

**COMPCO HOLDINGS LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**PERIOD ENDED 31 MARCH 2005**  
**Company Number: SC037323**



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COMPANIES HOUSE 25/01/06

**COMPCO HOLDINGS LIMITED**  
**REPORT AND ACCOUNTS**  
**FOR THE PERIOD ENDED 31 MARCH 2005**

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# **COMPCO HOLDINGS LIMITED**

## **DIRECTORS' REPORT**

**FOR THE PERIOD ENDED 31 MARCH 2005**

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The directors present their report and the accounts for the period ended 31 March 2005.

### **PRINCIPAL ACTIVITY**

The principal activity of the company is to act as the holding company for a group of companies engaged in property investment, trading and development.

### **BUSINESS REVIEW**

A summary of the period's results is given on page 4 of the accounts. The directors consider the results to be satisfactory.

### **RESULTS FOR THE PERIOD**

The profit for the period after taxation was £30,497,000 (2004: £17,879,000). Interim dividends for the period of £43,000,000 (2004: £13,500,000) have been paid. No final dividend is proposed.

### **DIRECTORS**

The directors of the company during the period were:

B S Anderson  
T S Cole  
S R Collins  
Sir Christopher Howes  
M N Steinberg

The interests of the directors in the shares of the parent company, City & General Securities Limited, are disclosed in the directors' report of that company.

**COMPCO HOLDINGS LIMITED**

**DIRECTORS' REPORT (continued)**

**FOR THE PERIOD ENDED 31 MARCH 2005**

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare accounts for each financial period 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 accounts, 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 accounts;
- prepare the accounts 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 accounts 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.

**AUDITORS**

A resolution reappointing haysmacintyre will be proposed at the AGM in accordance with S385(2) of the Companies Act 1985.

**BY ORDER OF THE BOARD ON 26 JULY 2005**



**R J De Barr**  
Secretary

**Registered office:**  
Level 4, Saltire Court,  
20 Castle Terrace,  
Edinburgh

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF COMPCO HOLDINGS LIMITED**

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We have audited the accounts of Compc Holdings Limited for the period ended 31 March 2005 which comprise of the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Historical Cost note of Profits and Losses, the Balance Sheet, and the related notes. These accounts have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and 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 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**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts 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 accounts, 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

### **Opinion**

In our opinion the accounts 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 period then ended and have been properly prepared in accordance with the Companies Act 1985.

  
haymacintyre  
Chartered Accountants  
Registered Auditors

26 July 2005

Fairfax House  
15 Fulwood Place  
London  
WC1V 6AY

**COMPCO HOLDINGS LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE PERIOD ENDED 31 MARCH 2005**

		Period ended 31 March 2005 £'000	Year ended 25 March 2004 £'000
	Note		
<b>TURNOVER</b>	2	-	476
Cost of sales		2	(321)
<b>GROSS PROFIT</b>		2	155
Administrative expenses		(2,319)	(2,865)
Other operating income	3	153	192
<b>OPERATING LOSS</b>		(2,164)	(2,518)
Dividends receivable		33,433	21,000
Interest receivable	7	68	1,134
Interest payable	8	(1,747)	(1,422)
Profit/(loss) on sale of tangible fixed assets		1	(1,039)
Restructuring costs		-	(673)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	4	29,591	16,482
Taxation	9	906	1,397
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		30,497	17,879
Dividends	10	(43,000)	(10,883)
<b>RETAINED (LOSS)/PROFIT FOR THE PERIOD</b>	18	(12,503)	6,996

**COMPCO HOLDINGS LIMITED****OTHER PRIMARY STATEMENTS****FOR THE PERIOD ENDED 31 MARCH 2005**

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	<b>Period ended 31 March 2005 £'000</b>	<b>Year ended 25 March 2004 £'000</b>
<b>STATEMENT OF RECOGNISED GAINS AND LOSSES</b>		
(Loss)/profit for the financial period	(12,503)	6,996
Corporation tax charge on sale of investment property	-	759
Total gains and losses recognised since last annual report	<u>(12,503)</u>	<u>7,755</u>
 <b>NOTE OF HISTORICAL COST PROFITS AND LOSSES</b>		
Reported profit on ordinary activities before taxation	29,591	16,482
Realisation of property revaluation gains of previous periods	-	(4,324)
Historical cost profit on ordinary activities before taxation	<u>29,591</u>	<u>12,158</u>
Historical cost profit for the period retained after taxation, minority interests and dividends	<u>(12,503)</u>	<u>3,431</u>

