

## **O&H Hampton Limited**

Report and Financial Statements

Year Ended

28 February 2009

Company Number 2385983

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# **O&H Hampton Limited**

## **Report and financial statements for the year ended 28 February 2009**

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### **Directors**

A V Allen  
P Dee-Shapland  
D S Gabbay  
P W Nicholson  
D Reavell  
S Samra  
E A Shahmoon  
R A Shahmoon

### **Secretary and registered office**

P W Nicholson, 11-14 Grafton Street, London W1S 4EW

### **Company number**

2385983

### **Auditors**

BDO LLP, 55 Baker Street, London, W1U 7EU

# **O&H Hampton Limited**

## **Report of the directors for the year ended 28 February 2009**

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The directors present their report together with the audited financial statements for the year ended 28 February 2009.

### **Results and dividends**

The profit and loss account is set out on page 6 and shows the loss for the year.

### **Principal activities, review of business and future developments**

The company's principal activity continued to be that of the development management company for the Hampton project in Peterborough, which will continue for the foreseeable future.

The year to February 2009 was marked by a continuation of the severe downturn in the economy, reduced activity in the property market and a continued constraint on new finance. Values for development land slipped significantly as housebuilders withdrew from land buying. The Company has taken steps to reduce its exposure to development and construction work.

The Company's long term development of the Hampton new town continues although market conditions resulted in lower sales to housebuilders of £6mn in the year (2008: £27.6mn). Expenditure on infrastructure for this period was £10mn (2008: £9.6 mn) as contracted work was completed. In light of the lack of demand for land from national and local house builders, the Company's infrastructure work has slowed significantly and this lower level of activity is anticipated in the short to medium term.

### **Principal risks and uncertainties**

The Directors have responsibility for the management of the risks facing the Company and in the assessment of those risks and in ensuring that those risks are monitored and reacted to. The Directors allocate responsibility for risk within the Company's management structure.

The Directors consider the types of risk relevant to the Company to be of three types: Strategic, Operational and Liquidity.

Strategic risks are those risks that may adversely affect the Company's performance through it following an inappropriate strategy or by the failure to execute an appropriate strategy. Strategic risks arise over a long period due to a mismatch of the business environment in which the Company operates and the environment assumed on the establishment of a particular strategy.

The main risks identified by the Directors include:

- long-term under-performance of the real estate sector;
- regulatory changes which significantly impact on the attractiveness of real estate as an investment;
- the effect of global events e.g. oil prices, terrorism, international market conditions and their impact on the UK real estate sector;
- interest rate rises affecting yields achievable on real estate;

The Directors are kept up to date through regular reviews of the impact of economic scenarios. The Directors monitor the financial performance of the Company at regular Executive meetings where comparisons against budgets and forecasts are made together with a review of key performance indicators and key projects being undertaken by the Company.

The market conditions in the year under review have continued to be poor and have had an impact on the ability of the Company to make sales from its Hampton project. The Company's business model has been adapted to cope with this market situation.

# **O&H Hampton Limited**

## **Report of the directors for the year ended 28 February 2009 (continued)**

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Operational risks are those which may result in the Company suffering a loss from inadequate internal control systems. Such losses could arise from:

- inadequate resources or skills within our staff structure;
- IT software or hardware failure, inadequate IT security or failure of back-up facilities;
- breaches of internal control systems and authorisation levels;
- fraud from internal or external sources;
- external events leading to a loss of a major contractor or tenant.

The Directors have set systems in place which minimise such risks. Employment policies are controlled by senior management and IT policies and internal control systems are regularly reviewed. The Directors are not aware of any events of fraud or major external events affecting the Company's business.

Liquidity risks arise from there being insufficient financial resources to enable the Company to meet its obligations as they fall due. The Company's operations are funded from operational cash flow and bank and inter company borrowings and the Directors regularly review these, ensuring that the latter is appropriate in relation to gearing levels, interest rate management and maturity profile. The management of cash and debt is monitored daily with short and medium-term cash flows prepared daily and long-term cash flows discussed regularly in Executive meetings. The Company is not exposed to financial derivatives or currency fluctuations.

As part of Liquidity risk management, the financial stability of contractors is monitored as part of the Company's daily operations.

