Farringford Limited

Directors' report and financial statements

Registered number 3127490

31 March 2005

Contents

Directors' report

The directors present their report, together with the financial statements for the year ended 31 March 2005.

Principal activities

The principal activities of the company during the year were property investment and management.

Business review

The company has not traded since the disposal of its interest in the shopping centre site at Hanley in the prior year.

Results and dividends

The retained profit for the financial year attributable to shareholders is £20,000 *(2004: £105,000)* and has been transferred to reserves. The directors do not recommend the payment of a dividend *(2004: £nil)*.

Directors

The directors who held office during the year were as follows:

K Bolton
P L Hemmings (appointed 26 July 2005)
K Revitt *(resigned* 15 July 2005)

The directors hold no interests in the share capital of the company.

No rights to subscribe for shares in or debentures of the company were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

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 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;*
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Auditors

Pursuant to a shareholders' resolution the company is not obliged to re-appoint its auditors annually and KPMG LLP will therefore continue in office.

By order of the board

K Bolton
Director

Lynton House
Ackhurst Park
CHORLEY
Lancashire
PR7 1NY

23.01. 2006

KPMG

KPMG LLP
Edward VII Quay
Navigation Way
Preston
PR2 2YF
United Kingdom

Independent auditor's report to the members of Farringford Limited

We have audited the financial statements on pages 3 to 9.

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 auditor's 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 directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 1, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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.

Basis of audit opinion

We conducted our audit in accordance with 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 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.

KPMG LLP
Chartered Accountants
Registered Auditor

23/01/2006

Profit and loss account

for the year ended 31 March 2005

	Note	**2005**	2004
		£000	£000
Turnover	*1*	**25**	642
Cost of sales		**(5)**	(242)
Gross profit		**20**	400
Other operating income	*2*	**-**	27
Operating profit	*3*	**20**	427
Other interest receivable and similar income	*6*	**6**	4
Interest payable and similar charges	*7*	**-**	(322)
Profit on ordinary activities before taxation		**26**	109
Taxation on profit on ordinary activities	*8*	**(6)**	(4)
Profit for the financial year	*13*	**20**	105

All amounts relate to discontinued activities.

There was no material difference between the reported profits and the historical cost profits of the company.

Statement of total recognised gains and losses

for the year ended 31 March 2005

The profit and loss account includes the only gains and losses of the company for the current and prior year.

Balance sheet
as at 31 March 2005

	Note	2005 £000	2005 £000	2004 £000	2004 £000
Fixed assets					
Tangible assets			-		-
Current assets					
Debtors	9	5		101	
Cash at bank and in hand		201		86	
		206		187	
Creditors: amounts falling due within one year	10	(10)		(11)	
Net current assets			196		176
Total assets less current liabilities			196		176
Creditors: amounts falling due after more than one year			-		-
Net assets			196		176
Capital and reserves					
Called up share capital	11		-		-
Profit and loss account	12		196		176
Equity shareholders' funds	13		196		176

Approved by the board of directors on 23/01/ 2006 and signed on its behalf by:

K Bolton

K Bolton
Director

Notes to the financial statements

1 Statement of accounting policies

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

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, under the historical cost convention.

The company is exempt from the requirement of Financial Reporting Standard No 1 to prepare a cash flow statement as it is entitled to the filing exemptions as a small company under section s246 to 249 of the Companies Act 1985 when filing accounts with the Registrar of Companies.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year. All turnover arises in the United Kingdom.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Full provision without discounting is made for deferred taxation in accordance with FRS 19.

Tangible fixed assets and depreciation

In accordance with Statement of Standard Accounting Practice Number 19 (as amended)

(i) the investment property is revalued annually by the company's senior chartered surveyor at open market values determined in accordance with the Guidance Notes on the valuation of assets issued by the Royal Institution of Chartered Surveyors. Any surplus or deficit arising is taken to the revaluation reserve. Any permanent diminution is taken to the profit and loss account for the year; and

(ii) no depreciation or amortisation is provided in respect of the freehold investment property.

This treatment of the company's investment property may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, this property is 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 financial statements 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 Other operating income

Other operating income forms part of the company's normal trading activities and comprises of profit on disposal of assets of £nil (*2004: £27,000*).

Notes *(continued)*

3 Operating profit

	2005	2004
	£000	£000
Operating profit is stated		
after crediting:		
Property rents receivable	**7**	541
after charging:		
Auditors' remuneration	**1**	6

4 Staff numbers and costs

	2005	2004
	£000	£000
Employee costs (including directors):		
Wages and salaries	**-**	44
Social security costs	**-**	5
Other pension costs	**-**	2
	-	51

The average number of persons employed by the company during the year (including directors) was:

	2005	2004
	Number	Number
Management and administration	**-**	3

5 Directors' remuneration

None of the directors received any remuneration from the company during the year *(2004: £nil)*.

6 Interest receivable

	2005	2004
	£000	£000
Interest receivable on bank deposits	**6**	4
	6	4

7 Interest payable

	2005	2004
	£000	£000
On bank loans and overdrafts	**-**	322
	-	322

Notes *(continued)*

8 Taxation on profit on ordinary activities

	2005	2004
	£000	£000
UK corporation tax at 30% *(2004: 30%)* on the profit for the year on ordinary activities	**6**	7
Adjustment in respect of prior year	**-**	(3)
	6	4

	2004	2003
	£000	£000
Profit on ordinary activities before taxation	**26**	109
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% *(2004: 30%)*	**8**	33
Effect of profit on disposal of fixed assets not subject to corporation tax	**-**	(34)
Depreciation in excess of capital allowances	**-**	7
Other short term timing differences	**(2)**	1
Adjustment in respect of prior year	**-**	(3)
Current tax charge for the period	**6**	4

9 Debtors

	2005	2004
	£000	£000
Trade debtors	**-**	11
Other debtors	**-**	1
Prepayments and accrued income	**5**	18
Corporation tax	**-**	71
	5	101

Notes *(continued)*

10 Creditors

	2005	2004
	£000	£000
Amounts falling due within one year:		
Trade creditors	**-**	6
Corporation tax	**6**	-
Accruals and deferred income	**4**	5
	10	11

11 Called up share capital

	2005	2004
	£	£
Authorised		
100 ordinary shares of £1 each	**100**	100
Allotted and fully paid		
2 ordinary shares of £1 each	**2**	2

12 Reserves

	Profit and loss account £000
At 1 April 2004	176
Profit for the financial year	20
At 31 March 2005	196

13 Reconciliation of movement in shareholders' funds

	2005	2004
	£000	£000
Profit for the financial year	**20**	105
Shareholders' funds at beginning of year	**176**	71
Shareholders' funds at end of year	**196**	176

Notes *(continued)*

14 Related party transactions

During the year the company was charged fees of £nil *(2004: £75,000)* by Delma Developments Limited for management of the properties to be developed. At 31 March 2005 rentals collected by Whittle Jones Group Limited of £nil *(2004: £24,000)* were owed to the company.

The family interests of Mr TJ Hemmings are shareholders in both the company and Northern Trust Group Limited (the parent undertaking of Whittle Jones Group Limited), Northern Trust Company Limited and Delma Developments Limited.

15 Ultimate controlling party

The ultimate controlling party are the family interests of Mr TJ Hemmings.