

**Company Registration No. 03890593**

**Kings Hill Capital Limited**

**Report and Financial Statements**

**Year ended 31 October 2005**



# **Kings Hill Capital Limited**

## **Report and financial statements 2005**

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# **Kings Hill Capital Limited**

## **Report and financial statements year ended 31 October 2005**

### **Officers and professional advisers**

#### **Directors**

K W Maynard  
G P Crawford  
J D Randall

#### **Secretary**

J D Randall

#### **Registered office**

10 Kings Hill Avenue  
Kings Hill  
West Malling  
Kent  
ME19 4LT

#### **Bankers**

Barclays Bank PLC  
54 Lombard Street  
London  
EC3V 9EX

#### **Solicitors**

Clifford Chance  
10 Upper Bank Street  
London  
E14 5JJ

#### **Auditors**

Deloitte & Touche LLP  
London

# **Kings Hill Capital Limited**

## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 October 2005.

### **Activities**

The Company's principal activity was formerly securitisation of non-performing loans in the United Kingdom. The Company has not traded during the year.

### **Results and dividends**

The audited financial statements for the year ended 31 October 2005 are set out on pages 5 to 10. The Company's result for the year, after taxation, was a loss of £498 (2004 - £nil). The directors do not recommend the payment of a dividend (2004 - £nil).

The directors do not expect the business to trade during the coming year.

### **Directors and their interests**

The directors who held office throughout the year, except where noted, were as follows:

K W Maynard

G P Crawford

J D Randall (appointed 8 December 2005)

The interests in the group held by directors during the year relate only to Cabot Financial Holdings Group Limited and are disclosed in that company's financial statements.

### **Auditors**

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



G P Crawford

Director

10 January 2006

## **Statement of directors' responsibilities**

United Kingdom 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 then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; 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 the system of internal control, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent auditors' report to the members of Kings Hill Capital Limited**

We have audited the financial statements of Kings Hill Capital Limited for the year ended 31 October 2005 which comprise the profit and loss account, the balance sheet and the related notes numbered 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

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 opinion we have formed.

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

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 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.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### **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.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 October 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors

London

/s/ January 2006

## **Kings Hill Capital Limited**

### **Profit and loss account**

**Year ended 31 October 2005**

	Note	2005 £	2004 £
Turnover	2	-	-
Purchase cost recovery		-	-
		<hr/>	<hr/>
Gross profit		-	-
Administrative expenses		-	-
		<hr/>	<hr/>
Operating profit	3	-	-
Amounts written off fixed asset investments		(498)	-
		<hr/>	<hr/>
Loss on ordinary activities before and after taxation	5	(498)	-
		<hr/> <hr/>	<hr/> <hr/>

A reconciliation of movements in shareholders' funds is given in note 11.

There are no recognised gains or losses in the year or the prior year except as shown above and accordingly, no statement of total recognised gains and losses is shown.

The accompanying notes are an integral part of this profit and loss account.

# Kings Hill Capital Limited

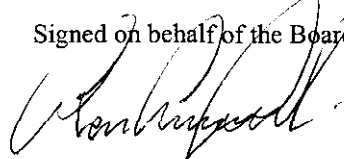
## Balance sheet 31 October 2005

	Note	2005 £	2004 £
<b>Fixed assets</b>			
Investments	6	<u>2</u>	<u>500</u>
<b>Current assets</b>			
Debtors	7	<u>66,687</u>	<u>66,687</u>
		66,687	66,687
<b>Creditors: amounts falling due within one year</b>	8	<u>(4,594)</u>	<u>(4,594)</u>
<b>Net current assets</b>		<u>62,093</u>	<u>62,093</u>
<b>Total assets less current liabilities</b>		<u>62,095</u>	<u>62,593</u>
<b>Capital and reserves</b>			
Called up share capital	9	1	1
Profit and loss account	10	<u>62,094</u>	<u>62,592</u>
<b>Equity shareholders' funds</b>	11	<u>62,095</u>	<u>62,593</u>

The accompanying notes are an integral part of this balance sheet.

