

**Company Registration No. 03890593**

**KINGS HILL CAPITAL LIMITED**

**Report and Financial Statements**

**Year ended 31 October 2003**

**Deloitte & Touche LLP  
London**



# **KINGS HILL CAPITAL LIMITED**

## **REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 OCTOBER 2003**

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# **KINGS HILL CAPITAL LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2003**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

CS SCF Management Limited  
K W Maynard  
G P Crawford

#### **SECRETARY**

J D Randall

#### **REGISTERED OFFICE**

10 Kings Hill Avenue  
Kings Hill  
West Malling  
Kent  
ME19 4LT

#### **BANKERS**

Barclays Bank PLC  
54 Lombard Street  
London  
EC3V 9EX

#### **SOLICITORS**

Clifford Chance  
10 Upper Bank Street  
London  
E14 5JJ

#### **AUDITORS**

Deloitte & Touche LLP  
Chartered Accountants  
London

# **KINGS HILL CAPITAL LIMITED**

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 October 2003.

### **ACTIVITIES**

The Company's principal activity was formerly securitisation of non-performing loans in the United Kingdom. The Company has not traded during the year.

### **RESULTS AND DIVIDENDS**

The audited financial statements for the year ended 31 October 2003 are set out on pages 5 to 9. The Company's result for the year, after taxation was £nil (2002 - loss of £2). The directors do not recommend the payment of a dividend (2002 - £nil).

The directors expect the level of business activity of the Company to remain constant throughout the coming year.

### **DIRECTORS AND THEIR INTERESTS**

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

K W Maynard

G P Crawford

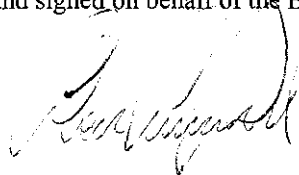
CS SCF Management Limited

The directors who held office during the year do not have any interests in the shares of the Company or any other Group company.

### **AUDITORS**

On 1 August 2003, Deloitte & Touche, the Company's auditors transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. A resolution to re-appoint Deloitte & Touche LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



G P Crawford

Director

15 December 2003

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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 as at the end of the financial year 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.

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 the system of internal control, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KINGS HILL CAPITAL LIMITED**

We have audited the financial statements of Kings Hill Capital Limited for the year ended 31 October 2003 which comprise the profit and loss account, the balance sheet and the related notes numbered 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

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 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 opinion we have formed.

### **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 United Kingdom 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.

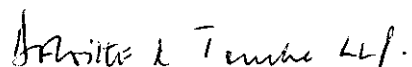
### **Basis of opinion**

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 at 31 October 2003 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors

London

15 December 2003

# KINGS HILL CAPITAL LIMITED

## PROFIT AND LOSS ACCOUNT Year ended 31 October 2003

	Note	Year ended 31 October 2003 £	10 months to 31 October 2002 £
<b>TURNOVER</b>	2	-	-
Purchase cost recovery		-	-
		<hr/>	<hr/>
<b>GROSS PROFIT</b>		-	-
Administrative expenses		-	(2)
		<hr/>	<hr/>
<b>OPERATING LOSS</b>	3	-	(2)
		<hr/>	<hr/>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION</b>	5	-	(2)
		<hr/>	<hr/>

A reconciliation of movements in shareholders' funds is given in note 11.

The Company did not trade during the year or the prior period. There are no recognised gains or losses in the year or the prior period other than the loss for the period and accordingly, no statement of total recognised gains and losses is shown.

The accompanying notes are an integral part of this profit and loss account.

# KINGS HILL CAPITAL LIMITED

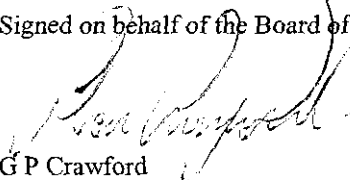
## BALANCE SHEET As at 31 October 2003

	Note	31 October 2003 £	31 October 2002 £
<b>FIXED ASSETS</b>			
Investments	6	500	500
<b>CURRENT ASSETS</b>			
Debtors	7	66,687	66,706
		66,687	66,706
<b>CREDITORS: amounts falling due within one year</b>	8	(4,594)	(4,613)
<b>NET CURRENT ASSETS</b>		62,093	62,093
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		62,593	62,593
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	1	1
Profit and loss account	10	62,592	62,592
<b>EQUITY SHAREHOLDERS' FUNDS</b>	11	62,593	62,593

The accompanying notes are an integral part of this balance sheet.

