

# **Fabric Solutions (Holdings) Ltd**

## **Report and Financial Statements**

30 June 2003



**Registration number 3716117**

**Fabric Solutions (Holdings) Ltd**  
**Directors and Officers**

**DIRECTOR**

Dr Sergo Grigorian

**SECRETARY**

Mr Robert Wisniowski

**REGISTERED OFFICE**

Oxford House  
24 Oxford Rd North  
Chiswick  
London  
W4 4DH

**Fabric Solutions (Holdings) Ltd**  
**Director's Report**

The director presents his report with the financial statements for the year ended 30 June 2003.

**Results and dividends**

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

The director does not recommend the payment of a final dividend

**Principal activities and review of the business**

The company's principal activity during the year under review was that of a Holding Company

The director is satisfied with the results for the period and the state of affairs of the company at the balance sheet date.

On 14 October 2003 the company changed its name from Choicevest Ltd to Fabric Solutions (Holdings) Ltd

**Director and director's interests**

The Director during the year was as follows:

*Dr Sergo Grigorian*

The Director had no beneficial interest in the shares of the company at the balance sheet date

**Small company special provisions**

The report of the director has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on 7 June 2004.

Sergo Grigorian  
Director



**Fabric Solutions (Holdings) Ltd**  
**Profit and Loss Account**  
**for the year ended 30 June 2003**

	Note	Year to 30 June 2003 £	Year to 30 June 2002 £
<b>Turnover</b>		-	-
Cost of Sales		-	(4,030)
<b>Gross Loss</b>		<u>-</u>	<u>(4,030)</u>
Administrative expenses		193,707	52,863
<b>Loss on ordinary activities before taxation</b>		<u>(193,707)</u>	<u>(56,893)</u>
Tax on loss on ordinary activities	3	-	-
<b>Loss for the financial year after taxation</b>		<u>(193,707)</u>	<u>(56,893)</u>
<b>Retained Loss for the period</b>		(193,707)	(56,893)
<b>Retained Loss b/f</b>		(740,339)	(683,446)
<b>Retained loss c/f</b>		<u><u>(934,046)</u></u>	<u><u>(740,339)</u></u>

**Continuing operations**

None of the company's activities were acquired or discontinued during the financial period

**Statement of total recognised gains and losses**

The company has no recognised gains or losses other than the loss for the financial period

**Fabric Solutions (Holdings) Ltd**  
**Balance Sheet**  
**as at 30 June 2003**

	Notes	30 June 2003 £	30 June 2002 £
<b>Fixed Assets</b>			
Intangible Assets	4	215,905	406,941
Investments	5	<u>2,616,640</u>	<u>6</u>
		2,832,545	406,947
<b>Current Assets</b>			
Stocks	6	-	326,243
Debtors	7	<u>1,038,136</u>	<u>3,331,848</u>
		1,038,136	3,658,091
<b>Creditors: amounts falling due within one year</b>	8	4,803,727	4,805,375
<b>Net current liabilities</b>		(3,765,591)	(1,147,284)
<b>Total assets less current liabilities</b>		<u>(933,046)</u>	<u>(740,337)</u>
<b>Capital and reserves</b>			
Called up share capital	11	1,000	2
Profit and Loss account	12	<u>(934,046)</u>	<u>(740,339)</u>
Equity shareholders' funds	16	<u>(933,046)</u>	<u>(740,337)</u>

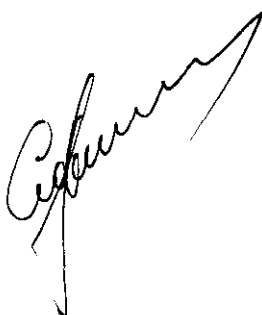
For the year ended 30 June, 2003 the company is entitled to the exemption from an annual audit permitted by subsection (1) of section 249A of the Companies Act, 1985 and no notice has been deposited under subsection (2) of schedule 249B by a member requiring an audit.

The director acknowledges his responsibility for:

- (i) ensuring that the company keeps proper accounting records which comply with Section 221 of the Companies Act 1985; and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226 of the Companies Act 1985, and which otherwise comply with the requirements of this act relating to accounts, so far as applicable to the company.

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Sergo Grigorian  
 Director  
 Approved by the board on 7 June 2004



**Fabric Solutions (Holdings) Ltd**  
**Notes to the Financial Statements**  
**at 30 June 2003**

**1 Accounting policies**

**Basis of preparation of Financial Statements**

The company continues to be dependent on the support of its parent company, Tudorcrest Limited

The parent company has indicated its continuing willingness to support the Company for a minimum period of 12 months from the date of the signing of these Financial Statements. Consequently the director believes the Going Concern basis of preparing the Financial Statements is appropriate

**Accounting Convention**

The financial statements are prepared under the historical cost convention, and are in accordance with applicable Accounting Standards.

The company and its subsidiary undertakings comprise a small group

The company has taken advantage of the exemption provided by section 248 of the Companies Act 1985 not to prepare Group accounts. The financial statements therefore present the information about the company as an individual and not about its group

**Intangible Fixed Assets and Amortisation**

Intangible Fixed Assets represent expenditure on the acquisition of Know-how and intellectual property rights

Amortisation is provided at the following annual rate in order to write off intangible fixed assets over their estimated useful life as follows:

Know-how: Straight line over 5 years

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal

**Financial Reporting Standard 1**

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company

**Deferred taxation**

Deferred taxation is provided on the liability method on all timing differences which are expected in the foreseeable future, calculated at the rate at which it is estimated that the tax will be payable.

**Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

**Fabric Solutions (Holdings) Ltd**  
**Notes to the Financial Statements**  
**at 30 June 2003**

**Leasing and hire purchase commitments**

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives.

*The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.*

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

**Investments**

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the results from ordinary activities

<b>2 Operating loss</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
This is stated after charging/(crediting)		
Know-how written off	191,036	191,036
Auditors' remuneration	-	6,956
Foreign exchange differences	2,671	(164,282)

**3 Taxation**

The company had approximately £747,000 (2002- 744,000) of tax losses to offset against future trading profits. No liability to UK corporation tax arose on ordinary activities for the year ended 30 June 2003 nor for the year ended 30 June 2002

**4 Intangible Fixed Assets**

	<b>Know-How</b>
	<b>£</b>
<b>Cost</b>	
At 1 July 2002 and 30 June 2003	955,180
<b>Amortisation</b>	
At 1 July 2002	548,239
Charge for the year	191,036
At 30 June 2003	739,275
<b>Net Book Value</b>	
At 30 June 2003	215,905
At 30 June 2002	406,941

**Fabric Solutions (Holdings) Ltd**  
**Notes to the Financial Statements**  
**at 30 June 2003**

**5 Fixed Asset Investments**

	Shares in Group Undertakings £
<b>Cost</b>	
At 1 July 2002	6
Addition (see note 15)	2,616,634
At 30 June 2003	<u>2,616,640</u>
<b>Net Book Value</b>	
At 30 June 2003	<u>2,616,640</u>
At 30 June 2002	<u>6</u>

The company's investments at the balance sheet date in the share capital of companies include the following:

**Fabric Solutions (UK) Ltd**

Country of Incorporation      England and Wales  
Nature of business:      Sale of large temporary structures

Class of shares      % Holding

Ordinary      100.00

	2003 £	2002 £
Aggregate Capital and Reserves	(321,174)	(318,351)
Loss for the Year	<u>(2,821)</u>	<u>(32,147)</u>

**Fabric Solutions International (PTY) Ltd**

Country of Incorporation      Australia  
Nature of business:      Sale of large temporary structures and fabric engineering

Class of shares      % Holding

Ordinary      100.00

	2003 £	2002 £
Aggregate Capital and Reserves	493,006	760,530
Loss for the Year	<u>(301,717)</u>	<u>(473,170)</u>

**6 Stocks**

	2003 £	2002 £
Finished Goods	<u>-</u>	<u>326,243</u>



**Fabric Solutions (Holdings) Ltd**  
**Notes to the Financial Statements**  
**at 30 June 2003**

**7 Debtors- amounts due within one year**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Amounts owed by Group Undertakings	<u>1,038,136</u>	<u>3,331,848</u>

**8 Creditors- amounts due within one year**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Bank Loans and Overdrafts (see note 9)	-	650
Amounts owed to group undertakings	4,798,727	4,799,725
Other Creditors	5,000	5,000
	<u>4,803,727</u>	<u>4,805,375</u>

**9 Loans**

An analysis on the maturity of the loans is given below:

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Amounts falling due within one year or on demand		
Bank loans	<u>-</u>	<u>650</u>

**10 Provision for liabilities and charges**

	<b>Deferred Tax</b>
Balance at 30 June 2002 and 30 June 2003	<u>2,968</u>

**11 Share capital**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Authorised:		
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	<b>2003</b>	<b>2002</b>
	<b>No</b>	<b>No</b>
Allotted, called up and fully paid:		
Ordinary shares of £1 each	<u>1,000</u>	<u>2</u>

On 28 August 2003, the Company issued 998 ordinary £1 shares at £1 a share

**12 Reserves**

	<b>Profit and Loss Account £</b>
At 1 July 2002	(740,339)
Loss for the year	(193,707)
At 30 June 2003	<u>(934,046)</u>

**Fabric Solutions (Holdings) Ltd**  
**Notes to the Financial Statements**  
**at 30 June 2003**

**13 Post Balance sheet event**

On 25 March 2004, the company signed a deed of waiver and release of loan for the amount of £313,500 with Fabric Solutions (UK) Ltd. This represented an amount equivalent to 95% of the amount due to the company as at 25 March 2004.

**14 Ultimate Parent Undertaking**

The company is a 100% owned subsidiary of Tudorcrest Limited, a company incorporated in the Bahamas

**15 Related Party Disclosures**

At the balance sheet date the company owed £4,798,727 to its parent undertaking Tudorcrest Limited (2002: Sovereign International Ltd £4,779,725)

At the balance sheet date, the company was due £339,227 (2002: £342,544) from Fabric Solutions (UK) Ltd and £698,909 (2002: £2,966,862) from Fabric Solutions International (PTY) Ltd

Dr Sergo Grigorian is a Director of both Fabric Solutions (UK) Ltd and Fabric Solutions International (PTY) Ltd

During the year the company converted £2,616,634 of the amount owed from Fabric Solutions International (PTY) Ltd into 6,200,000 ordinary shares of AUD 1 each

**16 Reconciliation of movements in shareholders' funds**

	2003	2002
	£	£
Loss for the financial period	(193,707)	(56,893)
Share capital issued	998	-
Net reduction in shareholder's funds	<u>(192,709)</u>	<u>(56,893)</u>
Opening Shareholders' funds	<u>(740,337)</u>	<u>(683,444)</u>
Closing Shareholders' funds	<u><u>(933,046)</u></u>	<u><u>(740,337)</u></u>