

**HAMPTONS INTERNATIONAL MORTGAGES LIMITED**

**Report and Financial Statements**

**For the period from 26 October 2001  
to 30 June 2002**



**REPORT AND FINANCIAL STATEMENTS 2002**

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**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

K Duffy	(appointed 26 October 2001)
J May	(appointed 26 October 2001 )
J Rodea	(appointed 26 October 2001)
S Smith	(appointed 26 October 2001)
J R Priestley FRICS	(appointed 26 October 2001)
C P Ralph ACA	(appointed 22 April 2002)

**SECRETARY**

D Errington ACA (appointed 5 July 2002)

**REGISTERED OFFICE**

7 Lower Sloane Street  
Chelsea  
London  
SW1W 8AH

**BANKERS**

The Royal Bank of Scotland  
2 Waterhouse Square  
138-142 Holborn  
London  
EC1N 2TH

**SOLICITORS**

Travers Smith Braithwaite  
10 Snow Hill  
London  
EC1A 2AL

**AUDITORS**

Deloitte & Touche  
London

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the period from incorporation on 26 October 2001 to 30 June 2002.

## **ACTIVITIES**

The principal activity of the company is the arranging of mortgages and associated services.

## **REVIEW OF THE BUSINESS AND FUTURE PROSPECTS**

The directors are satisfied with the results of the company's initial period of trading, during which period it placed over £100 million of mortgages, and look forward to growth in this business over the next 12 months.

## **RESULTS AND DIVIDENDS**

The results of the company are shown in the profit and loss account on page 5. The directors have not paid or proposed a dividend during the period.

## **DIRECTORS AND THEIR INTERESTS**

The present membership of the board is set out on page 1. C C A Neale resigned as company secretary on 22 April 2002. C P Ralph was appointed as company secretary on 22 April 2002 and resigned on 5 July 2002.

None of the directors held a beneficial interest in the share capital of the company or any other company other than Hamptons Group Limited. The directors' interests in the share capital of the ultimate parent company, Hamptons Group Limited, are disclosed in the financial statements of that company.

## **CHARITABLE AND POLITICAL CONTRIBUTIONS**

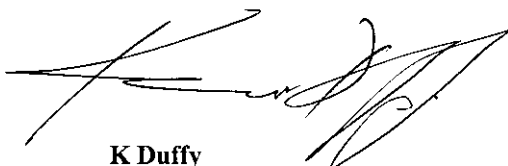
The company made no charitable contributions during the period.

The company made no political contributions during the period.

## **AUDITORS**

Deloitte & Touche were appointed as auditors of the company by the directors during the period. Resolutions confirming their appointment and for their reappointment are to be proposed at the next Annual General Meeting.

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



**K Duffy**  
Director

## 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 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  
HAMPTONS INTERNATIONAL MORTGAGES LIMITED**

We have audited the financial statements of Hamptons International Mortgages Limited for the period from 26 October 2001 to 30 June 2002 which comprise the profit and loss account, the balance sheet, and related notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

**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 United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 for the above period and consider the implications for our report if we become aware of any apparent misstatements.

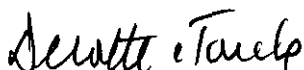
**Basis of audit opinion**

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.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2002 and of its loss for the period from 26 October 2001 to 30 June 2002 and have been properly prepared in accordance with the Companies Act 1985.



**DELOITTE & TOUCHE**  
Chartered Accountants and Registered Auditors  
London

25/11/2002

**PROFIT AND LOSS ACCOUNT**

For the period from 26 October 2001 to 30 June 2002

	Note	Period from 26 October 2001 to 30 June 2000 £'000
<b>TURNOVER - continuing operations</b>	2	284
Administrative expenses		(651)
<b>OPERATING LOSS - continuing operations</b>	3	(367)
Interest payable and similar charges	5	(12)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(379)
Tax on loss on ordinary activities	6	97
<b>RETAINED LOSS FOR THE FINANCIAL PERIOD</b>	11	(282)

There are no recognised gains and losses for the current financial period other than as stated in the profit and loss account. Accordingly, no statement of total recognised gains and losses is given.

## BALANCE SHEET

At 30 June 2002

	Note	2002 £'000	£'000
<b>FIXED ASSETS</b>			
Tangible assets	7		74
<b>CURRENT ASSETS</b>			
Debtors	8	183	
Cash at bank and in hand		23	
		<u>206</u>	
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	9	<u>(562)</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(356)</u>
<b>TOTAL NET LIABILITIES</b>			<u>(282)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10		-
Profit and loss account	11		<u>(282)</u>
<b>TOTAL EQUITY SHAREHOLDERS' DEFICIT</b>	11		<u>(282)</u>

These financial statements were approved by the Board of Directors on 29 October 2002

Signed on behalf of the Board of Directors



**K Duffy**  
Director



**C P Ralph**  
Director



**NOTES TO THE ACCOUNTS**

For the period from 26 October 2001 to 30 June 2002

**1. ACCOUNTING POLICIES**

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

**Accounting convention**

The financial statements are prepared under the historical cost convention.

**Turnover**

Turnover arises wholly in the UK from the company's principal activity and comprises fee income and commissions receivable.