The Hampton project programme is reviewed regularly to ensure they it meets the Company's obligations under any planning consents, sale contracts and finance agreements. Additionally, the Directors consider the implications on those programmes from changes in market demand at regional and local level. The main risks lie in the cost of construction and the ability of the main infrastructure contractor to fulfil its obligations to the Company. The Directors monitor progress of each contract on a regular basis to ensure that the delivery of the project is being achieved efficiently. As far as possible, the financial status or "credit rating" of all contractors is monitored on an ongoing basis.

### **Directors**

The directors of the company during the year were:

A V Allen  
P Dee-Shapland  
D S Gabbay  
P W Nicholson  
D Reavell  
S Samra  
E A Shahmoon  
R A Shahmoon

# **O&H Hampton Limited**

## **Report of the directors for the year ended 28 February 2009 (continued)**

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### **Directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 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; and
- 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.

### **Auditors**

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

### **On behalf of the board**



**P W Nicholson  
Director**

Date: 26 November 2009

# O&H Hampton Limited

## Independent auditor's report

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### To the shareholders of O&H Hampton Limited

We have audited the financial statements of O&H Hampton Limited for the year ended 28 February 2009 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

#### *Respective responsibilities of directors and auditors*

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with those financial statements. We also report to you if, in our opinion, 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 other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

#### *Basis of audit opinion*

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

# O&H Hampton Limited

## Independent auditor's report (*continued*)

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### *Opinion*

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 28 February 2009 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

*BDO LLP*

**BDO LLP**  
*Chartered Accountants  
and Registered Auditors*  
London  
United Kingdom

Date: 26 November 2009

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# O&H Hampton Limited

## Profit and loss account for the year ended 28 February 2009

	Note	2009 £	2008 £
<b>Turnover</b>	2	9,266,613	12,562,891
Cost of sales		8,839,597	9,642,954
		<hr/>	<hr/>
<b>Gross profit</b>		427,016	2,919,937
Administrative expenses		493,625	764,485
		<hr/>	<hr/>
<b>Operating (loss)/profit</b>	3	(66,609)	2,155,452
Loss on disposal of fixed assets		(2,700)	(671)
		<hr/>	<hr/>
<b>(Loss)/profit on ordinary activities before interest and other income</b>		(69,309)	2,154,781
Other interest receivable and similar income	6	45,596	6,295
Interest payable and similar charges	7	(11,688)	(103,882)
		<hr/>	<hr/>
<b>(Loss)/profit on ordinary activities before taxation</b>		(35,401)	2,057,194
Taxation on (loss)/profit on ordinary activities	8	(948)	(1,096)
		<hr/>	<hr/>
<b>(Loss)/profit on ordinary activities after taxation</b>		(36,349)	2,056,098
		<hr/>	<hr/>

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

The notes on pages 8 to 14 form part of these financial statements.



# O&H Hampton Limited

## Balance sheet at 28 February 2009

<b>Company number 2385983</b>	<b>Note</b>	<b>2009 £</b>	<b>2009 £</b>	<b>2008 £</b>	<b>2008 £</b>
<b>Fixed assets</b>					
Tangible assets	9		653,678		448,085
<b>Current assets</b>					
Debtors	10	57,428		36,092,613	
Cash at bank and in hand		82		25	
		<u>57,510</u>		<u>36,092,638</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>2,711,102</u>		<u>2,522,321</u>	
<b>Net current (liabilities)/assets</b>			<u>(2,653,592)</u>		<u>33,570,317</u>
<b>Total assets less current liabilities</b>			<u>(1,999,914)</u>		<u>34,018,402</u>
<b>Creditors: amounts falling due after more than one year</b>	12		<u>7,561,175</u>		<u>43,543,142</u>
			<u>(9,561,089)</u>		<u>(9,524,740)</u>
<b>Capital and reserves</b>					
Called up share capital	13		101		101
Share premium account	14		472,999		472,999
Profit and loss account	14		(10,034,189)		(9,997,840)
<b>Shareholders' deficit</b>	15		<u>(9,561,089)</u>		<u>(9,524,740)</u>

The financial statements were approved by the board of directors and authorised for issue on 26 November 2009.

