

# **Crawley Business Quarter Limited**

**Directors' report and financial statements**

**31 January 2002**

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 2002.

### Principal activity and business review

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

During the year under review the company completed and sold the property development started in the previous period and sold the land previously held for future 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 (2000: £nil). The profit for the year transferred to the company's reserves is £810,153 (2000: profit £589,289).

### Directors and directors' interests

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

Ms J E M Bullock	(appointed 31 October 2002)
Ms S M L Parden	(appointed 15 November 2001)
Mr I S Burroughs	(resigned 29 October 2001)
Mr T Sands	(resigned 11 May 2001)
Mr A F Walker	(resigned 31 January 2002)
Ms D J Embley	(appointed 3 May 2001, resigned 5 December 2001)
Mr M F D Hill	(appointed 5 December 2001, resigned 31 October 2002)

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 statutory requirements of holding annual general meetings, laying accounts before the company in general meetings and reappointing auditors annually.

Our auditors KPMG have indicated that their audit practice was transferred to a limited liability partnership, KPMG LLP. Accordingly, KPMG resigned as auditors on 17 May 2002 and the directors thereupon appointed KPMG LLP to fill the vacancy arising.

### By order of the Board

  
**P G Gram**  
Company Secretary

29 November

2002

120 Campden Hill Road  
LONDON W8 7AR

## **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**

## **Independent 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 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 January 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Handwritten signature*

**KPMG LLP**  
Chartered Accountants  
Registered Auditor

*29 Nov 2002*

PO Box 695  
8 Salisbury Square  
LONDON EC4Y 8BB

# Crawley Business Quarter Limited

## Profit and loss account

for the year ended 31 January 2002

	<i>Note</i>	Year ended 31 January 2002 £	Year ended 31 January 2001 £
<b>Turnover</b>	2	<b>7,435,028</b>	1,285,398
Cost of sales		(6,245,354)	(648,961)
<b>Gross profit</b>		<b>1,189,674</b>	636,437
Administrative expenses		(48,618)	177,170
<b>Operating profit</b>		<b>1,141,056</b>	813,607
Interest receivable and similar income	6	102,543	201,813
Interest payable and similar charges	7	(86,237)	(171,771)
<b>Profit on ordinary activities before taxation</b>	5	<b>1,157,362</b>	843,649
Tax on profit on ordinary activities	8	(347,209)	(254,360)
<b>Retained profit for the financial period</b>		<b>810,153</b>	589,289
Retained profit brought forward		938,585	349,296
<b>Retained profit carried forward</b>	14	<b>1,748,738</b>	938,585

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

The notes on pages 6 to 11 form part of these financial statements.

# Crawley Business Quarter Limited

## Balance sheet

at 31 January 2002

	Note	31 January 2002 £	31 January 2001 £
<b>Fixed assets</b>			
Investments	9	4	4
		<u>4</u>	<u>4</u>
<b>Current assets</b>			
Stocks	10	-	5,378,270
Debtors	11	476,408	963,893
Cash at bank and in hand		3,862,882	390,914
		<u>4,339,290</u>	<u>6,733,077</u>
<b>Creditors:</b> amounts falling due within one year	12	(2,590,554)	(5,794,494)
<b>Net current assets</b>		<u>1,748,736</u>	<u>938,583</u>
<b>Total assets less current liabilities</b>		<u>1,748,740</u>	<u>938,587</u>
<b>Capital and reserves</b>			
Called up share capital	13	2	2
Profit and loss account		1,748,738	938,585
<b>Equity shareholders' deficit</b>	14	<u>1,748,740</u>	<u>938,587</u>

The notes on page 6 to 11 form part of these financial statements.

These financial statements were approved by the Board of Directors on 29 November 2002 and were signed on its behalf by:



**J E M Bullock**  
Director

# 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. The company has adopted, FRS 18 'Accounting policies' and FRS 19 'Deferred tax' in these financial statements. The comparative figures have been restated accordingly.

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 a parent undertaking includes the company in its own published consolidated financial statements.

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

Development properties are stated at the lower of cost and net realisable value.

