

**HAINSFORD LIMITED**  
DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2005

## **HAINSFORD LIMITED**

### **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

For the year ended 31 December 2005

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Directors: C A Rose  
M A Heesom

Secretary: J S Pullen

Registered office: Stocks Barns  
Minchens Lane  
Bramley  
Tadley  
Hampshire  
RG26 5BH

Auditors: Grant Thornton UK LLP  
Holland Court  
The Close  
Norwich  
NR1 4DY

Bankers: HSBC Bank Plc  
69 Pall Mall  
London  
SW1Y 5EY

Close Brothers Limited  
10 Crown Place  
London  
EC2A 4FT

# **HAINSFORD LIMITED**

## **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

For the year ended 31 December 2005

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## HAINSFORD LIMITED

### REPORT OF THE DIRECTORS

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

#### Principal activities

The company manages investment properties and provides services to other members of the Hainsford Group.

#### Business review

The loss for the year transferred to reserves is £9,197 (2004: loss of £18,763).

#### Dividends

The directors do not recommend the payment of a dividend (2004: £Nil).

#### Directors and directors' interests

The directors who served during the year and their interest in the share capital of the company at the beginning and end of the year were:

	<b>Ordinary shares of £1 each</b>	
	<b>At 31 December 2005</b>	<b>At 1 January 2005</b>
C A Rose	-	-
M A Heesom (appointed 1 January 2005)	-	-

The interests of the directors in the share capital of the parent undertaking, Hainsford Group Limited, are shown in the financial statements of that company.

#### Directors' responsibilities for the financial statements

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 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, subject to any material departures disclosed and explained in the financial statements
- 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 maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## HAINSFORD LIMITED

### REPORT OF THE DIRECTORS

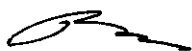
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#### Auditors

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

BY ORDER OF THE BOARD



J S Pullen  
Secretary

16/4/2026

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAINSFORD LIMITED**

We have audited the financial statements of Hainsford Limited for the year ended 31 December 2005 which comprise the principal accounting policies, the profit and loss account, the statement of total recognised gains and losses, the balance sheet and notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities.

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 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 opinions we have formed.

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

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

### **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.

### **Opinion**

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2005 and of its loss for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON UK LLP  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS**

NORWICH

19/6/2006

## **HAINSFORD LIMITED**

### **PRINCIPAL ACCOUNTING POLICIES**

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The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### **BASIS OF ACCOUNTING**

The financial statements have been prepared under the historical cost convention, as modified to include the revaluation of investment properties and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

#### **DEFERRED TAXATION**

Deferred tax is provided in full on timing differences which results in an obligation to pay more or less tax at a future date, at the average tax rates expected to apply when the differences reverse, based on current tax rates and law. Deferred tax balances are not discounted.

#### **FIXED ASSETS AND DEPRECIATION**

Depreciation is provided on tangible fixed assets at rates sufficient to write off the cost or valuation of the assets, less anticipated residual values, over their expected useful lives. The principal annual rates used are:

Fixtures and fittings	-	25% straight line
Leasehold property	-	lower of 50 years or life of lease

#### **INVESTMENT PROPERTIES**

In accordance with Statement of Standard Accounting Practice No 19:

- (i) investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve; and
- (ii) no depreciation or amortisation is provided in respect of freehold investment properties.

This treatment, as regards the company's investment properties, may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the accounts to give a true and fair view.

Rental income from investment properties is included under turnover.

**HAINSFORD LIMITED****PROFIT AND LOSS ACCOUNT**

For the year ended 31 December 2005

	Note	2005 £	2004 £
<b>Turnover</b>	1	<b>6,306</b>	20,460
Cost of sales		<b>(4,524)</b>	(11,235)
<b>Gross profit</b>		<b>1,782</b>	9,225
Administrative expenses		<b>(43,117)</b>	(60,335)
<b>Operating loss</b>		<b>(41,335)</b>	(51,110)
Profit on disposal of fixed assets		-	15,230
<b>Loss on ordinary activities before interest</b>		<b>(41,335)</b>	(35,880)
Interest receivable	3	<b>53,322</b>	39,384
Interest payable	4	<b>(27,354)</b>	(21,435)
<b>Loss on ordinary activities before taxation</b>	2	<b>(15,367)</b>	(17,931)
Tax on loss on ordinary activities	5	<b>6,170</b>	(832)
<b>Retained loss for the financial year</b>	12	<b>(9,197)</b>	(18,763)

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

For the year ended 31 December 2005

	2005 £	2004 £
Loss for the financial year	<b>(9,197)</b>	(18,763)
Revaluation reversed on reclassification of investment property	-	(31,588)
<b>Total recognised gains and losses relating to the year</b>	<b>(9,197)</b>	(50,351)

The accompanying accounting policies and notes form an integral part of these financial statements.