These financial statements were approved by the Board of Directors on 15 December 2003

Signed on behalf of the Board of Directors

  
G P Crawford

Director



**NOTES TO THE ACCOUNTS**

**Year ended 31 October 2003**

**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

**Accounting convention**

The financial statements are prepared under the historical cost convention.

The Company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 228 of the Companies Act 1985 because it is a wholly owned subsidiary of Cabot Financial Holdings Limited which prepares such statements.

**Investments**

Fixed asset investments are shown at cost less provision for impairment. The principal investment held by the Company is shown in note 6.

**Cash flow statement**

Under the provisions of FRS 1 (Revised) "Cash Flow Statements", the Company has not provided a cash flow statement. This is because the Company is a wholly owned subsidiary of Cabot Financial Holdings Limited which prepares such a statement.

**2. TURNOVER**

The Company did not trade during the year or the previous year.

**3. OPERATING LOSS**

	Year ended 31 October 2003 £	10 months to 31 October 2002 £
Operating loss is stated after charging:		
Auditors' remuneration		
- for audit work	-	-
- for non-audit work	-	-
	<hr/>	<hr/>

The auditors' remuneration is borne by the Company's parent company

**4. STAFF COSTS**

There were no employees of the Company during the year ended 31 October 2003 (2002 - none). The directors received no remuneration in the year (2002 - £nil).

**5. TAX ON LOSS ON ORDINARY ACTIVITIES**

There was no tax charge for the year ended 31 October 2003 (10 month period ended 31 October 2002 - £nil).

**NOTES TO THE ACCOUNTS**  
**Year ended 31 October 2003**

**6. FIXED ASSET INVESTMENTS**

The Company's subsidiary undertaking did not trade during the year.

	31 October 2003 £	31 October 2002 £
Cost at start and end of the year	500	500

The Company has an investment in the following subsidiary undertaking:

Subsidiary undertakings	Date of acquisition	Country of incorporation and operation or principal business address	Principal activity	Ordinary shares held	% voting rights held
Morley Funding Limited	17 May 2001	Great Britain	Administration of portfolio of loans	£500	100

**7. DEBTORS**

	31 October 2003 £	31 October 2002 £
Amount owed by group companies	66,687	66,706

**8. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31 October 2003 £	31 October 2002 £
Amount owed to group undertakings	4,594	36
Other creditors and accruals	-	4,577
	4,594	4,613

**9. CALLED UP SHARE CAPITAL**

	31 October 2003 £	31 October 2002 £
<b>Authorised:</b>		
100 ordinary shares of £1 each	100	100
<b>Allotted, called up, and fully paid:</b>		
1 ordinary shares of £1	1	1

# KINGS HILL CAPITAL LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 October 2003

### 10. PROFIT AND LOSS ACCOUNT

	31 October 2003 £	31 October 2002 £
Loss for the financial year/period	-	(2)
Opening profit and loss account	62,592	62,594
Closing profit and loss account	<u>62,592</u>	<u>62,592</u>

### 11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Year ended 31 October 2003 £	10 months to 31 October 2002 £
Loss for the financial year/period	-	(2)
Net decrease in shareholders' funds	-	(2)
Opening shareholders' funds	62,593	62,595
Closing shareholders' funds	<u>62,593</u>	<u>62,593</u>

### 12. ULTIMATE PARENT COMPANY AND RELATED PARTY TRANSACTIONS

The Company's ultimate parent Company is CS Structured Credit Fund Ltd, a Company incorporated in the Cayman Islands. Cabot Financial Debt Recovery Services Ltd is the Company's immediate and controlling parent company.

The Company is a wholly owned subsidiary of Cabot Financial Holdings Limited and is included in the consolidated financial statements of that Company. Consequently, the Company has taken advantage of the exemption under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Cabot Financial Holdings Limited group during the year ended 31 October. The financial statements of Cabot Financial Holdings Limited Group are available from Companies House.