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COMPANY REGISTRATION NUMBER 3982735

LATIMER LAND (BRAINTREE) LIMITED
FINANCIAL STATEMENTS
31 MARCH 2005



LATIMER LAND (BRAINTREE) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

B.E. Corpataux
C.W. Keech
D. Keech
M.D. Keech
M.J. Thompson

Company secretary

A.R. Yeomans

Registered office

Winnowing Barn
High Street, Sherington
Newport Pagnell
Buckinghamshire
MK16 9QP

Auditors

AGN Shipleys
Chartered Accountants
& Registered Auditors
10 Orange Street
Haymarket
London
WC2H 7DQ

LATIMER LAND (BRAINTREE) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2005

The directors present their report and the financial statements of the company for the year ended 31 March 2005.

PRINCIPAL ACTIVITIES

The principal activity of the company is the holding and management of investment property in addition to the provision of financial support.

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £0.10 each	
	At 31 March 2005	At 1 April 2004
B.E. Corpataux	-	-
C.W. Keech	3,400	3,400
D. Keech	-	-
M.D. Keech	3,400	3,400
M.J. Thompson	-	-

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 year.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 9, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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. The directors 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

A resolution to re-appoint AGN Shipleys as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

LATIMER LAND (BRAINTREE) LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2005

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
Winnowing Barn
High Street, Sherington
Newport Pagnell
Buckinghamshire
MK16 9QP

Signed on behalf of the directors



D Keech
Director

Approved by the directors on 26-01-06

LATIMER LAND (BRAINTREE) LIMITED
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
LATIMER LAND (BRAINTREE) LIMITED
YEAR ENDED 31 MARCH 2005

We have audited the financial statements of Latimer Land (Braintree) Limited for the year ended 31 March 2005 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) the historical cost convention, as modified by the revaluation of certain fixed assets and on the basis of the accounting policies set out therein.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions 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 law and United Kingdom Accounting Standards.

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.

BASIS OF AUDIT 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.

LATIMER LAND (BRAINTREE) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LATIMER LAND (BRAINTREE) LIMITED *(continued)*

YEAR ENDED 31 MARCH 2005

FUNDAMENTAL UNCERTAINTY - GOING CONCERN

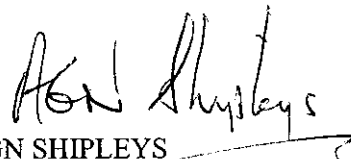
In forming our opinion, we have considered the adequacy of the disclosures made in Note 13 concerning a Contingent Liability for a bank guarantee that the company has provided. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

OPINION

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

10 Orange Street
Haymarket
London
WC2H 7PQ

27/1/06



AGN SHIPLEYS
Chartered Accountants
& Registered Auditors

LATIMER LAND (BRAINTREE) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2005

	Note	2005 £	2004 £
TURNOVER		227,202	260,620
Administrative expenses		138,869	189,494
OPERATING PROFIT	2	88,333	71,126
Interest receivable		206	—
Interest payable and similar charges		(85,371)	(75,962)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		3,168	(4,836)
Tax on profit/(loss) on ordinary activities		—	5,892
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		3,168	(10,728)

The notes on pages 9 to 12 form part of these financial statements.

LATIMER LAND (BRAINTREE) LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31 MARCH 2005

	2005 £	2004 £
Profit/(Loss) for the financial year attributable to the shareholders	3,168	(10,728)
Unrealised profit/(loss) on revaluation of certain fixed assets	<u>750,000</u>	<u>(49,726)</u>
Total gains and losses recognised since the last annual report	<u>753,168</u>	<u>(60,454)</u>

The notes on pages 9 to 12 form part of these financial statements.

LATIMER LAND (BRAINTREE) LIMITED

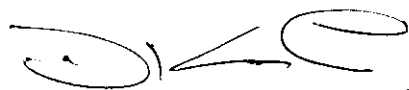
BALANCE SHEET

31 MARCH 2005

	Note	2005 £	2004 £
FIXED ASSETS			
Tangible assets	4	2,500,000	3,220,862
CURRENT ASSETS			
Debtors	5	40,267	—
Cash at bank		32,183	65,962
		<u>72,450</u>	<u>65,962</u>
CREDITORS: Amounts falling due within one year	6	<u>1,404,681</u>	<u>2,872,223</u>
NET CURRENT LIABILITIES		<u>(1,332,231)</u>	<u>(2,806,261)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,167,769</u>	<u>414,601</u>
CAPITAL AND RESERVES			
Called-up equity share capital	8	2,000	2,000
Share premium account	9	1,585,833	1,585,833
Revaluation reserve	10	867,382	187,468
Profit and loss account	11	<u>(1,287,446)</u>	<u>(1,360,700)</u>
SHAREHOLDERS' FUNDS		<u>1,167,769</u>	<u>414,601</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on the 26-01-06 and are signed on their behalf by:


D. KEECH


M.J. THOMPSON

The notes on pages 9 to 12 form part of these financial statements.