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*

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

### 2. Turnover

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



# Crawley Business Quarter Limited

## Notes (continued)

### 3. Staff numbers

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

	Year ended 31 January 2002 £	Year ended 31 January 2001 £
Management and administration	<u>3</u>	<u>3</u>

### 4. Directors' emoluments

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

### 5. Profit on ordinary activities before taxation

	Year ended 31 January 2002 £	Year ended 31 January 2001 £
Profit on ordinary activities before taxation is stated after charging the following:		
Auditors' remuneration:		
- audit	<u>2,200</u>	<u>5,000</u>

### 6. Other Interest receivable and similar income

	Year ended 31 January 2002 £	Year ended 31 January 2001 £
Bank interest receivable	<u>102,543</u>	<u>201,813</u>

# Crawley Business Quarter Limited

## Notes (continued)

### 7. Interest payable and similar charges

	Year ended 31 January 2002 £	Year ended 31 January 2001 £
Interest payable to parent undertaking	85,931	167,553
Other interest payable	306	4,218
	<u>86,237</u>	<u>171,771</u>

### 8. Taxation

	Year ended 31 January 2002 £	Year ended 31 January 2001 £
UK corporation tax		
Current tax on profit for year	347,209	254,360
	<u>347,209</u>	<u>254,360</u>
Tax on profit on ordinary activities		
	<u>347,209</u>	<u>254,360</u>

Factors affecting the tax charge for the current period.

	Year ended 31 January 2002 £	Year ended 31 January 2001 £
Current tax reconciliation		
Profit on ordinary activities before tax	1,157,362	843,649
	<u>1,157,362</u>	<u>843,649</u>
Current tax at 30% (2001:30%)	347,209	253,095
Effects of:		
Expenses not deductible for tax	-	1,265
	<u>-</u>	<u>1,265</u>
Total current tax charge as above	<u>347,209</u>	<u>254,360</u>

# Crawley Business Quarter Limited

## Notes (continued)

### 9. Fixed asset investments

<u>Shares in group undertakings</u>	£	£
Cost and net book value:		
At 1 February 2000 and 31 January 2001	4	4
	<u>      </u>	<u>      </u>

The investment represents a 100% interest in the ordinary £1 shares of Mowbury Limited, a company incorporated and registered in the United Kingdom.

Crawley Business Quarter Limited disposed of the shares in group undertakings during the financial year ended 31 January 2002. At 31 January 2001, Crawley Business Quarter Limited owned 100% of the £1 Redeemable Ordinary Shares in Manor Management Company Limited.

### 10. Stocks

	31 January 2002 £	31 January 2001 £
Work in progress - development land	-	5,378,270
	<u>      </u>	<u>      </u>

### 11. Debtors: amounts falling due within one year

	31 January 2002 £	31 January 2001 £
Trade debtors	49,650	25,000
Amounts owed by subsidiary undertakings	258,903	225,031
Amounts owed by fellow subsidiary undertakings	157,969	366,216
Other debtors	9,886	347,646
	<u>476,408</u>	<u>963,893</u>

# Crawley Business Quarter Limited

## Notes (continued)

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

	31 January 2002 £	31 January 2001 £
Amounts owed to parent undertaking	-	3,649,249
Amounts owed to fellow subsidiary undertakings	1,956,410	1,047,925
Trade creditors	-	102,389
Accruals and deferred income	32,575	705,539
Group relief payable	254,360	289,392
Corporation tax	347,209	-
	<u>2,590,554</u>	<u>5,794,494</u>

### 13. Share capital

	31 January 2002 £	31 January 2001 £
<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>

### 14. Reconciliation of shareholders' funds

	31 January 2002 £	31 January 2001 £
Profit for the period	810,153	589,289
Opening shareholders' funds	938,587	349,298
Closing shareholders' funds	<u>1,748,740</u>	<u>938,587</u>

**Notes** *(continued)*

**15. Related party transactions**

At 31 January 2001, the company's ultimate parent company was Virgin Group Investments 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.

**16. Ultimate holding company**

The ultimate holding company at 31 January 2002 is Virgin Group Investments 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 will be available from the Registrar of Companies, Companies House, Crown Way, Cardiff CF14 3UZ.