

19/07/2004

Kinloch Anderson (Holdings) Limited

**Directors' report and financial
statements**

Registered number SC 65521

27 March 2004



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Directors' report

The directors present their annual report and audited financial statements for the year ended 27 March 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 year. 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. The directors also 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.

Review of business

The company did not trade during the year. The only activity of the company is the holding of an investment in a subsidiary company, Kinloch Anderson Limited, which is involved in the manufacture, wholesale and retailing of high quality clothing and accessories.

Directors and directors' interests

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

D Kinloch Anderson (Chairman)
 DA Kinloch Anderson

The directors who held office at the end of the financial year had the following interests in the share capital of the company:

	7% Cumulative £1 preference shares		Ordinary £1 shares	
	Interest at end of year	Interest at beginning of year	Interest at end of year	Interest at beginning of year
D Kinloch Anderson	55,080	55,080	114,007	114,007
DA Kinloch Anderson	44,920	44,920	43,776	43,776

Directors' report *(continued)*

Auditors

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

By order of the board



D Kinloch Anderson
Secretary

Commercial Street/Dock Street
Leith, Edinburgh EH6 6EY

23 July 2004



KPMG LLP

Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG
United Kingdom

Independent auditors' report to the members of Kinloch Anderson (Holdings) Limited

We have audited the financial statements on pages 4 to 7.

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 1, 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 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 27 March 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

23 July 2004

Profit and loss account
for the year ended 27 March 2004

	<i>Note</i>	2004 £	2003 £
Profit for the financial year		-	-
Additional finance costs of non-equity shares	5	<u>(7,000)</u>	<u>(7,000)</u>
Loss retained for the year for equity shareholders	5	<u><u>(7,000)</u></u>	<u><u>(7,000)</u></u>

Other than the result for the year there have been no recognised gains or losses.

Balance sheet
at 27 March 2004

	<i>Note</i>	2004	2003
		£	£
Fixed assets			
Investments	2	108,588	108,588
Creditors: amounts falling due within one year	3	(500)	(500)
Net current liabilities		(500)	(500)
Net assets		108,088	108,088
Capital and reserves			
Called up share capital	4	262,425	262,425
Capital redemption reserve		42,590	42,590
Profit and loss account	5	(196,927)	(196,927)
Shareholders' funds	6		
Equity		(57,829)	(50,829)
Non-equity		165,917	158,917
		108,088	108,088

The financial statements were approved by the Board of Directors on 23 July 2004 and were signed on its behalf by:



D Kinloch Anderson
Director

Notes

(forming part of the financial statements)

1 Accounting policies

Basis of preparation

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

The company is a small company under sections 246 to 249 of the Companies Act 1985, and is granted exemption by FRS 1 from the requirement to prepare a cash flow statement.

Fixed assets

Fixed asset investments are stated at cost, plus amounts owed as long term loans less provisions.

Consolidated financial statements

Group financial statements are not prepared, as the group is considered a small sized group and is entitled to the exemption from the requirement to prepare group financial statements under Section 248 of the Companies Act 1985.

2 Fixed asset investments

Shares in subsidiary and associated undertakings

	£
<i>Cost</i>	
At beginning and end of year	109,088
<i>Provisions</i>	
At beginning of year	500
Written back during year	-
At end of year	500
<i>Net book value</i>	
At 27 March 2004	108,588
At 29 March 2003	108,588

The company holds 100% of the ordinary share capital of Kinloch Anderson Limited which is registered in Scotland. The principal activity of Kinloch Anderson Limited is the manufacture, wholesale and retailing of high quality clothing and accessories. The company holds 33% of the ordinary share capital of Tolbooth Management Company Limited which is registered in Scotland. Tolbooth Management Company Limited did not trade during the year and the cost of shares of £500 is fully provided above.

The following shows the results and aggregate of capital and reserves of Kinloch Anderson Limited for the year ended 27 March 2004:

	£
Retained loss for the financial year	(24,205)
Capital and reserves	229,790

Notes (continued)

3 Creditors: amounts falling due within one year

	2004 £	2003 £
Amount owed to subsidiary undertaking	500	500

4 Called up share capital

	2004 £	2003 £
<i>Authorised, allotted, called up and fully paid</i>		
Ordinary shares of £1 each	162,425	162,425
7% cumulative preference shares of £1 each	100,000	100,000
	<u>262,425</u>	<u>262,425</u>

Arrears of dividend in respect of the 7% cumulative preference shares amounted to £65,917 (2003: £58,917) at the year end.

The holders of the cumulative preference shares are not entitled to vote at general meetings. In a winding up the holders of the cumulative preference shares are entitled to repayment of capital at £1 per share plus any unpaid fixed preference dividend.

5 Profit and loss account

	£
At beginning of year	(196,927)
Retained loss for the year for equity shareholders	(7,000)
Appropriation from equity to non-equity interests included therein	7,000
At end of year	<u>(196,927)</u>

6 Reconciliation of movements in shareholders' funds

	Equity funds £	Non-equity funds £	Total £
Opening shareholders' funds	(50,829)	158,917	108,088
Loss retained for the year for equity shareholders	(7,000)	-	(7,000)
Additional finance costs of non-equity interests for the year apportioned from equity interests	-	7,000	7,000
Closing shareholders' funds	<u>(57,829)</u>	<u>165,917</u>	<u>108,088</u>

7 Contingent liabilities

The company has guaranteed the overdraft of its subsidiary up to a maximum of £200,000; the bank balance was in credit at the year end.