

Registered number 4049697

**REPORT AND ACCOUNTS**

**ELECTINFO LIMITED**

**FEBRUARY 28, 2004**



**DIRECTORS' REPORT**

The directors present their annual report together with the accounts for the year ended February 28, 2004.

**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 set up to operate as a joint arrangement between Grattan Plc and Freemans Plc, under which the information technology requirement of each company would be serviced. Freemans Plc owns 100% of the issued share capital.

It has been a satisfying period for the company and the directors continue to support investment in future development of the business.

**Status**

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

**Directors and their interests**

Mr N Finnigan (resigned 23 April 2004)

Mr M L Hawker

Mr C West (appointed 26 April 2004)

Mr N Finnigan was, and Mr M L Hawker and Mr C West 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.

**BY ORDER OF THE BOARD**



**I ANDREW**  
Secretary

May 19, 2004

**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 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ELECTINFO LIMITED**

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

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**

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 February 28, 2004 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG LLP*

**KPMG LLP**  
**Chartered Accountants**  
Registered Auditor  
LEEDS

May 20, 2004

## Electinfo Limited

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### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED FEBRUARY 28, 2004

	Notes	2004 £000	2003 £000
Turnover	1	8,673	8,771
Cost of sales		(8,673)	(8,771)
Gross profit		-	-
Administrative expenses		-	-
Profit on ordinary activities before taxation	2	-	-
Tax on profit on ordinary activities		-	-
Result for the financial year	6	-	-

All turnover and losses derive from continuing operations.

A statement of movements on reserves and in shareholders' funds is given in note 6.

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

The notes on pages 6 to 9 form part of these financial statements.

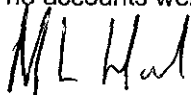
# Electinfo Limited

## BALANCE SHEET AT FEBRUARY 28, 2004

	Notes	2004 £	2003 £
Current assets:			
Debtors - amounts due from immediate parent company		1	1
Net assets		1	1
Capital and reserves:			
Called up equity share capital	5	1	1
Profit and loss account	6	-	-
Shareholders' funds - equity		1	1

The notes on pages 6 to 9 form part of these financial statements.

The accounts were approved by the board of directors on May 19, 2004, and were signed on its behalf by:



**M L HAWKER**  
Director

**NOTES TO THE ACCOUNTS AT FEBRUARY 28, 2004**

**1. Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

**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 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.

**Turnover**

Turnover, all of which arises in the United Kingdom, represents the value of IT services provided to Grattan Plc and Freemans Plc excluding value added tax.

**2. Profit/(loss) on ordinary activities before taxation**

Audit fees are borne by the immediate parent company.

**NOTES TO THE ACCOUNTS AT FEBRUARY 28, 2004 (continued)****3. Staff costs**

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

	<b>2004 No.</b>	<b>2003 No.</b>
Administration	255	266

Staff costs during the period amounted to:

	<b>2004 £000</b>	<b>2003 £000</b>
Wages and salaries	7,310	7,575
Social security costs	610	580
Other pension costs	753	616
	<b>8,673</b>	<b>8,771</b>

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

**4. Pension costs**

The company has employees who are part of both the Grattan group and Freemans group pension schemes which provide benefits based on final pensionable pay, contributions being charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified actuary.

The pension charge for the period was £753,000 (2003: £616,000).

The results of the Grattan group and Freemans group schemes and the assumptions having most significant impact on the results of the valuations are disclosed in Grattan Plc and Freemans Plc consolidated financial statements respectively.

As a result of participating in a group scheme, the company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis. As permitted by FRS 17 the scheme will be accounted for when the standard is fully adopted as though it was a defined contribution scheme.

The most recent valuation of the Grattan group scheme at April 5, 2003 was updated on a FRS 17 basis at February 28, 2004. The valuation produced a net deficit (after related tax asset) of £34.7m (2003: £36.1m).

The most recent valuation of the Freemans group scheme at January 31, 2001 was updated on a FRS 17 basis at February 28, 2004 and this valuation produced a net deficit (after related tax asset) of £48.4m (2003: £46.7m).



NOTES TO THE ACCOUNTS AT FEBRUARY 28, 2004 (continued)

5. Called up equity share capital

	Authorised 2004 No.	Allotted, called up and fully paid 2004 £	Authorised 2003 No.	Allotted, called up and fully paid 2003 £
Ordinary shares of £1 each	1,000	1	1,000	1

6. Capital and reserves

	Called up equity share capital £	Profit and loss account £	Total £
At February 28, 2003	1	-	1
Result for the period	-	-	-
At February 28, 2004	1	-	1

7. Contingent liabilities

Under the group election for payment of VAT, Freemans Plc, the immediate parent company, is 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.

8. Cash flow statement

A cash flow statement has been included in the consolidated financial statements of Freemans Plc which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard No 1 (revised 1996).

9. Ultimate parent company

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

Freemans Plc is the parent company of the smallest group of undertakings for which group accounts are drawn up and of which Electinfo Limited is a member of. Freemans Plc is incorporated in Great Britain and registered in England and Wales.

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

**NOTES TO THE ACCOUNTS AT FEBRUARY 28, 2004 (continued)**

**10. Related party transactions**

The directors have taken advantage of the exemption in Financial Reporting Standard 8, paragraph 3(c), and have not disclosed transactions with parent and fellow subsidiary undertakings.