

**KNIGHT FRANK (CZECH) LIMITED**

**Directors' report and financial statements**

**31 October 2002**



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COMPANIES HOUSE 31/07/03

# **KNIGHT FRANK (CZECH) LIMITED**

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# **KNIGHT FRANK (CZECH) LIMITED**

## **Directors Report**

The directors present their annual report and audited financial statements for the year ended 31 October 2002.

### **Review of the business and principal activity**

The principal activity of the company is the holding of an investment in a subsidiary company in the Czech Republic providing property services.

The results for the year are set out in the profit and loss account on page 4. The company made a profit after taxation for the year of £61,095 (2001: £18,622).

### **Fixed assets**

Note 6 to the accounts details movements in fixed assets investments.

### **Dividends**

The company paid a dividend of £45,412 during the year (2001: *£nil*)

### **Political and charitable donations**

No such donations were made during the year.

### **Directors and their interests**

The directors who held office during the year were:

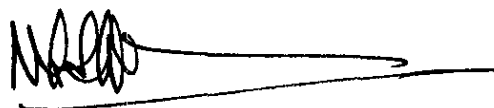
J H S Martin  
P J Willis

As a consequence of their status as partners in Knight Frank, J H S Martin and P J Willis are deemed to have an interest in all of the shares of the company, which is a wholly owned subsidiary of KF&R Limited. The share capital of KF&R Limited is held by nominees for all the partners in Knight Frank.

### **Auditors**

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



**N G Stafford Allen**  
*Secretary*

30 July 2003

Sutherland House  
149 St Vincent Street  
Glasgow, G2 5NW

## **KNIGHT FRANK (CZECH) LIMITED**

### **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 as at the end of the financial year 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 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 obtained 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 maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which 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.

# **KNIGHT FRANK (CZECH) LIMITED**

## **Independent auditors' report to the members of Knight Frank (Czech) 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 October 2002 and of its profit 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*

*London*

30 July 2003

# KNIGHT FRANK (CZECH) LIMITED

## Profit and loss account for the year ended 31 October 2002

	<i>Note</i>	2002 £	2001 £
Dividends received		<u>64,311</u>	<u>19,602</u>
<b>Profit on ordinary activities before taxation</b>	2	64,311	19,602
Tax on profit on ordinary activities	5	<u>(3,216)</u>	<u>(980)</u>
<b>Profit on ordinary activities after taxation</b>		61,095	18,622
Dividend paid		(45,412)	-
<b>Retained profit for the year</b>	9	<u>15,683</u>	<u>18,622</u>
Retained profit/(loss) brought forward		11,112	(7,510)
<b>Retained profit carried forward</b>		<u><u>26,795</u></u>	<u><u>11,112</u></u>

All items relate to continuing activities

There were no recognised gains and losses other than those shown in the profit and loss account.

There is no difference between the profit for the year and that calculated on a historical cost basis

# KNIGHT FRANK (CZECH) LIMITED

## Balance Sheet at 31 October 2002

	Note	2002 £	2001 £
<b>Fixed assets</b>			
Investments	6	36,795	36,795
<b>Creditors: amounts falling due within one year</b>	7	-	(15,683)
<b>Net current assets/(liabilities)</b>		-	(15,683)
<b>Total assets less current liabilities</b>		36,795	21,112
<b>Net assets</b>		<u>36,795</u>	<u>21,112</u>
<b>Capital and reserves</b>			
Called-up share capital	8	10,000	10,000
Profit and loss account		<u>26,795</u>	<u>11,112</u>
<b>Equity shareholders' funds</b>	9	<u>36,795</u>	<u>21,112</u>

The financial statements were approved by the board of directors on 30 July 2003 and were signed on its behalf by:



**N G Stafford Allen**  
Secretary

# **KNIGHT FRANK (CZECH) LIMITED**

## **Notes to the financial statements**

**31 October 2002**

### **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.

#### *Cashflow statement*

The company held no cash or cash equivalents at any time during the period and no cash flow statement has been prepared.

#### *Foreign currencies*

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are using the rate of exchange ruling at the balance sheet date and gains or losses on translation are included in the profit and loss account.

#### *Investments*

Investments are valued at cost less any provision for permanent diminution in value.

#### *Consolidation*

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. Operating profit**

The results for the year relate wholly to the company's principal activity.

### **3. Other operating charges**

Any operating charges, including auditors remuneration, are borne by the parent company KF&R Limited



# KNIGHT FRANK (CZECH) LIMITED

## Notes to the financial statements 31 October 2001 (continued)

### 4. Staff

The company employed no staff during the period.

### 5. Tax on profit on ordinary activities

<i>a) Analysis of charge for the year</i>	2002	2001
	£	£
<i>Current tax</i>		
UK corporation tax at 30% on the profits in the year	19,294	5,881
Less: overseas tax paid	(19,294)	(5,881)
Overseas withholding tax	3,216	980
Total current tax	<u>3,216</u>	<u>980</u>
 <i>b) Factors affecting the tax charge for the year</i>	 2002	 2001
	£	£
Profit on ordinary activities before taxation	64,311	19,602
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2001: 30%)	19,294	5,881
<i>Effects of:</i>		
Double tax relief on overseas earnings	(19,294)	(5,881)
Overseas withholding tax	3,216	980
Current tax charge	<u>3,216</u>	<u>980</u>

### *c) Factors that may affect future tax charges*

There are no material deferred tax balances, provided or unprovided.

# KNIGHT FRANK (CZECH) LIMITED

## Notes to the financial statements

31 October 2001 (continued)

### 6. Fixed asset investments

£

At 1 November 2001 and 31 October 2002

36,795

The investment comprises a 72% interest in Knight Frank Czech Spol sro, a Czech registered company providing property services in the Czech Republic.

The capital and reserves of the Knight Frank Czech Spol sro at 31 December 2002 and the profit for the year then ended are set out below:

Capital and reserves	£391,783
Profit for the year	£233,970

### 7. Creditors: amounts falling due within one year

2002

2001

£

£

Amounts payable to parent undertaking

-

15,683

### 8. Share capital

2002

2001

£

£

#### *Authorised*

100 ordinary shares of £1 each

10,000

10,000

#### *Issued, called-up and fully paid*

10,000 ordinary shares of £1 each

10,000

10,000

# **KNIGHT FRANK (CZECH) LIMITED**

## **Notes to the financial statements 31 October 2001 (continued)**

<b>9. Reconciliation of movements in equity shareholders' funds</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Profit for the year after taxation	<b>61,095</b>	18,622
Dividends paid	<b>(45,412)</b>	-
Net addition to shareholders' funds	<b>15,683</b>	18,622
Opening shareholder's funds	<b>21,112</b>	2,490
<b>Closing shareholders' funds</b>	<b>36,795</b>	<b>21,112</b>

## **10. Parent Company**

The company's parent undertaking is KF&R Limited, a company registered in England & Wales.

Copies of these financial statements can be obtained from the following address:  
Sutherland House 149 St Vincent Street Glasgow, G2 5NW