financial statements were approved by the Board of Directors on 29 November 2000 and were signed on its behalf by:



A F Walker  
Director

The notes on page 6 to 10 form part of these financial statements.

# Crawley Business Quarter Limited

## Notes

*(forming part of the financial statements)*

### 1. Accounting policies

The financial statements have been prepared on the basis of the following significant accounting policies which have been applied consistently for the period under review:

#### a) *Basis of preparation of financial statements*

The financial statements have been prepared under the historical cost convention, in accordance with applicable accounting standards, and on a going concern basis.

Under Financial Reporting Standard 1 (Revised 1996), which the group has adopted in these financial statements, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that the ultimate parent undertaking includes the Company in its own published consolidated financial statements.

#### b) *Development properties and work in progress*

Interest incurred on loans to finance the costs of properties in the course of development is added to the cost of the relevant project with the exception of instances where it would result in cost exceeding net realisable value.

Progress payments received or receivable, where in excess of recorded turnover, are deducted and, to the extent that such payments exceed the value of work in progress on any contract, the excess is included in current liabilities. The amount, if any, by which recorded turnover on long-term contracts is in excess of payments on account is classified as "amounts recoverable on contracts" and is separately disclosed within debtors.

#### c) *Taxation*

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

### 2. Turnover

Turnover represents sales of developments in the United Kingdom, excluding value added tax, and includes turnover attributed to long term contracts based on their stage of completion.

### 3. Staff numbers

The average number of persons employed by the Company (including directors) during the year was as follows:

	Year ended 31 January 2000	Period ended 31 January 1999
Management and administration	<u>3</u>	<u>4</u>



# Crawley Business Quarter Limited

## Notes (continued)

### 4. Directors' emoluments

The directors received no emoluments for the period. The directors were the only employees of the Company.

### 5. Other operating income

	Year ended 31 January 2000 £	Period ended 31 January 1999 £
Rent receivable	-	10,035

### 6. Loss on ordinary activities before taxation

	Year ended 31 January 2000 £	Period ended 31 January 1999 £
Loss on ordinary activities before taxation is stated after charging the following:		
Auditors' remuneration:		
- audit	2,000	1,500

### 7. Interest receivable and similar income

	Year ended 31 January 2000 £	Period ended 31 January 1999 £
Bank interest receivable	46,383	23,271
	<u>46,383</u>	<u>23,271</u>

### 8. Interest payable and similar charges

	Year ended 31 January 2000 £	Period ended 31 January 1999 £
Interest payable to parent undertaking	193,155	191,597
Bank interest payable	306	-
	<u>193,461</u>	<u>191,597</u>

# Crawley Business Quarter Limited

## Notes (continued)

### 9. Taxation

	Year ended 31 January 2000 £	Period ended 31 January 1999 £
UK corporation tax at 30% (1999 : 31%)		
Group relief receivable	11,980	49,544

Group relief payments will be received or paid where losses are surrendered to or from other group companies.

### 10. Fixed asset investments

<u>Shares in group undertakings</u>	£
At 1 February 1999	4
Additions in the year	-
At 31 January 2000	4

### 11. Stocks

	31 January 2000 £	31 January 1999 £
Work in progress - development land	3,261,167	4,059,057

### 12. Debtors

	31 January 2000 £	31 January 1999 £
Trade debtors	25,000	230,000
Amounts owed by subsidiary undertakings	-	385
Amounts owed by related undertakings	341,970	-
Other debtors	579,000	10,912
	945,970	241,297

The above debtors are due within one year.

# Crawley Business Quarter Limited

## Notes (continued)

### 13. Creditors: amounts falling due within one year

	31 January 2000 £	31 January 1999 £
Amounts owed to parent undertaking	3,420,479	3,239,471
Amounts owed to fellow subsidiary undertakings	821,766	46,241
Amounts owed to related undertakings	-	6,954
Trade creditors	966	-
Accruals and deferred income	1,401,223	535,674
Group relief payable	228,028	190,464
	<u>5,872,462</u>	<u>4,018,804</u>

### 14. Share capital

	31 January 2000 £	31 January 1999 £
<i>Authorised:</i>		
1,000 Ordinary shares of £1 each,	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called up and fully paid:</i>		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

### 15. Reconciliation of shareholders' funds

	31 January 2000 £	31 January 1999 £
Loss for the period	(28,389)	(110,274)
Opening shareholders' funds	<u>377,687</u>	<u>487,961</u>
Closing shareholders' funds	<u>349,298</u>	<u>377,687</u>

### 16. Contingent liabilities

The Company is party to a group overdraft facility of a maximum of £6 million repayable on demand.

## Notes *(continued)*

### 17. Related party transactions

At 31 January 2000, the Company's ultimate parent company was Virgin Group Investments Limited (formerly Virgin Travel Limited) whose principal shareholders are certain trusts, none of which individually has a controlling interest in Virgin Group Investments Limited. The principal beneficiaries of those trusts are Sir Richard Branson and his immediate family. The shareholders of Virgin Group Investments Limited have interests directly or indirectly in certain other companies which are considered to give rise to related party disclosures under Financial Reporting Standard 8.

The Company, being a wholly owned subsidiary undertaking of Barfair Limited, has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions with entities which form part of that company's group or investees of the group qualifying as related parties.

There are no material transactions and balances by the Company with related parties which are required to be disclosed by Financial Reporting Standard 8.

### 18. Ultimate holding company

The ultimate holding company at 31 January 2000 is Virgin Group Investments Limited (formerly Virgin Travel Limited), a company registered in the British Virgin Islands. The highest group in which the results of the Company are consolidated is Barfair Limited, a company registered in England and Wales.

Copies of the financial statements for this Company may be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff CF4 3UZ.