These financial statements were approved by the Board of Directors on 10 January 2006.

Signed on behalf of the Board of Directors



G P Crawford

Director



# **Kings Hill Capital Limited**

## **Notes to the financial statements**

**Year ended 31 October 2005**

### **1. Accounting policies**

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted are described below.

#### **Accounting convention**

The financial statements are prepared under the historical cost convention.

The Company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 228 of the Companies Act 1985 because it is a wholly owned subsidiary of Cabot Financial Holdings Limited which prepares such statements. These financial statements therefore present information about the company as an individual entity and not about its group.

#### **Investments**

Fixed asset investments are shown at cost less provision for impairment. The principal investment held by the Company is shown in note 6.

#### **Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

#### **Cash flow statement**

Under the provisions of FRS 1 (Revised) "Cash Flow Statements", the Company has not provided a cash flow statement. This is because the Company is a wholly owned subsidiary of Cabot Financial Holdings Group Limited which prepares such a statement.

### **2. Turnover**

The Company did not trade during the year or the previous year.

# Kings Hill Capital Limited

## Notes to the financial statements Year ended 31 October 2005

### 3. Operating loss

	2005 £	2004 £
Operating loss is stated after charging:		
Auditors' remuneration		
- for audit work	-	-
- for non-audit work	-	-
	<u>-</u>	<u>-</u>

The auditors' remuneration has been borne by the Company's parent company in the current and prior year.

### 4. Staff costs

There were no employees of the Company during the year ended 31 October 2005 (2004 - none). The directors received no remuneration in the year (2004 - £nil).

### 5. Tax on profit on ordinary activities

There was no tax charge for the year ended 31 October 2005 (2004 - £nil).

### 6. Fixed asset investments

The Company's subsidiary undertaking did not trade during the year.

	2005 £	2004 £
Cost at start of the year	500	500
Permanent diminution in value	(498)	-
	<u>2</u>	<u>500</u>

The Company has an investment in the following subsidiary undertaking:

Subsidiary undertakings	Date of acquisition	Country of incorporation and operation or principal business address	Principal activity	Ordinary shares held	% voting rights held
Morley Funding Limited	17 May 2001	Great Britain	Dormant	2	100

### 7. Debtors

	2005 £	2004 £
Amount owed by group companies	<u>66,687</u>	<u>66,687</u>

# Kings Hill Capital Limited

## Notes to the financial statements Year ended 31 October 2005

### 8. Creditors – amounts falling due within one year

	2005 £	2004 £
Amount owed to group undertakings	4,594	4,594
	<u>4,594</u>	<u>4,594</u>

### 9. Called up share capital

	2005 £	2004 £
Authorised: 100 ordinary shares of £1 each	100	100
Allotted, called up, and fully paid: 1 ordinary share of £1	<u>1</u>	<u>1</u>

### 10. Profit and loss account

	2005 £	2004 £
Loss for the financial year	(498)	-
Opening profit and loss account	62,592	62,592
Closing profit and loss account	<u>62,094</u>	<u>62,592</u>

### 11. Reconciliation of movements in shareholders' funds

	2005 £	2004 £
Loss for the financial year	(498)	-
Net movement in shareholders' funds	(498)	-
Opening shareholders' funds	62,593	62,593
Closing shareholders' funds	<u>62,095</u>	<u>62,593</u>

## **Kings Hill Capital Limited**

### **Notes to the financial statements**

**Year ended 31 October 2005**

#### **12. Ultimate parent company and related party transactions**

Kings Hill Capital Limited is a wholly owned indirect subsidiary of Cabot Financial Holdings Group Limited, its ultimate parent undertaking, and its results are included in the consolidated statements of that company (the largest group). The Company is also consolidated in the financial statements of Cabot Financial Holdings Limited (the smallest group). The company has taken advantage of the exemption under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Cabot Financial Holdings Group Limited group. The consolidated financial statements of Cabot Financial Holdings Group Limited group are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.