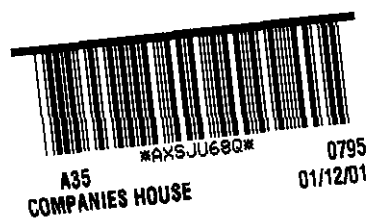


Registered number 4049697

**REPORT AND ACCOUNTS**

**ELECTINFO LIMITED**

**FEBRUARY 28, 2001**



# Electinfo Limited

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## DIRECTORS' REPORT

The directors present their annual report together with the accounts for the seven months ended February 28, 2001.

### Results and dividends

The profit for the financial period, after taxation, was £Nil.

The directors do not recommend the payment of a dividend.

### Review of the business

The company was incorporated on August 9, 2000, and began trading on September 6, 2000. The company was set up to operate as a joint arrangement between Grattan PLC and Freemans PLC, under which the information services of each company would be handled by Electinfo. Freemans PLC owns 100% of the issued share capital.

### Status

The ultimate parent company is Otto Versand (GmbH & Co), a company incorporated in Germany.

### Directors and their interests

Instant Companies Ltd	(Appointed August 9, 2000; resigned September 11, 2000)
Mr N Finnigan	(Appointed September 11, 2000)
Mr J Gillies	(Appointed September 11, 2000; resigned May 4, 2001)
Mr M L Hawker	(Appointed September 11, 2000)
Mr J J Pearmund	(Appointed September 11, 2000; resigned May 1, 2001)

Mr N Finnigan, Mr J Gillies, Mr J J Pearmund and Mr M L Hawker are also directors of the immediate parent company, Freemans PLC and their interests in shares of group undertakings are disclosed in the accounts of that company.

Mr J Gillies and Mr J J Pearmund resigned as directors of Freemans PLC on May 4, 2001 and May 1, 2001 respectively.

It has been a satisfying period for the company and the directors continue to invest in future development of the home shopping business.

### Auditors

KPMG were appointed as first auditors of the company.

In accordance with Section 384 of the Companies Act 1985 a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

### BY ORDER OF THE BOARD



I ANDREW  
Secretary

June 15, 2001

**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 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 group 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 group and to prevent and detect fraud and other irregularities.

**REPORT OF THE AUDITORS, KPMG, TO THE MEMBERS OF ELECTINFO LIMITED**

We have audited the financial statements on pages 4 to 9.

**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 February 28, 2001 and of its result for the seven months then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG*

**KPMG**

Chartered Accountants  
Registered Auditor  
Leeds

June 15, 2001

## Electinfo Limited

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### PROFIT AND LOSS ACCOUNT FOR THE SEVEN MONTHS ENDED FEBRUARY 28, 2001

	Notes	2001 £
Turnover	2	5,080,474
Cost of sales		(5,080,474)
Gross profit		-
Administrative expenses		-
Profit on ordinary activities before taxation	3	-
Tax on profit on ordinary activities		-
Result for the financial year	5	-

All turnover and losses derive from continuing operations.

A statement of movements on reserves and in shareholders' funds is given in note 5.

There is no difference between the result for the period on an unmodified historical cost basis and the result disclosed above.

# Electinfo Limited

## BALANCE SHEET AT FEBRUARY 28, 2001

	Notes	2001 £000
Current assets:		
Debtors - amounts due from immediate parent companies		1
Net assets		1
Capital and reserves:		
Called up equity share capital	4	1
Profit and loss account	5	-
Shareholders' funds - equity		1

The accounts were approved by the board of directors on June 15, 2001, and were signed on its behalf by:

M L HAWKER

)  
)

) Directors

N FINNIGAN

)  
)

## Electinfo Limited

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### CASH FLOW STATEMENT FOR THE PERIOD ENDED FEBRUARY 29, 2000

	Note	2001 £
Cash flow from operating activities		-
		<hr/>
Net cash inflow from operating activities		-
		<hr/>
Increase in cash in the period		-
		<hr/> <hr/>

### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	£
Increase in cash in the period	-
Net funds at incorporation	-
	<hr/>
Net funds at February 28, 2001	-
	<hr/> <hr/>

**NOTES TO THE ACCOUNTS AT FEBRUARY 28, 2001**

**1. Accounting policies**

**Basis of preparation**

The financial statements have been prepared under the historical cost accounting rules and in accordance with applicable Accounting Standards.

**Value added tax**

The accounting policy is to account for the liability on output VAT at the point at which a sale is recognised.

**Debtors**

Bad debts are written off as incurred and a specific provision is made on all debts outstanding from customers which are considered doubtful.

**Deferred taxation**

Deferred taxation is provided on the liability method to the extent that it is probable that a liability will crystallise in the foreseeable future.

**2. Turnover**

Turnover, all of which arises in the United Kingdom, represents the value of services provided excluding value added tax.



## Electinfo Limited

### NOTES TO THE ACCOUNTS AT FEBRUARY 28, 2001 (continued)

#### 3. Staff costs

The average weekly number of employees during the year was made up as follows:

	2001 No
Administration	121

Staff costs during the period amounted to:

	2001 £
Wages and salaries	4,346,716
Social security costs	379,345
Other pension costs	354,413
	5,080,474

No director receives any remuneration for his services as a director.

#### 4. Called up equity share capital

	Authorised 2001 No	Allotted, called up and fully paid 2001 £
Ordinary shares of £1 each	1,000	1

#### 5. Capital and reserves

	Called up equity share capital £	Profit and loss account £	Total £
At incorporation	1	-	1
Result for the period	-	-	-
At February 28, 2001	1	-	1

**NOTES TO THE ACCOUNTS AT FEBRUARY 28, 2001 (continued)**

**6. Contingent liabilities**

Under the group election for payment of VAT, the two parent companies are responsible for the discharge of any liability. In the event of default by the holding company, each group company becomes liable for its portion of the liability unpaid.

**7. Ultimate parent company**

The ultimate parent company is Otto Versand (GmbH & Co), a company incorporated in Germany.

Grattan PLC and Freemans PLC are parent companies of the smallest group of undertakings for which group accounts are drawn up and of which Electinfo Limited is a member of, as set out in FRS 9. Both companies are incorporated in Great Britain and registered in England and Wales.

The consolidated accounts of both parent companies are available to the public and may be obtained from the Company Secretary, Anchor House, Ingleby Road, Bradford, BD99 2XG.