LATIMER LAND (BRAINTREE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets, other than investment properties, are initially recorded at cost.

Investment properties are treated in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) and are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve. No depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run.

The Companies Act 1985 requires tangible fixed assets to be depreciated systematically over their estimated useful economic lives. However, investment properties are held for investment rather than consumption; the directors therefore consider that depreciation on a systematic basis would not be appropriate in this case and that the accounting policy adopted is necessary for the accounts to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

2. OPERATING PROFIT

Operating profit is stated after charging:

	2005	2004
	£	£
Directors' emoluments	—	—
Auditors' fees	1,000	2,500
	<hr/>	<hr/>

3. AMOUNT DUE UNDER GUARANTEE

Several years ago the company gave a guarantee to support the bank loans of a related party, Electronic Packaging Systems Limited, up to a maximum of £1,500,000. On 5 February, 2003 receivers were appointed to Electronic Packaging Systems Limited and the full amount of £1,500,000 was payable under the terms of the guarantee. Provision was therefore made in the 2003 financial statements for the amount of £1,500,000 which was paid in July 2004.

LATIMER LAND (BRAINTREE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

4. TANGIBLE FIXED ASSETS

	Freehold Property £
COST OR VALUATION	
At 1 April 2004	3,220,862
Disposals	(1,470,862)
Revaluation	750,000
At 31 March 2005	<u>2,500,000</u>
DEPRECIATION	<u>—</u>
NET BOOK VALUE	
At 31 March 2005	<u>2,500,000</u>
At 31 March 2004	<u>3,220,862</u>

The value of the freehold investment property was considered by the directors at 31st March, 2005 and they consider that the current market value is £2.5 million.

5. DEBTORS

	2005 £	2004 £
Trade debtors	23,238	—
Other debtors	17,029	—
	<u>40,267</u>	<u>—</u>

6. CREDITORS: Amounts falling due within one year

	2005 £	2004 £
Corporation tax	—	5,455
Other taxation	—	7,626
Other creditors	1,404,681	2,859,142
	<u>1,404,681</u>	<u>2,872,223</u>

LATIMER LAND (BRAINTREE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

7. RELATED PARTY TRANSACTIONS

At the year end a loan of £1,050,000 (2004: £1,125,000) was outstanding from Latimer Associates (UK) Limited and is included in other creditors due in less than one year. C.W. Keech, M.D. Keech and D.Keech are directors of Latimer Associates (UK) Limited. Interest of £85,371 (2004: £59,473) was charged on the loan and of these amounts £20,598 (2004: £59,473) is outstanding at the year end and included in other creditors. Latimer Associates (UK) Limited also rendered management charges of £130,000 (2004: £155,000) and the amount outstanding at the year end and included in other creditors was £285,000 (2004: £155,000).

8. SHARE CAPITAL

Authorised share capital:

	2005	2004
	£	£
100,000 Ordinary shares of £0.10 each	<u>10,000</u>	<u>10,000</u>

Allotted, called up and fully paid:

	2005		2004	
	No	£	No	£
Ordinary shares of £0.10 each	<u>20,000</u>	<u>2,000</u>	<u>20,000</u>	<u>2,000</u>

9. SHARE PREMIUM ACCOUNT

There was no movement on the share premium account during the financial year.

10. REVALUATION RESERVE

	2005	2004
	£	£
Balance brought forward	187,468	237,194
Revaluation of fixed assets	750,000	(49,726)
Transfer to the Profit and Loss Account on realisation	<u>(70,086)</u>	<u>—</u>
Balance carried forward	<u>867,382</u>	<u>187,468</u>

LATIMER LAND (BRAINTREE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

11. PROFIT AND LOSS ACCOUNT

	2005 £	2004 £
Balance brought forward	(1,360,700)	(1,349,972)
Retained profit/(accumulated loss) for the financial year	3,168	(10,728)
Transfer from revaluation reserve	70,086	—
Balance carried forward	<u>(1,287,446)</u>	<u>(1,360,700)</u>

12. PARENT COMPANY AND CONTROLLING PARTY

The company's parent undertaking is Willdav Engineering SA, a company incorporated in Switzerland which is wholly owned by the Oliver Foundation which is a trust established in Panama. Mr Corpataux is a director of Latimer Land (Braintree) Limited, Willdav Engineering SA, and a trustee of the Oliver Foundation.

13. CONTINGENT LIABILITY

In July 2003 a bank guarantee was provided in respect of a bank loan and overdraft of a related company, Latimer Associates (UK) Limited. As a result of the administration in December 2003 of another related company, Automold Limited, a substantial claim may be made under that bank guarantee. However, the directors are hopeful that no payment will be due under the guarantee.