**Tangible fixed assets**

Depreciation is provided on a straight-line basis to write-off each asset, less any estimated residual value, in full over its estimated useful economic life. The rates of depreciation are as follows:

Fixtures, fittings and equipment	10% to 33%
Computer equipment	33% to 50%

**Deferred taxation**

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on the current tax rates and law. Timing differences arise from the inclusion of items in the income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

**Pension costs**

The company operates a defined contribution scheme. The pension cost represents the contributions payable to the pension scheme in respect of the accounting period.

**2. OPERATING LOSS**

**Period from  
26 October 2001  
to 30 June 2002  
£'000**

Operating loss is stated after charging:

Depreciation	13
Auditors' fees - audit fees	6
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## NOTES TO THE ACCOUNTS

For the period from 26 October 2001 to 30 June 2002

## 3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Period from  
26 October 2001  
to 30 June 2002  
£'000**Directors' emoluments**

Salary and taxable benefits	168
Consultancy fees	58
	<hr/>
	226
	<hr/>

One director was a member of the defined contribution scheme. The total pension contributions payable in the period was £5,544, all of which were outstanding at the period end.

J R Prestitley and C P Ralph are remunerated by Hamptons Group Limited. It is not practicable to allocate this remuneration between their services as executives of this company and other group companies.

**Employees**

No.

Average number of persons employed by the company in the period	8
	<hr/>

Staff costs (including directors) incurred during the period in respect of these employees were:

£'000

Wages and salaries	305
Social security costs	31
Pension costs	14
	<hr/>
	350
	<hr/>

## 4. INTEREST PAYABLE AND SIMILAR CHARGES

Period from  
26 October 2001  
to 30 June 2002  
£'000

Bank interest	1
Interest on loans from other group undertakings	11
	<hr/>
	12
	<hr/>

**NOTES TO THE ACCOUNTS**

For the period from 26 October 2001 to 30 June 2002

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

Period from  
26 October 2001  
to 30 June 2002  
£'000

UK corporation tax credit for the period (97)

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The standard rate of tax for the period, based on the UK standard rate of corporation tax is 30%. The actual tax credit is lower due to non-deductible items and short term timing differences.

£'000

Loss on ordinary activities before tax (379)

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£'000

Loss on ordinary activities at standard rate of tax (114)

Non-deductible expenditure and movement in short-term timing differences 17

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Corporation tax credit for the year (97)

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**6. TANGIBLE FIXED ASSETS**

	Fixtures, fittings and equipment £'000	Computer equipment £'000	Total £'000
<b>Cost</b>			
At 26 October 2001	-	-	-
Additions	12	75	87
	<hr/>	<hr/>	<hr/>
At 30 June 2002	12	75	87
	<hr/>	<hr/>	<hr/>
<b>Accumulated depreciation</b>			
At 26 October 2001	-	-	-
Charge for year	2	11	13
	<hr/>	<hr/>	<hr/>
At 30 June 2002	2	11	13
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 30 June 2002	10	64	74
	<hr/>	<hr/>	<hr/>

**NOTES TO THE ACCOUNTS**

For the period from 26 October 2001 to 30 June 2002

<b>7. DEBTORS</b>			<b>2002 £'000</b>
Trade debtors			65
Prepayments			5
Other debtors			31
Accrued income			82
			<u>183</u>
<b>8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			<b>2002 £'000</b>
Amounts owed to group undertakings			439
Other tax and social security			18
Accruals			105
			<u>562</u>
<b>9. CALLED UP SHARE CAPITAL</b>			<b>2002 £</b>
<b>Authorised</b>			
100 Ordinary shares of £1			<u>100</u>
			£
<b>Called up, allotted and fully paid</b>			
1 Ordinary share of £1 (issued at par)			<u>1</u>
<b>10. COMBINED STATEMENTS OF MOVEMENTS ON RESERVES AND RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT</b>			
	<b>Share capital £'000</b>	<b>Profit and loss account £'000</b>	<b>2002 Total £'000</b>
Balance at beginning of period	-	-	-
Retained loss for the period	-	(282)	(282)
<b>Balance at end of period</b>	<u>-</u>	<u>(282)</u>	<u>(282)</u>

**NOTES TO THE ACCOUNTS**

**For the period from 26 October to 30 June 2002**

**11. CASH FLOW STATEMENT**

The ultimate parent company, Hamptons Group Limited, has prepared a consolidated cash flow statement in accordance with Financial Reporting Standard No. 1, thus exempting the company from the requirement to prepare a cash flow statement.

**12. PENSION COSTS**

The pension cost charge represents contributions payable by the company to private schemes and amounted to £14,464 for the period. All of this amount remains outstanding at the period end.

**13. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption contained in Financial Reporting Standard No. 8 from the requirement to disclose related party transactions within the group.

**14. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY**

The immediate and ultimate parent company and controlling party is Hamptons Group Limited, a company incorporated in Great Britain and registered in England and Wales. Copies of the audited financial statements of Hamptons Group Limited, which include the results of this company, can be obtained from their registered office at 7 Lower Sloane Street, London, SW1W 8AH.