  
P W Nicholson  
Director

The notes on pages 8 to 14 form part of these financial statements.

# O&H Hampton Limited

## Notes forming part of the financial statements for the year ended 28 February 2009

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### 1 Accounting policies

The financial statements have been prepared under the historical cost convention.

The following principal accounting policies have been applied:

#### *Cash flow statement*

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by O&H Holdings Limited and the company is included in consolidated financial statements.

#### *Turnover*

Turnover represents income arising from the sale of land and related activities and excludes value added tax. Turnover is recognised on completion.

#### *Depreciation*

Tangible fixed assets, with the exception of freehold land, are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less the estimated residual value of each asset over its expected useful life, as follows:

Freehold buildings	- 2% per annum on a straight line basis
Motor vehicles	- 25% per annum on a reducing balance basis
Office equipment- computer equipment	- 25% per annum on a reducing balance basis

#### *Deferred taxation*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

#### *Going Concern*

The financial statements have been prepared on a going concern basis which is dependant on the continued support of the ultimate parent company, O&H Holdings Limited. The directors of O&H Holdings Limited have confirmed that the company will continue to provide such support for the foreseeable future.

# O&H Hampton Limited

Notes forming part of the financial statements  
for the year ended 28 February 2009 *(continued)*

## 2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

## 3 Operating (loss)/profit

	2009 £	2008 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	23,526	20,090
Auditors' remuneration:		
- fees payable to the company's auditor for the audit of the company's annual accounts	4,000	3,110
- taxation services	5,000	6,340
	<u>          </u>	<u>          </u>

## 4 Employees

Staff costs (including directors) consist of:

	2009 £	2008 £
Wages and salaries	307,484	348,598
Social security costs	32,110	38,349
Other pension costs	24,625	28,598
	<u>          </u>	<u>          </u>
	364,219	415,545
	<u>          </u>	<u>          </u>

The average number of employees (including directors) during the year was 7 (2008 - 8).

## 5 Directors' remuneration

No director received any emoluments during the current year (2008 - £Nil).

## 6 Other interest receivable and similar income

	2009 £	2008 £
Bank interest	2,482	6,295
Other interest receivable	43,114	-
	<u>          </u>	<u>          </u>
	45,596	6,295
	<u>          </u>	<u>          </u>

# O&H Hampton Limited

Notes forming part of the financial statements  
for the year ended 28 February 2009 *(continued)*

## 7 Interest payable and similar charges

	2009 £	2008 £
Bank overdraft	11,688	103,882
	<u>11,688</u>	<u>103,882</u>

## 8 Taxation on (loss)/profit on ordinary activities

	2009 £	2008 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	-	1,096
Adjustment in respect of previous periods	948	-
	<u>948</u>	<u>-</u>

The tax assessed for the year is higher than/lower than the standard rate of corporation tax in the UK applied to (loss)/profit before tax. The differences are explained below:

	2009 £	2008 £
(Loss)/profit on ordinary activities before tax	(35,401)	2,057,194
	<u>(35,401)</u>	<u>2,057,194</u>
(Loss)/profit on ordinary activities at the standard rate of corporation tax in the UK of 28% (2008 - 30%)	(9,912)	617,158
Effect of:		
Capital allowances for period in (excess)/deficit of depreciation	(6,821)	1,624
Group relief surrendered/(claimed)	16,733	(465,849)
Under provision in respect of prior years	948	1,096
Adjustment for imputed interest payable	-	(152,933)
	<u>948</u>	<u>1,096</u>
Current tax charge for the year	948	1,096

# O&H Hampton Limited

Notes forming part of the financial statements  
for the year ended 28 February 2009 (*continued*)

## 9 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
<i>Cost or valuation</i>					
At 1 March 2008	440,833	-	69,967	55,363	566,163
Additions	-	231,500	-	319	231,819
Disposals	-	-	(2,419)	(281)	(2,700)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 28 February 2009	<b>440,833</b>	<b>231,500</b>	<b>67,548</b>	<b>55,401</b>	<b>795,282</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>					
At 1 March 2008	31,672	-	53,275	33,131	118,078
Provided for the year	8,080	5,948	3,931	5,567	23,526
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 28 February 2009	<b>39,752</b>	<b>5,948</b>	<b>57,206</b>	<b>38,698</b>	<b>141,604</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>					
At 28 February 2009	<b>401,081</b>	<b>225,552</b>	<b>10,342</b>	<b>16,703</b>	<b>653,678</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 28 February 2008	409,161	-	16,692	22,232	448,085
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