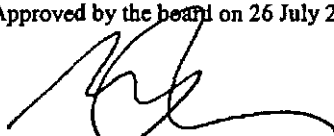
**COMPCO HOLDINGS LIMITED**

**BALANCE SHEET**

**AS AT 25 MARCH 2005**

	Note	2005 £'000	2004 £'000
<b>FIXED ASSETS</b>			
Tangible assets	11	75	74
Investments	12	123,001	149,936
		<u>123,076</u>	<u>150,010</u>
<b>CURRENT ASSETS</b>			
Debtors	13	193,399	144,639
Cash at bank and in hand		1,600	1,418
		<u>194,999</u>	<u>146,057</u>
<b>CREDITORS: amounts falling due within one year</b>	14	<u>(179,784)</u>	<u>(118,605)</u>
<b>NET CURRENT ASSETS</b>		<u>15,215</u>	<u>27,452</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>138,291</u>	<u>177,462</u>
<b>Capital and reserves</b>			
Called up share capital	17	7,475	7,475
Share premium account	18(a)	38,719	38,719
Revaluation reserve	18(b)	89,704	116,372
Profit and loss account	18(c)	2,393	14,896
Equity shareholders' funds	19	<u>138,291</u>	<u>177,462</u>

Approved by the board on 26 July 2005 and signed on its behalf by:

  
M N Steinberg  
Director



**COMPCO HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 MARCH 2005**

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**1. ACCOUNTING POLICIES**

**a) Basis of preparation**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investment properties, and in accordance with applicable accounting standards.

**b) Basis of consolidation**

The directors have taken the exemption available under Section 228 of the Companies Act 1985 and have not prepared consolidated accounts on the grounds that the company is itself a subsidiary company. The company comparatives have been stated accordingly and the parent company will deliver group accounts.

**c) Cash Flow Statement**

As permitted by Financial Reporting Standard number 1 no cash flow statement has been prepared since that information is adequately reflected in the group cash flow statement included in the accounts of the parent company during the period, City and General Securities Limited.

**d) Rental income**

Rents are accounted for on a receivable basis, all rental income arose in the United Kingdom.

**e) Property expenses**

Expenditure on properties is charged to cost of sales as incurred.

**f) Interest charges**

Interest is charged to the profit and loss account as incurred.

**g) Finance issue costs**

Finance issue costs are amortised over the life of the associated loans under the classification of interest charges.

**h) Investment Properties**

In accordance with Statement of Standard Accounting Practice No. 19 no amortisation is provided on freehold and long leasehold investment properties. The directors consider that although this represents a departure from the requirements of the Companies Act 1985 for all investment properties to be depreciated, this policy results in the financial statements giving a true and fair view. Amortisation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

**i) Other Tangible Fixed Assets and Depreciation**

Tangible fixed assets are stated at costs or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

Computer and IT equipment	25% reducing balance
Other fixtures and fittings	15% reducing balance
Motor vehicles	25% reducing balance

**j) Investments**

Investments in subsidiaries are stated on the basis of the net asset value to the parent company.

**k) Deferred taxation**

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance date.

**l) Current taxation**

Current tax in respect of the sale of investment properties is charged to the profit and loss account in respect of the taxation of any surplus over book value and direct to the statement of total recognised gains and losses in respect of any taxation in excess of book value over historical cost.

**COMPCO HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE PERIOD ENDED 31 MARCH 2005****1. ACCOUNTING POLICIES (continued)****m) Operating leases**

The cost to the Company of operating lease incentives, such as rent-free periods, are recognised on a straight line basis over either the lease term or, if shorter, the period ending on the date from which the prevailing market rental will become payable under the lease, in accordance with UITF 28.

