

3897285

Wyncote Hampton Limited

Report and Financial Statements

Year Ended

31 March 2004

BDO

BDO Stoy Hayward
Chartered Accountants



Wyncote Hampton Limited

Annual report and financial statements for the year ended 31 March 2004

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Directors

G. Jackson
N. M. Ankers
M. J. Field

Secretary and registered office

J. A. Sutherland
30-32 Pall Mall
Liverpool, L3 6AL

Company number

3897285

Auditors

BDO Stoy Hayward LLP, Commercial Buildings, 11-15 Cross Street, Manchester, M2 1WE

Wyncote Hampton Limited

Report of the directors for the year ended 31 March 2004

The directors present their report together with the audited financial statements for the year ended 31 March 2004.

Principal activities and business review

The principal activity of the company during the year was that of a holding company.

Results and dividends

The trading result for the year and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend (2003 - £nil).

Directors

The directors who served the company during the year were:

G. Jackson
N.M. Ankers
M.J. Field

At 31 March 2004 G. Jackson was also a director of Hampton Trust PLC, the ultimate parent company, and his interests in the shares of that company are disclosed in its accounts.

The directors do not have any other interests required to be disclosed under Schedule 7 of the Companies Act 1985.

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;
- 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.

Wyncote Hampton Limited

Report of the directors for the year ended 31 March 2004 (*Continued*)


Directors' responsibilities (*continued*)

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

Deloitte & Touche were re-appointed as auditors at the Annual General Meeting held on 31 December 2004. On 5 May 2005 Deloitte & Touche resigned as auditors and on 6 May 2005 BDO Stoy Hayward LLP were appointed to fill the casual vacancy so created.

By order of the Board



N. M. Ankers
Director
31 May 2005

Wyncote Hampton Limited

Report of the independent auditors

To the shareholders of Wyncote Hampton Limited

We have audited the financial statements of Wyncote Hampton Limited for the year ended 31 March 2004 on pages 5 to 12 which have been prepared under the accounting policies set out on pages 8 and 9.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards 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 United Kingdom 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 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.

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 United Kingdom Auditing Standards issued by the Auditing Practices Board except that the scope of our work was limited as explained below. 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 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. However, the evidence available to us was limited in relation to the opening balances in the current year's financial statements because we were not appointed auditors of the company until 6 May 2005 and in consequence it was not possible for us to perform the auditing procedures necessary to obtain sufficient appropriate audit evidence as regards opening balances. Any adjustment to these figures would have a consequential effect on the profit for the year.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Wyncote Hampton Limited

Report of the independent auditors (*Continued*)

Fundamental uncertainty – going concern

In forming our opinion, we have considered the adequacy of the disclosures made within the accounting policies on pages 8 to 9 to the financial statements concerning the uncertainty as to:

- the continuation of financial support to the ultimate parent company from the holders of the 8% convertible unsecured loan stock;
- the continuation of financial support to the ultimate parent company from the providers of the bank loan;
- the satisfactory negotiation by the Directors of the ultimate parent company of a settlement with the administrators of Southend Property Holdings PLC; and
- the ability of the ultimate parent company and fellow group undertakings to meet their financial liabilities as they fall due.

In view of the significance of the uncertainty, we consider that it should be drawn to your attention, but our opinion is not qualified in this respect.

Qualified opinion arising from limitation in audit scope

In our opinion, the financial statements give a true and fair view of the state of affairs of the company as at 31 March 2004 and, except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning opening balances as at 1 April 2003, of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work relating to the opening balances as at 1 April 2003:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether proper accounting records had been maintained.

BDO Stoy Hayward LLP

BDO STOY HAYWARD LLP

*Chartered Accountants
and Registered Auditors
Manchester*

29 July 2005

Wyncote Hampton Limited

Profit and loss account for the year ended 31 March 2004

	Note	2004 £	2003 £
Administrative expenses		(608,367)	-
Operating loss	2	(608,367)	-
Loss on sale of investments		(9,550)	-
Income from fixed asset investments	4	1,459,080	-
Profit on ordinary activities before taxation		841,163	-
Tax on profit on ordinary activities	5	-	-
Retained profit for the financial year	9	841,163	-

All amounts relate to continuing activities.

The notes on pages 8 to 12 form part of these financial statements.

