

Signed. Signed

COMPANY REGISTRATION NUMBER 3982735

LATIMER LAND (BRAINTREE) LIMITED
FINANCIAL STATEMENTS
31 MARCH 2003



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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

Bankers

National Westminster Bank plc
31 George Street
Luton
Beds
LU1 2AH

LATIMER LAND (BRAINTREE) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2003

The directors present their report and the financial statements of the company for the year ended 31 March 2003.

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 2003	At 1 April 2002
M.R.C. Citroen	—	—
B.E. Corpataux	—	—
C.W. Keech	3,400	3,400
D. Keech	—	—
M.D. Keech	3,400	3,400
M.J. Thompson	—	—
	<hr/>	<hr/>

M.R.C. Citroen retired as a director on 12 December 2003.

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 8, 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 2003

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

A handwritten signature in black ink, appearing to be 'D Keech', with a large circular flourish at the end.

D Keech
Director

Approved by the directors on 29-9-04

LATIMER LAND (BRAINTREE) LIMITED**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
LATIMER LAND (BRAINTREE) LIMITED****YEAR ENDED 31 MARCH 2003**

We have audited the financial statements on pages 6 to 10 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention, as modified by the revaluation of certain fixed assets and the accounting policies set out on page 8.

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.

FUNDAMENTAL UNCERTAINTY - GOING CONCERN

In forming our opinion, we have considered the adequacy of the disclosures made in Note 10 concerning Post Balance Sheet Events and a bank guarantee that the company provided since the year end. 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.

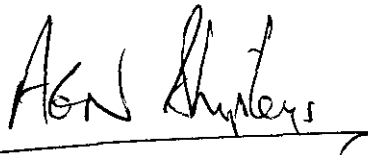
LATIMER LAND (BRAINTREE) LIMITED

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

YEAR ENDED 31 MARCH 2003

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 2003 and of its loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



AGN SHIPLEYS
Chartered Accountants
& Registered Auditors

10 Orange Street
Haymarket
London
WC2H 7DQ

5/10/04

LATIMER LAND (BRAINTREE) LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 MARCH 2003**

	Note	2003 £	2002 £
TURNOVER		107,499	397,985
Administrative expenses		20,725	191,220
OPERATING PROFIT	2	86,774	206,765
Amount due under guarantee	3	(1,500,000)	—
		(1,413,226)	206,765
Interest payable		65,766	82,467
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,478,992)	124,298
Tax on (loss)/profit on ordinary activities		—	37,289
(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR		(1,478,992)	87,009
Balance brought forward		129,020	42,011
Balance carried forward		(1,349,972)	129,020

The notes on pages 8 to 10 form part of these financial statements.

LATIMER LAND (BRAINTREE) LIMITED

BALANCE SHEET

31 MARCH 2003

	Note	2003 £	2002 £
FIXED ASSETS			
Tangible assets	4	3,270,588	3,200,000
CURRENT ASSETS			
Debtors	5	10,083	354,312
Cash at bank		9,448	46,630
		<u>19,531</u>	<u>400,942</u>
CREDITORS: Amounts falling due within one year	6	<u>1,845,218</u>	<u>497,449</u>
NET CURRENT LIABILITIES		<u>(1,825,687)</u>	<u>(96,507)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,444,901</u>	<u>3,103,493</u>
CREDITORS: Amounts falling due after more than one year	7	<u>969,846</u>	<u>1,149,446</u>
		<u>475,055</u>	<u>1,954,047</u>
CAPITAL AND RESERVES			
Called-up equity share capital	9	2,000	2,000
Share premium account		1,585,833	1,585,833
Revaluation reserve		237,194	237,194
Profit and loss account		<u>(1,349,972)</u>	<u>129,020</u>
SHAREHOLDERS' FUNDS		<u>475,055</u>	<u>1,954,047</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 29-09-04 and are signed on their behalf by:



D. KEECH



M.J. THOMPSON

The notes on pages 8 to 10 form part of these financial statements.