**2. TURNOVER**

2005	2004
£'000	£'000

Turnover, which excludes value added tax, represents:

Rental income	-	476
	<u>          </u>	<u>          </u>

**3. OTHER OPERATING INCOME**

2005	2004
£'000	£'000

Other income	153	192
	<u>          </u>	<u>          </u>

**4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

2005	2004
£'000	£'000

The profit on ordinary activities before taxation is stated after charging:

Operating lease rentals – land and buildings	106	110
Depreciation of owned assets	10	15
	<u>          </u>	<u>          </u>

**5. STAFF COSTS**

2005	2004
£'000	£'000

Wages and salaries (including directors)	637	1,589
Social security costs	161	117
	<u>          </u>	<u>          </u>
	798	1,706
	<u>          </u>	<u>          </u>

The average number of full time persons employed (including executive directors) during the period, analysed by category, was as follows:

	Number of Employees	
	2005	2004
Property investment and trading	<u>12</u>	<u>11</u>

**COMPCO HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE PERIOD ENDED 31 MARCH 2005**

6. DIRECTORS' EMOLUMENTS	2005	2004
	£'000	£'000
Fees	120	33
Management services - emoluments	575	87
- payable to third parties	-	94
Compensation for loss of office	-	741
	<u>695</u>	<u>955</u>
Emoluments in respect of the highest paid director are:	<u>150</u>	<u>334</u>
No pension contributions are made in respect of Directors.		
7. INTEREST RECEIVABLE	2005	2004
	£'000	£'000
Interest receivable from Group undertakings	-	649
Other interest	68	485
	<u>68</u>	<u>1,134</u>
8. INTEREST PAYABLE	2005	2004
	£'000	£'000
Bank loan interest	-	958
Interest payable to group undertaking	1,747	464
	<u>1,747</u>	<u>1,422</u>

**COMPCO HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE PERIOD ENDED 31 MARCH 2005**

<b>9. TAXATION</b>	<b>2005 £'000</b>	<b>2004 £'000</b>
(a) Analysis of credit for period		
Current Tax:		
UK corporation tax credit on profit for the period at 30%	1,033	1,835
Tax charged to the statement of total recognised gains and losses	-	(759)
Adjustment in respect of prior periods	(127)	(93)
	<u>906</u>	<u>983</u>
Deferred Tax:		
Origination and reversal of timing differences	-	414
Tax on profit on ordinary activities	<u>906</u>	<u>1,397</u>
(b) Factors affecting tax credit for period		
The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:		
Profit on ordinary activities before tax	<u>14,593</u>	<u>16,482</u>
Profit on ordinary activities multiplied by the standard rate of Corporation tax in the UK of 30%	<u>4,378</u>	<u>4,944</u>
Effects of:		
Expenses not deductible for tax purposes	230	350
Capital allowances in excess of depreciation	17	(70)
Losses brought forward	(129)	-
Adjustment in respect of prior periods	127	93
Dividends receivable	(5,530)	(6,300)
Current tax credit for period (note 9 (a))	<u>(906)</u>	<u>(983)</u>
<b>10. DIVIDENDS</b>	<b>2005 £'000</b>	<b>2004 £'000</b>
Equity dividends on ordinary shares:		
Interim of 115 p per share (2004 - 36p)	43,000	13,500
Final 2004 dividend proposed but not paid Nil p per share (2004 - 7p)	-	(2,617)
	<u>43,000</u>	<u>10,883</u>

**COMPCO HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE PERIOD ENDED 31 MARCH 2005**

11.	<b>TANGIBLE FIXED ASSETS</b>	<b>Fixtures &amp; fittings £'000</b>
	<b>Cost</b>	
	At 25 March 2004	324
	Additions	85
	Disposals	(324)
	Revaluation	-
	At 31 March 2005	<u>85</u>
	<b>Depreciation</b>	
	At 25 March 2004	251
	Charge for period	34
	Eliminated on disposal	(275)
	At 31 March 2005	<u>10</u>
	<b>Net book value</b>	
	At 31 March 2005	<u>75</u>
	At 25 March 2004	<u>74</u>

