

**GN Great Britain Limited**

**Directors' report and financial  
statements**

Registered number 03199320

31 December 2005



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COMPANIES HOUSE 25/08/2006

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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2005.

### Principal activities and review of the year

The company acts as a property investment company and as a holding company.

During the year 2004, the following 100% owned subsidiaries were liquidated: GN Danavox (Great Britain) Limited and GN Investments Limited.

### Results and dividends

Details of the profit for the year are set out in the profit and loss account on page 5.

The directors do not recommend the payment of a dividend (2004: £nil).

### Directors and their interests

The directors who served on the Board during the year and subsequent to the year end were as follows:

Stuart Canterbury  
Susan Bille Jeppson (appointed 2 November 2005)  
Carsten Buhl Nielsen (resigned)

As of 2 November, 2005 Carsten Buhl Nielsen resigned as a director of the company.

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company.

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

### Donations

The company made no political or charitable contributions during the year (2004: £nil).

### Auditors

A resolution for the re-appointment of KPMG LLP, as auditors of the company, is to be proposed at the forthcoming AGM.

By order of the board

  
Susan Bille Jeppson  
Director

30/6 2006

## **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 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 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 LLP

8 Salisbury Square  
London  
EC4Y 8BB  
United Kingdom

## **Report of the independent auditors to the members of GN Great Britain Limited**

We have audited the financial statements of GN Great Britain Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under 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 on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards.

Our responsibilities are to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing.

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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing 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 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
KPMG LLP  
Chartered Accountants  
Registered Auditor

30 June 2006

## Profit and loss account

for the year ended 31 December 2005

	<i>Note</i>	2005 £	2004 £
<b>Turnover</b>	2	<b>88,000</b>	88,000
Cost of sales		<b>(88,000)</b>	(88,000)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>-</b>	-
Administrative expenses		<b>(83,905)</b>	(40,435)
		<hr/>	<hr/>
<b>Operating loss</b>	6	<b>(83,905)</b>	(40,435)
Profit on liquidation of investments		-	30,506
Interest receivable and similar income	4	<b>346,337</b>	501,886
Interest payable and other finance expenses	5	<b>(323,743)</b>	(226)
		<hr/>	<hr/>
<b>Profit (loss) on ordinary activities before taxation</b>		<b>(61,311)</b>	491,731
Tax credit on loss on ordinary activities	7, 12	<b>16,848</b>	186,756
		<hr/>	<hr/>
<b>Profit (loss) on ordinary activities after taxation and profit for the financial year</b>		<b>(44,463)</b>	678,487
Accumulated loss brought forward		<b>(12,406,644)</b>	(13,085,131)
		<hr/>	<hr/>
<b>Accumulated loss carried forward</b>		<b>(12,451,107)</b>	(12,406,644)
		<hr/>	<hr/>

All activities for the current and preceding financial year derive from continuing operations.

There are no recognised gains or losses or movements in shareholders' funds other than the (loss)/profit for the current and preceding financial year as shown above.

There is no difference between the historical cost loss and that reported in the profit and loss account.

## Balance sheet

at 31 December 2005

	Note	<u>2005</u>		<u>2004</u>	
		£	£	£	£
<b>Fixed assets</b>					
Investments	8	-	-	-	-
<b>Current assets</b>					
Debtors	9	8,801,262	8,807,990		
Cash at bank and in hand		0	16,417		
		<u>8,801,262</u>	<u>8,824,407</u>		
<b>Creditors: amounts falling due within one year</b>					
Bank loan	10	(114,432)	(191,046)		
		<u>(27,932)</u>			
<b>Net current assets</b>		<u>8,658,898</u>		<u>8,633,361</u>	
<b>Total assets less current liabilities</b>		<u>8,658,898</u>		<u>8,633,361</u>	
<b>Provisions for liabilities and charges</b>	11	(110,000)	(40,000)		
<b>Net assets</b>		<u>8,548,898</u>		<u>8,593,361</u>	
<b>Capital and reserves</b>					
Called up share capital	13	21,000,005	21,000,005		
Profit and loss account		(12,451,107)	(12,406,644)		
<b>Equity shareholders' funds</b>	14	<u>8,548,898</u>		<u>8,593,361</u>	

These financial statements were approved by the board of directors on 2006 and were signed on its behalf by:

  
Susan Bille Jeppsson  
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 under the historical cost convention and in accordance with applicable United Kingdom accounting standards and the Companies Act 1985.

The company is exempt by virtue of Section 228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

#### ***Foreign currencies***

Transactions in foreign currency are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

#### ***Investments***

Investments held as fixed assets are stated at the lower of cost and recoverable amount, where recoverable amount is the higher of net realisable value and value in use.



## Notes (continued)

### 1 Accounting policies (continued)

#### *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.

#### *Cash flow statement*

Under Financial Reporting Standard No.1 the company is exempt from the requirement of to prepare a cashflow statement as its cash flows are included with the consolidated cash flow statement of its ultimate parent company, GN Store Nord A/S.

### 2 Turnover

All turnover is derived from within the UK. Turnover represents amounts derived from the leasehold property net of value added tax. All turnover and profit before tax is derived from the properties and management of other investments.

### 3 Directors and employees

No directors received any emoluments (2004: £nil).

There were no employees during the year (2004: nil).