# HAINSFORD LIMITED

## BALANCE SHEET AT 31 DECEMBER 2005

	Note	2005	2004
		£	£
<b>Fixed assets</b>			
Tangible assets	6	815,898	842,055
Investments		161	161
		<u>816,059</u>	<u>842,216</u>
<b>Current assets</b>			
Debtors	7	1,882,266	1,847,314
Cash at bank and in hand		607,309	726,965
		<u>2,489,575</u>	<u>2,574,279</u>
<b>Creditors: amounts falling due within one year</b>	8	(26,457)	(128,121)
<b>Net current assets</b>		<u>2,463,118</u>	<u>2,446,158</u>
<b>Total assets less current liabilities</b>		<u>3,279,177</u>	<u>3,288,374</u>
<b>Creditors: amounts falling due after more than one year</b>	9	(328,646)	(328,646)
<b>Provision for liabilities and charges</b>	10	(330,000)	(330,000)
<b>Net assets</b>		<u>2,620,531</u>	<u>2,629,728</u>
<b>Capital and reserves</b>			
Called up share capital	11	575,537	575,537
Share premium account	12	49,975	49,975
Investment revaluation reserve	12	37,923	37,923
Profit and loss account	12	1,957,096	1,966,293
<b>Equity shareholders' funds</b>		<u>2,620,531</u>	<u>2,629,728</u>

These financial statements have been prepared in accordance with the special provisions of Part VII Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

These financial statements were approved by the board of directors on 16/6/2006

  
C A Rose Director

The accompanying accounting policies and notes form an integral part of these financial statements.

## HAINSFORD LIMITED

### NOTES TO THE DIRECTORS' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2005

#### 1 TURNOVER

Turnover is the total amount, excluding value added tax, receivable by the company in the ordinary course of business for goods supplied and for services provided as a principal.

All turnover arose in the United Kingdom and related to investment property rental income.

#### 2 LOSS ON ORDINARY ACTIVITIES

Loss on ordinary activities is stated after charging/(crediting):

	2005 £	2004 £
Auditors' remuneration	1,055	1,000
Depreciation - owned assets	26,967	22,868
Profit on disposal of fixed assets	-	(15,230)

The directors received no remuneration (2004: £23,333) from the company. Benefits in kind with an estimated value of £16,119 were provided to them during the year (2004: £16,119).

#### 3 INTEREST RECEIVABLE

	2005 £	2004 £
Bank interest	30,705	39,384
Other interest	22,617	-
	<u>53,322</u>	<u>39,384</u>

#### 4 INTEREST PAYABLE

	2005 £	2004 £
Loan interest	4,737	21,435
Other interest	22,617	-
	<u>27,354</u>	<u>21,435</u>

# HAINSFORD LIMITED

## NOTES TO THE DIRECTORS' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2005

### 5 TAXATION

Tax credit/(charge) for the year represents:

	2005 £	2004 £
UK corporation tax		
- Over/(under) provision in respect of previous periods	6,170	(832)

### 6 TANGIBLE FIXED ASSETS

	Leasehold property £	Investment properties £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 January 2005	642,171	200,000	53,470	895,641
Additions	-	-	810	810
At 31 December 2005	642,171	200,000	54,280	896,451
Depreciation				
At 1 January 2005	22,798	-	30,788	53,586
Charge for year	13,397	-	13,570	26,967
At 31 December 2005	36,195	-	44,358	80,553
Net book value at 31 December 2005	605,976	200,000	9,922	815,898
Net book value at 31 December 2004	619,373	200,000	22,682	842,055

In accordance with SSAP 19, investment properties have been re-valued at their open market value as at 31 December 2005. The valuations were determined by the directors. If the properties were sold at their revalued amounts, the corporation tax liability arising would not be material.

Leasehold property relates to long leasehold.

