

Eric Wright FM Limited

**Directors' report and financial
statements**

Registered number 4540287

Period from incorporation
to 31 December 2003



Contents

Directors' report	1
Statement of directors' responsibilities	2
Independent auditor's report to the members of Eric Wright FM Limited	3
Profit and loss account	4
Statement of total recognised gains and losses	4
Balance sheet	5
Notes	6

Directors' report

The directors present their annual report and the audited financial statements for the period 19 September 2002 to 31 December 2003.

Principal activities

The principal activity of the company in the period under review was that of facilities management for other group companies.

Business review

The results for the period and financial position of the company are as shown in the financial statements.

Dividends

No dividends will be distributed for the period ended 31 December 2003.

Directors and directors' interests

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

RE Wright (appointed 19 September 2002)

JF Carter (appointed 19 September 2002)

ME Collier (appointed 19 September 2002)

R Turpin (appointed 17 December 2003)

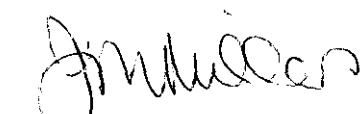
None of the directors who held office during the year held any beneficial interest in the issued share capital of the company at 19 September 2002 or 31 December 2003.

The interests of the directors in the share capital of the ultimate holding company, Henmead Limited, are shown in the directors' report of those accounts.

Auditors

KPMG LLP were appointed as auditors during the period. In accordance with Section 384 of the Companies Act 1985, a resolution for the reappointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



JM Miller
Secretary

Sceptre House
Sceptre Way
Bamber Bridge
PRESTON
PR5 6AW

26/5 | 2004

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period 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.



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Preston PR2 2YF
United Kingdom

Independent auditor's report to the members of Eric Wright FM 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 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 December 2003 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP
KPMG LLP
Chartered Accountants
Registered Auditor

27 May 2004

Profit and loss account
for the period ended 31 December 2003

	<i>Note</i>	2003 £
Turnover	1	709,726
Cost of sales		(266,005)
Gross profit		443,721
Administrative expenses		(401,573)
Profit on ordinary activities before taxation	3	42,148
Tax on profit on ordinary activities	4	(6,767)
Profit for the financial year after taxation		35,381

All amounts relate to continuing operations.

Statement of total recognised gains and losses
for the period ended 31 December 2003


The company has no recognised gains or losses other than the profits for the current period.

Balance sheet
at 31 December 2003

	<i>Note</i>	2003	
		£	£
Fixed assets			
Tangible assets	5		36,790
Current assets			
Debtors	6	163,146	
Cash at bank and in hand		260,699	
		<u>423,845</u>	
Creditors: amounts falling due within one year	7	(423,807)	
Net current assets			<u>38</u>
Total assets less current liabilities			<u>36,828</u>
Provisions for liabilities and charges	8		(1,445)
			<u>35,383</u>
Capital and reserves			
Called up share capital	9		2
Profit and loss account			35,381
Shareholders' funds	12		<u>35,383</u>

These financial statements were approved by the board of directors on 26 MAY 2004 and were signed on its behalf by:

Director



Notes

(forming part of the financial statements)

1 Accounting policies

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

Basis of preparation

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

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of Henmead Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Henmead Limited, within which this company is included, can be obtained from Companies House, Crown Way, Cardiff.

Turnover

Turnover represents facilities management charges in group companies.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	-	20% on cost
Motor vehicles	-	25% on cost
Computer equipment	-	33% on cost

Taxation

The charge for taxation is based on the results for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Full provision without discounting is made for all timing differences which have arisen but not reversed at the balance sheet date.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the period are charged in the profit and loss account.

2 Staff costs

	2003 £
Wages and salaries	315,050
Social security costs	30,786
Other pension costs	16,871
	<hr/> 362,707 <hr/>
The average monthly number of employees during the period was as follows:	
Administration	<hr/> 11 <hr/>

Notes (continued)

2 Staff costs (continued)

	2003 £
<i>Remuneration of directors</i>	
Directors' emoluments	100,750
Directors' pension contributions	4,518
	<u>105,268</u>

Retirement benefits are accruing to one director under a money purchase scheme.

3 Profit on ordinary activities

Profit on ordinary activities is stated after charging

	2003 £
Depreciation – owned assets	9,116
Auditors' remuneration	1,250
	<u></u>

4 Taxation

The tax charge on the profit on ordinary activities for the period was as follows:

	2003 £
UK corporation tax at 19%	5,322
Deferred taxation	1,445
	<u>6,767</u>

Factors affecting the tax charge for the current period

	2003 £
Profit on ordinary activities before taxation	<u>42,148</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%	12,644
Expenses not deductible for tax purposes	39
Difference between capital allowances and depreciation	(2,915)
Group relief	(1,658)
Marginal rate relief	(2,788)
Corporation tax charge for the period	<u>5,322</u>

Notes (continued)

5 Tangible fixed assets

	Fixtures and fittings £	Motor vehicles £	Total £
<i>Cost</i>			
Additions	3,023	42,883	45,906
At end of year	3,023	42,883	45,906
<i>Depreciation</i>			
Charge for year	614	8,502	9,116
At end of year	614	8,502	9,116
<i>Net book value At 31 December 2003</i>	2,409	34,381	36,790

6 Debtors

	2003 £
Trade debtors	44,243
Amounts due from ultimate parent company	12
Prepayments and accrued income	117,372
Other debtors	1,519
	163,146

7 Creditors: amounts falling due within one year

	2003 £
Trade creditors	20,690
Due to parent company	201,354
Due to fellow subsidiary	151,376
Other creditors	2,129
Accruals	48,258
	423,807

8 Provisions for liabilities and charges

	2003 £
Deferred taxation – arising on difference between accumulated depreciation and capital allowances	
Charge for the period	1,445

Notes (continued)

9 Called up share capital

	2003 £
<i>Authorised</i>	
Ordinary shares of £1 each	1,000
<i>Allotted, issued and fully paid</i>	
Ordinary shares of £1 each	2

10 Contingent liabilities

The company has given an unlimited cross guarantee against the bank borrowings of all other group companies. This is supported by a first legal charge over certain group assets.

11 Pension commitments

The company operates a defined contribution pension scheme for its directors and employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge for the period is £16,871 and the amount due to the scheme at the period end is £333.

12 Reconciliation of movements in shareholders' funds

	2003 £
Share capital subscribed	2
Profit for the financial period	35,381
Net addition to shareholders' funds	35,383
Opening shareholders' funds	-
Closing shareholders' funds	35,383
Equity interests	35,383

13 Ultimate parent company

The company is a wholly owned subsidiary of Eric Wright Group Limited. The ultimate holding company is Henmead Limited, a company incorporated in England.