LATIMER LAND (BRAINTREE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

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:

	2003	2002
	£	£
Directors' emoluments	—	—
Auditors' fees	<u>2,500</u>	<u>3,300</u>

3. AMOUNT DUE UNDER GUARANTEE

The company gave a guarantee to support the bank loans of a related party, Electronic Packaging Systems Limited, up to a maximum of one and a half million pounds. On 5 February, 2003 receivers were appointed to Electronic Packaging Systems Limited and the directors anticipate that the full amount of one and a half million pounds will be payable under the terms of the guarantee. Provision has therefore been made in these financial statements for the amount that is expected to be payable.

LATIMER LAND (BRAINTREE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

4. TANGIBLE FIXED ASSETS

	Freehold Property £
COST OR VALUATION	
At 1 April 2002	3,200,000
Additions	70,588
At 31 March 2003	<u>3,270,588</u>
DEPRECIATION	<u>-</u>
NET BOOK VALUE	
At 31 March 2003	<u>3,270,588</u>
At 31 March 2002	<u>3,200,000</u>

The value of the freehold investment properties was considered by the directors at 31st March, 2003 and they do not consider that an adjustment is required to the value of £3,270,588. If the freehold investment properties had not been revalued they would have been included at the following amount:-

Cost £3,033,394

5. DEBTORS

	2003 £	2002 £
Trade debtors	-	126,312
Corporation tax repayable	437	-
Other debtors	9,646	228,000
	<u>10,083</u>	<u>354,312</u>

6. CREDITORS: Amounts falling due within one year

	2003 £	2002 £
Bank loans and overdrafts	143,680	143,680
Trade creditors	10,810	1,763
Corporation tax	-	37,306
Other taxation and social security	-	28,700
Other creditors	1,690,728	286,000
	<u>1,845,218</u>	<u>497,449</u>

7. CREDITORS: Amounts falling due after more than one year

	2003 £	2002 £
Other creditors	<u>969,846</u>	<u>1,149,446</u>

The bank loan was repaid in July 2003 but has been replaced by a long term loan from a related company.

LATIMER LAND (BRAINTREE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

8. RELATED PARTY TRANSACTIONS

The company's parent undertaking and controlling party is Willdav Engineering SA, a company incorporated in Switzerland.

Turnover is wholly attributable to Electronic Packaging Systems Limited. This company went into administration in February 2003. Rental income was £107,499 (2002 : £380,000) and Service Charges were £nil (2002 : £17,985). C.W. Keech, M.D. Keech, B.E. Corpataux and M.R.C. Citroen were directors of this company.

The following transactions with companies in which C.W. Keech, D. Keech, M.D. Keech, M.R.C. Citroen B.E. Corpataux and M.J. Thompson are directors were entered into during the period:

- a) A loan was made in the year to 31 March 2002 of £20,000 (2003 : £nil) to Latimer Land (Northwell) Limited during the year. No amount was outstanding at the year end (2002 : £100,000). No interest was charged on the loan.
- b) A loan of £nil (2002 : £128,000) was made to Latimer Land Management Limited. No interest was charged on the loan.
- c) A loan of £175,000 (2002 : £nil) was received from Latimer Land Management Limited. No interest was charged on the loan. The amount is included within other creditors.

Included in administrative expenses in 2002 was £170,000 relating to management charges from Latimer Associates (U.K.) Limited. no management charge was due for 2003. C.W. Keech, M.D. Keech, D. Keech and M.R.C. Citroen are directors of this company.

9. SHARE CAPITAL

Authorised share capital:

	2003	2002
	£	£
100,000 Ordinary shares of £0.10 each	<u>10,000</u>	<u>10,000</u>

Allotted, called up and fully paid:

	2003		2002	
	No	£	No	£
Ordinary shares of £0.10 each	<u>20,000</u>	<u>2,000</u>	<u>20,000</u>	<u>2,000</u>

10. POST BALANCE SHEET EVENTS

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. At present the directors are not able to estimate the amount, if any, that may be due under the guarantee.