Wyncote Hampton Limited

Reconciliation of movements in shareholders' funds for the year ended 31 March 2004

	2004 £	2003 £
Profit for the financial year	841,163	-
Opening equity shareholders' funds	2	2
Closing equity shareholders' funds	<u>841,165</u>	<u>2</u>

The notes on pages 8 to 12 form part of these financial statements.

Wyncote Hampton Limited**Balance sheet at 31 March 2004**

	Note	2004 £	2004 £	2003 £	2003 £
Fixed assets					
Investments	6		4,863,095		5,989,095
Current assets					
Debtors	7	803,629		1,775,098	
Creditors: amounts falling due within one year	8	(4,825,559)		(7,764,191)	
Net current liabilities			(4,021,930)		(5,989,093)
Net assets			841,165		2
Capital and reserves					
Called-up equity share capital	10		2		2
Profit and loss account	11		841,163		-
Equity shareholders' funds			841,165		2

The financial statements were approved by the Board on 31 May 2005.


N. M. Ankers
Director

The notes on pages 8 to 12 form part of these financial statements.

1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Consolidation

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the United Kingdom. As a result, the company, in accordance with section 228 of the Companies Act 1985, is not required to produce, and has not published, consolidated accounts.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cashflow statement.

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 on 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 not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

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 measure on a non-discounted basis.

1 Accounting policies (*continued*)

Going concern

The financial statements have been prepared on the assumption that the company remains a going concern. The following paragraphs summarise the issues and the basis on which the Directors have reached their conclusion.

At the balance sheet date the company owed £4,800,559 to the Hampton Trust group, as well as being owed £801,960 and the company is not in a position to repay this liability should it be required to do so. The company is therefore reliant on the ability of the Hampton Trust group to meet its liabilities as they fall due. The Hampton Trust group accounts contained the following issues that could impact the ability of Hampton Trust group to meet its liabilities as they fall due, and as such allowing the Company to be in a position to repay this liability.

Financing arrangements for the company's ultimate parent, Hampton Trust PLC, and its subsidiaries include £29.7 million 8% convertible unsecured loan stock 2020 ("CULS") and a £37.4 million long-term loan due to Bank of Scotland. At 31 March 2004 Hampton Trust PLC had breached a financial covenant on the CULS which results in the loan stock becoming repayable on request by the trustees, one fifth of stockholders or after an extraordinary resolution of the stockholders. Subsequent to the year end Hampton Trust PLC ceased paying interest on the CULS and reached a standstill agreement with the stockholders with the intention being that some capital is repaid over the medium term with the balance converted to equity.

Also, subsequent to 31 March 2004, a fellow subsidiary undertaking failed to provide audited accounts to Bank of Scotland within 120 days of that date and breached a loan covenant at that point. The result of this breach is that the loan is repayable on demand although the Directors believe that the breach will be waived.

The financial statements of the company's ultimate parent company, Hampton Trust PLC, for the year ended 31 March 2004 contain information about the ongoing negotiations with the Inland Revenue and one of the Joint Administrators of its former subsidiary, Southend Property Holdings PLC ("Southend"). Hampton Trust PLC disposed of its 100% interest in Southend during 2003 and all of the companies within Southend were placed into Administration during September 2004.

Should these negotiations not be successful, the relevant companies in the Hampton Trust PLC group would have to prove certain amounts receivable to the Joint Administrator's satisfaction in order to receive a dividend from the Administrator.

Consequently the financial statements of Hampton Trust PLC for the year ended 31 March 2004 contained a fundamental uncertainty over the future settlement of the amounts due to Southend.

The Directors have formed a judgement that, at the time of the approval of the financial statements, the company has sufficient resources to continue operating for the foreseeable future. For this reason the Directors continue to prepare the financial statements on a going concern basis.

Wyncote Hampton Limited

Notes forming part of the financial statements for the year ended 31 March 2004 (Continued)

2 Operating loss

Operating loss is stated after charging the following:

	2004 £	2003 £
Amounts owed by group undertakings forgiven	608,367	-

Auditors' remuneration was borne completely by the ultimate parent company, Hampton Trust PLC.

3 Particulars of employees

The average number of staff employed by the company during the financial year amounted to:

	2004 No	2003 No
Number of directors	3	3

No salaries or wages have been paid to employees, including the directors, during the year.