## 10 Debtors

	2009 £	2008 £
Amounts receivable within one year		
Trade debtors	<b>36,466</b>	39,871
Other debtors	<b>2,215</b>	2,280
Prepayments and accrued income	<b>18,747</b>	30,026
Tax and social security	-	12,752
	<hr/>	<hr/>
	<b>57,428</b>	84,929
Amounts receivable after more than one year		
Amounts owed by group undertakings	-	36,007,684
	<hr/>	<hr/>
Total debtors	<b>57,428</b>	<b>36,092,613</b>
	<hr/>	<hr/>

# O&H Hampton Limited

Notes forming part of the financial statements  
for the year ended 28 February 2009 *(continued)*

## 11 Creditors: amounts falling due within one year

	2009 £	2008 £
Bank overdraft (secured - see note 16)	1,165,309	690,225
Trade creditors	563,667	1,400,867
Taxation and social security	948	-
Other creditors	18,703	18,702
Accruals and deferred income	962,475	412,527
	<u>2,711,102</u>	<u>2,522,321</u>

## 12 Creditors: amounts falling due after more than one year

	2009 £	2008 £
Amounts owed to group undertakings	7,561,175	43,543,142
	<u>7,561,175</u>	<u>43,543,142</u>

There are no formal arrangements in place for the repayment of amounts owed to group undertakings. The group companies have provided confirmation that the amounts due will not be called within twelve months from the balance sheet date. Accordingly, the amounts owed have been classified as creditors due after more than one year. Interest is not charged on these balances.

# O&H Hampton Limited

Notes forming part of the financial statements  
for the year ended 28 February 2009 *(continued)*

## 13 Share capital

	2009 £	2008 £
<i>Authorised</i>		
1,000 ordinary shares of £1 each	1,000	1,000
	<u>          </u>	<u>          </u>
	2009 £	2008 £
<i>Allotted, called up and fully paid</i>		
101 ordinary shares of £1 each	101	101
	<u>          </u>	<u>          </u>

## 14 Reserves

	Share premium account £	Profit and loss account £
At 1 March 2008	472,999	(9,997,840)
Loss for the year	-	(36,349)
	<u>          </u>	<u>          </u>
At 28 February 2009	472,999	(10,034,189)
	<u>          </u>	<u>          </u>

## 15 Reconciliation of movements in shareholders' deficit

	2009 £	2008 £
(Loss)/profit for the year	(36,349)	2,056,098
Opening shareholders' deficit	(9,524,740)	(11,580,838)
	<u>          </u>	<u>          </u>
Closing shareholders' deficit	(9,561,089)	(9,524,740)
	<u>          </u>	<u>          </u>

# **O&H Hampton Limited**

## **Notes forming part of the financial statements for the year ended 28 February 2009 (continued)**

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### **16 Contingent liabilities**

A composite accounting system of arrangement is in place between Barclays Bank Plc and O&H Holdings No.2 Limited, O&H Construction Ltd, O&H Properties Limited, O&H Hampton Limited, City & St James Property Holdings Limited and St James Property (Grosvenor Place) Limited to secure overdraft facilities to the group.

The overdraft facility has a gross limit of £7,000,000 and a net limit of £5,000,000 and is repayable on written demand from the bank at any time.

Security for the facilities is provided by an unlimited gross guarantee from O&H Properties Limited and fixed-charge and floating-charge debentures from the companies who are parties to the composite accounting system of arrangement.

### **17 Related party disclosures**

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with members of the group headed by O&H Holdings Limited on the grounds that at least 90% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements.

### **18 Ultimate parent company**

At 28 February 2009 the company's ultimate parent company was O&H Holdings Limited which is the parent of the largest group of which the company is a member. City and St James Property Holdings Limited is the parent of the smallest group of which the company is a member.

Copies of the consolidated financial statements of O&H Holdings Limited are available from Companies House.