12.	<b>INVESTMENTS</b>	<b>Investment in joint venture £'000</b>	<b>Investment in subsidiary Undertakings £'000</b>	<b>Total £'000</b>
	At 26 March 2004	343	149,593	149,936
	Additions	-	75	75
	Share of retained loss	(342)	-	(342)
	Revaluation	-	(26,668)	(26,668)
	At 31 March 2005	<u>1</u>	<u>123,000</u>	<u>123,001</u>

On the historical cost basis investments would be included at:

Cost	<u>26,616</u>
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# COMPCO HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 MARCH 2005

### 12. INVESTMENTS (continued)

#### Principal investments

The Company has investments in the following subsidiary undertakings, all of which are registered in England and Wales. To avoid a statement of excessive length, details of investments that are not significant have been omitted.

	Principal activity	Holding	%
Cadogan Properties Limited *	Property investment	ordinary 50p shares	100
Chelsea Harbour Limited*	Property investment and Development	ordinary £1 shares	80
Compco Camden Limited	Property investment	ordinary £1 shares	100
Haigside Limited	Property dealing and investment	ordinary 10p shares	100
Seymour Development Limited	Property investment	ordinary £1 shares	100
		6% non-cumulative £1 preference shares	
Terrington Properties Limited	Property investment	ordinary £1 shares	100

\* Not held directly by Compco Holdings Limited.

### 13. DEBTORS

	2005 £'000	2004 £'000
Due within one period:		
Amounts owed by subsidiary companies	192,132	141,420
Other debtors	220	133
Prepayments and accrued income	14	66
Corporation tax	1,033	3,020
	<u>193,399</u>	<u>144,639</u>

### 14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £'000	2004 £'000
Other taxation and social security	40	30
Other creditors	71	-
Amounts owed to subsidiary companies	179,454	117,328
Amounts owed to joint venture	50	390
Accruals and deferred income	169	857
	<u>179,784</u>	<u>118,605</u>

**COMPCO HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE PERIOD ENDED 31 MARCH 2005**

<b>17. SHARE CAPITAL</b>	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>
Authorised:		
(2004: 49,000,000) Ordinary shares of 20p each	9,800	9,800
Allotted, issued and fully paid:		
(2004: 37,376,123) Ordinary shares of 20p each	7,475	7,475
<b>18. RESERVES</b>		<b>2005</b>
		<b>£'000</b>
(a) Share premium account:		
At 25 March 2004 and at 31 March 2005		38,719
(b) Revaluation reserve:		
At 25 March 2004		116,372
Deficit on revaluation of investments		(26,668)
At 31 March 2005		89,704
(c) Profit and loss account:		
At 25 March 2004		14,896
Retained loss for the period		(12,503)
At 31 March 2005		2,393
<b>19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</b>	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>
Retained (loss)/profit for the financial period	(12,503)	6,996
Deficit on revaluation of investments	(26,668)	-
Current tax charged to the Statement of total recognised gains and losses	-	759
Net (decrease)/increase in shareholders funds	(39,171)	7,755
Opening shareholders' funds	177,462	169,707
Closing shareholders' funds	138,291	177,462
<b>20. ULTIMATE CONTROLLING PARTIES</b>		

The largest and smallest group into which the company is consolidated is City & General Securities Limited which is registered in England and Wales. Group financial statements for City & General Securities Limited are available to the public on payment of the appropriate fee, from Companies House, Crown Way, Cardiff, CF14 3UZ. The company is ultimately controlled by the directors.

**COMPCO HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE PERIOD ENDED 31 MARCH 2005**

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**21. CONTINGENT LIABILITIES**

There are cross guarantees in respect of bank borrowings of the ultimate parent undertaking. The borrowings are secured by a fixed and floating charge over the property and assets of Compco Holdings Limited. At 31 March 2005 those borrowings amounted to £123,732,532.

**22. FINANCE COMMITMENTS**

Annual commitments under non-cancellable operating leases are as follows:

	Land and Buildings	
	2005 £'000	2004 £'000
Expiry date		
Between two and five years	-	86
More than five years	106	-
	<u>106</u>	<u>-</u>

**23. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption under Section 3c of Financial Reporting Standard No. 8 and has not disclosed any intra group related party transactions.