

Company Registration No. 2950066 (Guernsey)

**QUINTAIN SERVICES LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2004**



# QUINTAIN SERVICES LIMITED

## COMPANY INFORMATION

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### Directors

N G Ellis  
A R Wyatt  
R J Worthington  
N S K Shattock  
J R Hamilton Stubber  
M R Meech  
D G Pangbourne  
B S Thomas  
W J T Plender  
J MacNaughton

### Secretary

S Dixon

### Company number

2950066

### Registered office

58 Davies Street  
London  
W1K 5JF

### Auditors

KPMG Audit Plc  
8 Salisbury Square  
London  
EC4Y 8BB

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# QUINTAIN SERVICES LIMITED

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# QUINTAIN SERVICES LIMITED

## DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2004

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The directors present their report and financial statements for the period from 2 February 2003 to 31 March 2004. The comparative period is for the ten months ended 1 February 2003.

### Principal activities and review of the business

The principal activity of the Company is the provision of management services under an agreement with the parent company, Quintain Estates and Development PLC. The Company commenced this activity on 26 March 2003.

The results for the period and the financial position at the period end were considered satisfactory by the directors.

### Results and dividends

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

The directors do not recommend payment of an ordinary dividend (2003: £nil).

### Directors

The following directors held office during the period:

N G Ellis	
A R Wyatt	
R J Worthington	
N S K Shattock	
J R Hamilton Stubber	
M R Meech	(Appointed 19 March 2003)
D G Pangbourne	(Appointed 19 March 2003)
B S Thomas	(Appointed 19 March 2003)
W J T Plender	(Appointed 19 March 2003)
J MacNaughton	(Appointed 9 August 2004)

### Directors' interests

There are no directors' interests requiring disclosure under the Companies Act 1985. The directors listed above at 31 March 2004, are also directors of the ultimate parent company and, as such, their interests in the share and loan capital of that company are shown in its directors' report.

### Auditors

The Company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with section 386(1) of the Companies Act 1985. Therefore, the auditors, KPMG Audit Plc, will be deemed to be reappointed for each succeeding financial year.

By order of the board



S Dixon

Secretary

21 January 2005

# QUINTAIN SERVICES LIMITED

## DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2004

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### 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;
- 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# QUINTAIN SERVICES LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF QUINTAIN SERVICES LIMITED

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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 auditors' 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 the 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.

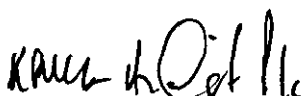
### **Basis of audit opinion**

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 31 March 2004 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG Audit Plc

Chartered Accountants and  
Registered Auditor

21 January 2005

8 Salisbury Square  
London  
EC4Y 8BB

# QUINTAIN SERVICES LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 MARCH 2004

		Period ended 31 March 2004 £	Period ended 1 February 2003 £
	Notes		
Turnover	2	7,599,039	-
Cost of sales		(7,237,180)	-
Gross profit		361,859	-
Administrative expenses		(1,727,170)	-
Operating loss	3	(1,365,311)	-
Other interest receivable and similar income		3,295	-
Interest payable and similar charges	5	(536)	-
Loss on ordinary activities before taxation		(1,362,552)	-
Tax on loss on ordinary activities	6	-	-
Loss on ordinary activities after taxation	11	(1,362,552)	-

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# QUINTAIN SERVICES LIMITED

## BALANCE SHEET AS AT 31 MARCH 2004

	Notes	2004 £	2003 £
<b>Current assets</b>			
Debtors	7	35,975,301	33,823,575
Cash at bank and in hand		3,012	-
		<u>35,978,313</u>	<u>33,823,575</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>(18,408,869)</u>	<u>(14,891,579)</u>
<b>Total assets less current liabilities</b>		17,569,444	18,931,996
<b>Net assets</b>		<u>17,569,444</u>	<u>18,931,996</u>
<b>Capital and reserves</b>			
Called up share capital	10	2	2
Profit and loss account	11	17,569,442	18,931,994
<b>Shareholders' funds - equity interests</b>	12	<u>17,569,444</u>	<u>18,931,996</u>

The financial statements were approved by the Board on 21 January 2005



R J Worthington  
Director



# QUINTAIN SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2004

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with all applicable accounting standards and the requirements of the Companies Act 1985, except as explained below.