**HAINSFORD LIMITED****NOTES TO THE DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

For the year ended 31 December 2005

**7 DEBTORS**

	2005 £	2004 £
Other debtors	10,030	4,245
Amounts owed by group undertakings	1,872,236	1,843,069
	<u>1,882,266</u>	<u>1,847,314</u>

**8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2005 £	2004 £
Amounts due to group undertakings	-	25,866
Other taxes and social security	-	1,255
Bank loan	25,000	100,000
Accruals and deferred income	1,457	1,000
	<u>26,457</u>	<u>128,121</u>

**9 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2005 £	2004 £
Bank loan	328,646	328,646
	<u>328,646</u>	<u>328,646</u>
<b>Loan maturity analysis</b>		
Between two and five years	328,646	328,646
	<u>328,646</u>	<u>328,646</u>

Interest is payable on the bank loan at the bank's cost of raising deposits in the London Interbank Market plus a margin of 2.5%. The loan is secured by a fixed charge over properties and a residual floating charge over all assets.

# HAINSFORD LIMITED

## NOTES TO THE DIRECTORS' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2005

### 10 PROVISION FOR LIABILITIES AND CHARGES

	Deferred taxation £
At beginning and end of year	330,000

The deferred taxation provision relates to held over capital gains.

### 11 CALLED UP SHARE CAPITAL

	2005 £	2004 £
Authorised 575,538 ordinary shares of £1 each	575,538	575,538
Allotted, called up, issued and fully paid 575,537 ordinary shares of £1 each	575,537	575,537

### 12 RESERVES

	Share premium account £	Investment revaluation reserve £	Profit and loss account £
At beginning of year	49,975	37,923	1,966,293
Loss for the financial year	-	-	(9,197)
At end of year	49,975	37,923	1,957,096

### 13 CONTINGENT LIABILITIES

The company has given an unlimited guarantee in respect of its parent undertaking, Hainsford Group Limited and subsidiary undertaking, Hainsford Energy Limited.

### 14 ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is Hainsford Group Limited, a company registered in England.

## HAINSFORD LIMITED

### NOTES TO THE DIRECTORS' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2005

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#### 15 RELATED PARTY TRANSACTIONS

The company is a 100% subsidiary undertaking of Hainsford Group Limited. C A Rose controls 100% of the issued share capital and is a director of Hainsford Group Limited. Hainsford Limited, Hainsford Energy (Sigurd) Limited, Hainsford Energy (Caton Moor) Limited, Hainsford Energy Limited and Hainsford Energy (Blyth Harbour) Limited are all subsidiary undertakings of Hainsford Group Limited.

The following transactions took place during the year between the various parties reported above:

- Hainsford Limited paid various amounts on behalf of Hainsford Group Limited during the year, Hainsford Group Limited paid various amounts owed by the company. These totalled £8,900 (2004: £20,376) and £Nil (2004: £6,236) respectively and were dealt with through the inter company account.
- Hainsford Limited paid various amounts on behalf of Hainsford Energy Limited during the year, Hainsford Energy Limited paid amounts owed by the company. These totalled £700 (2004: £382,622) and £2,063 (2004: £Nil) respectively and were dealt with through the inter company account.
- Hainsford Energy Limited paid interest of £22,617 (2004: £Nil) to the company.
- Hainsford Limited paid various amounts on behalf of Hainsford Energy (Caton Moor) Limited during the year. Hainsford Energy (Caton Moor) Limited paid various amounts owed by the company. These totalled £43,217 (2004: £21,525) and £3,770 (2004: £Nil) respectively and were dealt with through the inter company account
- Hainsford Limited paid various amounts on behalf of Hainsford Energy (Sigurd) Limited during the year. These totalled £1,550 (2004: £1,532) and were dealt with through the inter company account.
- Hainsford Limited paid £1,950 (2004: £5,458) on behalf of Hainsford Energy (Blyth Harbour) Limited during the year, and it was dealt with through the inter company account

All other movements on intercompany accounts related to the movement of cash around the Group or the transfer of balances between Group companies.

At the year end Hainsford Limited was owed £995,620 (2004: £1,419,009) by Hainsford Group Limited.

At the year end Hainsford Limited was owed £876,616 (2004: £411,073) by Hainsford Energy Limited.

At the year end Hainsford Limited was owed £Nil (2004: £7,529) by Hainsford Energy (Sigurd) Limited.

At the year end Hainsford Limited owed £Nil (2004: was owed £5,458 by) to Hainsford Energy (Blyth Harbour) Limited.

At the year end Hainsford Limited owed £Nil (2004: £25,866) to Hainsford Energy (Caton Moor) Limited.

Transactions between the company's parent undertaking, Hainsford Group Limited, and related parties are disclosed in that company's own financial statements.