4 Income from fixed asset investments

Dividend received from Wyncote Group plc	1,459,080	-
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5 Taxation on profit on ordinary activities

The difference between the total current tax charge and the amount calculated by applying the standard rate of corporation tax to the profit before tax is as follows:

	2004 £	2003 £
Profit on ordinary activities before tax	841,163	-
Tax on profit on ordinary activities at standard UK corporation tax rate of 30% (2003 – 30%)	252,349	-
Effects of:		
Non-taxable intra-group dividend receipts	(437,724)	-
Permanent differences	185,375	-
Current tax charge for the year	-	-

Wyncote Hampton Limited

Notes forming part of the financial statements for the year ended 31 March 2004 (Continued)

6 Investments

Subsidiary undertakings

	£
<i>Cost</i>	
At 31 March 2003	5,989,095
Adjustments (see below)	(1,125,000)
Disposals	(1,000)
At 31 March 2004	4,863,095
<i>Net book value</i>	
At 31 March 2004	4,863,095
At 31 March 2003	5,989,095

The company owns 100% of the issued share capital of the companies listed below:

Broadhall Hampton Limited (formerly Hampton (Wales) Limited)
Gwent Europark Limited*
Wyncote Group PLC
Wyncote Development PLC*
Wyncote Services Limited*
Wyncote Property Investments Limited*

All the above companies are registered in England and Wales.

*Indirect holding.

Adjustments to investments above relate to deferred consideration originally provided on the acquisition of:

- (1) Broadhall Hampton Limited on 24 January 2002 of £925,000. The acquisition provided for deferred consideration to be payable based on a percentage of profits earned on certain projects by 24 January 2005. The amount written back above represents the original deferred consideration provided for development projects which have not produced profits by 24 January 2005; and
- (2) Wyncote Group PLC on 20 January 2000 of £200,000. Due to the poor performance of Wyncote Group PLC there is no prospect of this deferred consideration becoming payable.

7 Debtors

	2004 £	2003 £
Amounts owed by group undertakings	801,960	1,775,098
VAT recoverable	1,669	-
	803,629	1,775,098

Wyncote Hampton Limited

Notes forming part of the financial statements for the year ended 31 March 2004 (Continued)

8 Creditors: amounts falling due within one year

	2004 £	2003 £
Amounts owed to group undertakings	4,800,559	6,616,629
Accruals and deferred income	25,000	1,147,562
	<u>4,825,559</u>	<u>7,764,191</u>

9 Profit and loss account

	2004 £	2003 £
Balance brought forward	-	-
Retained profit for the financial year	841,163	-
	<u>841,163</u>	<u>-</u>
Balance carried forward	<u>841,163</u>	<u>-</u>

10 Share capital

	2004 £	2003 £
Authorised share capital:		
1,000 ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
Allotted, called-up and fully paid:		
2 ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

11 Related party transactions

As permitted by Financial Reporting Standard Number 8, the company has not disclosed transactions with other Group undertakings as it is a wholly owned subsidiary undertaking of Hampton Trust PLC, incorporated in England and Wales, which has produced consolidated accounts for the Group.

12 Ultimate parent company

The company's ultimate parent company, and ultimate controlling party, is Hampton Trust PLC, a company incorporated in the United Kingdom and registered in England and Wales. The largest and smallest group in which the accounts of the company are consolidated is that headed by Hampton Trust PLC and these accounts can be obtained from that company at 30-32 Pall Mall, Liverpool, L3 6AL.

The pages which follow do not
form part of the statutory
financial statements of the company

Wyncote Hampton Limited

Detailed profit and loss account for the year ended 31 March 2004

	2004 £	2004 £	2003 £	2003 £
Overheads				
Administrative expenses		(608,367)		-
		<hr/>		<hr/>
Operating loss		(608,367)		-
Loss on sale of subsidiary		(9,550)		-
Income from fixed asset investments		1,459,080		-
		<hr/>		<hr/>
Profit on ordinary activities before taxation		841,163		-
		<hr/>		<hr/>

Wyncote Hampton Limited**Detailed profit and loss account for the year ended 31 March 2004**

	2004 £	2004 £	2003 £	2003 £
Administrative expenses				
Write-off inter-company receivable on sale of Beaufort Park Limited	(608,367)		-	
		(608,367)		-
Loss on sale of investment in Beaufort Park Limited		(9,550)		-
Dividend received from Wyncote Group plc		1,459,080		-
Profit on ordinary activities before taxation		841,163		-