Under the provision of FRS1 (Revised), the Company has not prepared a cashflow statement because its ultimate parent company, Quintain Estates and Development PLC, which is incorporated in Great Britain, has prepared consolidated financial statements which include the financial statements of the Company for the year and which contain a cashflow statement.

#### 1.2 Turnover

Turnover is stated net of VAT and comprises management fees receivable.

#### 1.3 Deferred taxation

Deferred tax is recognised on all timing differences that have originated but not reversed at the balance sheet date. Deferred tax assets are recognised to the extent that they are considered recoverable.

### 2 Turnover

This comprised:

	2004	2003
	£	£
Management fees receivable	7,599,039	-

### 3 Operating loss

Auditors' remuneration has been wholly borne by the ultimate parent company, Quintain Estates and Development PLC in the current and prior year.

All of the directors who served during the year are also directors of the ultimate parent company. Their remuneration for services as directors to the group is wholly borne by and disclosed in the accounts of that company in the current and prior year.

### 4 Staff costs (included in cost of sales)

	2004	2003
	£	£
Wages and salaries	5,211,603	-
Social security costs	973,293	-
Pension costs	373,036	-
Other employment costs	104,633	-
	6,662,565	-

The average number of employees during the year was 57 (2003: nil).

# QUINTAIN SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2004

5	Interest payable and similar charges	2004 £	2003 £
	Finance charges and related costs	536	-
6	Taxation	2004 £	2003 £
	Current tax charge	-	-
	<b>Factors affecting the tax charge for the period</b>		
	Loss on ordinary activities before taxation	(1,362,552)	-
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30% (2003: 30%)	(408,766)	-
	Effects of:		
	Tax losses surrendered	408,766	-
		408,766	-
	Current tax charge	-	-
	Group relief has been surrendered for nil consideration.		
7	Debtors	2004 £	2003 £
	Amounts owed by parent and fellow subsidiary undertakings	35,959,245	33,823,575
	Other debtors	2,778	-
	Prepayments and accrued income	13,278	-
		35,975,301	33,823,575

# QUINTAIN SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2004

8	Creditors: amounts falling due within one year	2004 £	2003 £
	Trade creditors	238	-
	Amounts owed to parent and fellow subsidiary undertakings	17,843,769	14,687,366
	Corporation tax	-	204,213
	Taxes and social security costs	518,122	-
	Other creditors	1,481	-
	Accruals and deferred income	45,259	-
		<u>18,408,869</u>	<u>14,891,579</u>
10	Share capital	2004 £	2003 £
	Authorised		
	100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
	Allotted, called up and fully paid		
	2 Ordinary shares of £ 1 each	<u>2</u>	<u>2</u>
11	Reserves		Profit and loss account £
	Balance at 2 February 2003		18,931,994
	Retained loss for the period		<u>(1,362,552)</u>
	Balance at 31 March 2004		<u>17,569,442</u>
12	Reconciliation of movements in shareholders' funds	2004 £	2003 £
	Loss for the financial period	(1,362,552)	-
	Net depletion in shareholders' funds	<u>(1,362,552)</u>	-
	Opening shareholders' funds	18,931,996	18,931,996
	Closing shareholders' funds	<u>17,569,444</u>	<u>18,931,996</u>

# QUINTAIN SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2004

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### 13 Control

The Company's immediate parent company is Qoin Limited and its ultimate parent company is Quintain Estates and Development PLC. The only group in which results of the Company are consolidated is that headed by Quintain Estates and Development PLC. Group financial statements are available on request for 58 Davies Street, London W1K 5JF.

### 14 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.