

Kinloch Anderson (Holdings) Limited

**Director's report and financial
statements**

Registered number SC65521

2 April 2005



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Directors' report

The directors present their annual report and the financial statements for the period ended 2 April 2005.

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 the directors 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 period. 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 period were as follows:

D Kinloch Anderson (Chairman)
DA Kinloch Anderson

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

	7% Cumulative £1 preference shares		Ordinary £1 shares	
	Interest at end of period	Interest at beginning of year	Interest at end of period	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

During the year, KMPG resigned as auditors and Henderson Loggie CA were appointed in their place. In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of Henderson Loggie CA will be submitted at the annual general meeting.

On behalf of the board



D Kinloch Anderson
Secretary

Commercial Street/Dock Street
Leith, Edinburgh EH6 6EY

29 July 2005



HENDERSON LOGGIE

Chartered Accountants

10 Great Stuart Street
Edinburgh
EH3 7TN
United Kingdom

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

We have audited the financial statements on pages 5 to 8.

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

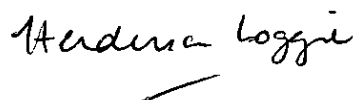
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 2 April 2005 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Henderson Loggie
Chartered Accountants
Registered Auditors

29 July 2005

Profit and loss account
for the period ended 2 April 2005

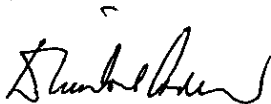
	<i>Note</i>	2005 £	2004 £
Profit for the financial period		-	-
Additional finance costs of non-equity shares	5	(7,000)	(7,000)
Loss retained for the period for equity shareholders	5	<u>(7,000)</u>	<u>(7,000)</u>

Other than the loss for the period there have been no recognised gains and losses.

Balance sheet
at 2 April 2005

	<i>Note</i>	2005	2004
		£	£
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)
		108,088	108,088
Shareholders' funds	6		
Equity		(64,829)	(57,829)
Non-equity		172,917	165,917
		108,088	108,088

These financial statements were approved by the board of directors on 29 July 2005 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 under FRS 1 from the requirement to prepare a cash flow statement.

labour, together with a proportion of manufacturing overheads based on normal levels of production.

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

	£
<i>Cost</i>	
At beginning and end of period	109,088
<i>Provisions</i>	
At beginning of period	500
Written back during period	-
At end of period	500
<i>Net book value</i>	
At 2 April 2005	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 period 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 period ended 2 April 2005:

	£
Retained loss for the financial period	(9,250)
Capital and reserves	220,540

Notes (continued)

3 Creditors: amounts falling due within one year

2005	2004
£	£

Amount owed to subsidiary undertaking	500	500
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4 Called up share capital

2005	2004
£	£

Authorised, allotted, issued and fully paid

Ordinary shares of £1 each	162,425	162,425
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7% Cumulative preference shares of £1 each	100,000	100,000
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	262,425	262,425
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Arrears of dividend in respect of the 7% cumulative preference shares amounted to £72,917 (2004: £65,917) at the period 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 period	(196,927)
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Retained loss for the period for equity shareholders	(7,000)
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Appropriation from equity to non-equity interests included therein	7,000
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At end of period	(196,927)
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6 Reconciliation of movements in shareholders' funds

Equity funds	Non-equity funds	Total
£	£	£

Opening shareholders' funds	(57,829)	165,917	108,088
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Loss retained for the period for equity shareholders	(7,000)	-	(7,000)
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Additional finance costs of non-equity interests for the period apportioned from equity interests	-	7,000	7,000
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Closing shareholders' funds	(64,829)	172,917	108,088
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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 period end.