### 4 Interest receivable and similar income

	<u>2005</u> £	<u>2004</u> £
Receivable from group undertakings	346,040	327,990
Bank interest and similar income	297	39,163
Foreign exchange	-	134,733
	<u>346,337</u>	<u>501,886</u>

### 5 Interest payable and other finance expenses

	<u>2005</u> £	<u>2004</u> £
On bank loans and overdrafts	303	226
Foreign exchange	323,440	-
	<u>323,743</u>	<u>226</u>

**Notes (continued)**

**6 Operating loss**

	<u>2005</u>	<u>2004</u>
	£	£
<i>Operating loss is stated after charging:</i>		
Auditors' remuneration	6,400	14,447
Non-audit fees paid to auditors	2,952	20,637

Non-audit fees in the current and prior year relate to the provision of accounting and taxation advice.

**7 Tax credit on loss on ordinary activities**

	<u>2005</u>	<u>2004</u>
	£	£
UK corporation tax at 30% (2004: 30%)	2,607	19,455
Received reimbursement of corporation tax	-	(206,211)
Tax withheld on interest paid	-	-
Prior year adjustment	(19,455)	-
	<u>16,848</u>	<u>(186,756)</u>

**Current year tax reconciliation**

The tax credit for the year is lower (2004: lower) than the standard rate of corporation tax in the UK at 30% (2004: 30%). The differences are explained below.

Profit (loss) on ordinary activities	(61,311)	491,731
Factors affecting the tax charge for the current year:		
UK corporation tax charge at 30%	(18,393)	147,519
Effect of:		
Disallowable in provision for liabilities and charges	21,000	-
Permanent disallowable expenditure	-	11,985
Use of losses brought forward	-	(140,049)
Reimbursement of corporation tax for 1999	-	(206,211)
Prior year adjustment	(19,455)	-
	<u>(16,848)</u>	<u>(186,756)</u>

**Notes** *(continued)*

**8 Investments held as fixed assets**

	<u>2005</u> £	<u>2004</u> £
<b>Shares in group undertakings</b>		
<i>Cost</i>		
At beginning of year	-	37,000
Liquidation of investments	-	(37,000)
	<hr/>	<hr/>
At end of year	-	-
	<hr/>	<hr/>

During 2004 GN Danavox (Great Britain) Limited and GN Investments Limited were put into liquidation. Consequently the investments have been written down to nil and inter-company balances with GN Great Britain forgiven. In connection with this the company realised a profit of £30,506 in 2004.

**9 Debtors**

	<u>2005</u> £	<u>2004</u> £
Amounts owed by group undertakings	8,731,264	8,737,498
Prepayments	35,983	34,749
Other debtors	34,015	35,743
	<hr/>	<hr/>
	8,801,262	8,807,990
	<hr/>	<hr/>

## Notes (continued)

### 10 Creditors: Amounts falling due within one year

	<u>2005</u>	<u>2004</u>
	£	£
Prepayment	-	25,870
Reverse lease premium	105,425	133,221
Other creditors	6,400	12,500
Tax payable	2,607	19,455
	<u>114,432</u>	<u>191,046</u>

### 11 Provision for liabilities and charges

	<u>2005</u>	<u>2004</u>
	£	£
Balance at 1 January	40,000	40,000
Addition	70,000	-
	<u>110,000</u>	<u>40,000</u>
Balance at 31 December	110,000	40,000

The provision relates to potential dilapidation costs on the Swindon property that may become payable in May 2006 when the lease expires.

### 12 Deferred tax

The amounts of deferred tax provided in the financial statements and the potential amounts not provided for are:

	Provided	Provided	Not provided	Not provided
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
	£	£	£	£
Dilapidation provision (asset)	-	-	33,000	12,000
Operating losses (asset)	-	-	-	-
	<u>-</u>	<u>-</u>	<u>33,000</u>	<u>12,000</u>

**Notes (continued)**

**13 Called up share capital**

	<u>2005</u> £	<u>2004</u> £
<i>Authorised</i>		
40,000,000 ordinary shares of £1 each	40,000,000	40,000,000
<i>Allotted, called up and fully paid</i>		
21,000,005 ordinary shares of £1 each	21,000,005	21,000,005

**14 Reconciliation of movements in equity shareholders' funds**

	<u>2005</u> £	<u>2004</u> £
Shareholders' funds at beginning of the year	8,593,361	7,914,874
Profit for the year	25,537	678,487
<b>Shareholders' funds at end of the year</b>	<b>8,618,898</b>	<b>8,593,361</b>

**15 Commitments**

Annual commitments under non-cancellable operating leases are as follows:

	<u>2005</u> £	<u>2004</u> £
<i>Land and Buildings</i>		
Operating leases which expire:		
Within one year	39,656	115,796
In the second to fifth years inclusive	-	39,656

**Notes** *(continued)*

**16 Related party transactions**

The company has taken advantage of the exemption contained in FRS 8: Related Party Transactions, as more than 90% of the company's voting rights are controlled within the GN Store Nord A/S group of companies. The company has therefore not disclosed transactions or balances with other group companies or investees of the group qualifying as related parties.

There have been no other related party transactions outside the group during this year or the previous year.

**17 Ultimate and immediate parent company**

The immediate and ultimate parent company and controlling company of GN Great Britain Limited is GN Store Nord A/S, incorporated in Denmark. The largest group in which the results of the company are consolidated is that headed by GN Store Nord A/S, incorporated in Denmark. The consolidated accounts of this company are available to the public and may be obtained from GN Store Nord A/S, Maarkaervej 2A, DK-2630, Taastrup, Denmark. No other group accounts include the results of the company.