

Registered No. 694818

REPORT AND ACCOUNTS

# **St James Property Development Limited**

31 AUGUST 1998



# **St James Property Development Limited**

---

Registered No. 694818

## **DIRECTORS**

M J Ablett  
J F Meddins  
P W Nicholson  
E Shahmoon

## **SECRETARY**

J F Meddins

## **AUDITORS**

Ernst & Young  
One Bridewell Street  
Bristol  
BS1 2AA

## **REGISTERED OFFICE**

180 Brompton Road  
London  
SW3 1HF

# St James Property Development Limited

## DIRECTORS' REPORT

The Directors present their report and the audited accounts for the 23 weeks ended 31 August 1998.

### 1. PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity continued to be that of industrial and commercial property developers.

### 2. RESULTS AND DIVIDENDS

	23 weeks ended 31.8.98 £	76 weeks ended 18.3.98 £
Profit for the year	52,284	19,615,407
TRANSFERRED TO RESERVES	<u>52,284</u>	<u>19,615,407</u>

The Directors do not recommend a dividend (18 March 1998 - £nil).

### 3. FIXED ASSETS

The changes in fixed assets are summarised in the notes to the accounts.

### 4. THE DIRECTORS AND THEIR INTERESTS

The directors who have served during the period were as follows:

M J Ablett  
J F Meddins  
P W Nicholson  
E Shahmoon

The interests of E Shahmoon in the Company's ultimate holding company, O & H Holdings Limited are disclosed in the accounts of that company.

There were no other notifiable interests.

### 5. AUDITORS

Ernst & Young, having consented to act, will continue in office as auditors.

### 6. STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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;

# **St James Property Development Limited**

## **DIRECTORS' REPORT cont.**

### **6. STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS cont.**

- \* 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.

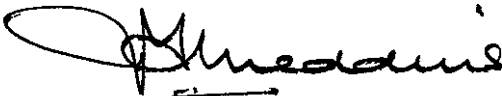
### **7. YEAR 2000 COMPLIANCE**

Many computer systems express dates using only the last two digits of the year and will thus require modification or replacement to accommodate the year 2000 date change. The operation of the Company's business depends on its own computer systems and, to some extent, those of its suppliers and customers. The directors have initiated a review to determine the potential risks arising from the year 2000 date change on the Company's own systems and the impact of failure in the systems of its main suppliers and customers. The directors have also sought confirmation of the action being taken to overcome any year 2000 compliance issues from those main suppliers and customers.

Given the complexity of the problem, it is not possible for any organisation to guarantee that all year 2000 problems will be eliminated but the directors believe that the Company will achieve an acceptable state of readiness and should be able to deal with significant issues that might arise.

The majority of the Company's review has been carried out as part of its continuing systems maintenance programme and as such, there are no costs specifically attributable to the year 2000 problem.

By order of the Board



**J F Meddins**  
Secretary

15 JUN 1999

# **St James Property Development Limited**

## **REPORT OF THE AUDITORS**

to the members of St James Property Development Limited

We have audited the accounts on pages 5 to 10, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

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

As described on pages 2 and 3 the Company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

### **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 accounts. It also includes an assessment of 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 August 1998 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

*Asst \$4*

Ernst & Young  
Registered Auditor  
Bristol

15 June 1999

# St James Property Development Limited

## PROFIT AND LOSS ACCOUNT

for the 23 weeks ended 31 August 1998

Continuing Activities:		23 weeks ended 31.8.98 £	76 weeks ended 18.3.98 £
	Notes		
<b>TURNOVER</b>			
Cost of sales	3	201,473	2,054,666
Gross Profit		(148,925)	(2,099,722)
		<u>52,548</u>	<u>(45,056)</u>
Administrative expenses		(140,276)	3,546,322
Other operating income		137,346	-
<b>Operating profit</b>	4	<u>49,618</u>	<u>3,501,266</u>
Profit on disposal of fixed assets		-	3,408
Profit on waiver of intercompany loan stock		-	16,100,000
Interest receivable		2,666	10,733
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>52,284</u>	<u>19,615,407</u>
Taxation on profit on ordinary activities	7	-	-
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL PERIOD</b>		<u><u>52,284</u></u>	<u><u>19,615,407</u></u>

A statement of the movement on reserves is given in note 13.

## Statement of Total Recognised Gains and Losses

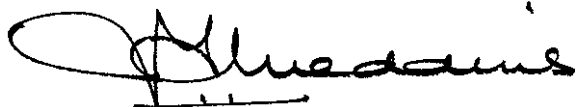
	23 weeks ended 31.8.98 £	76 weeks ended 18.3.98 £
Total gains relating to the period	52,284	19,615,407
Prior year adjustment (as explained in note 2)	-	(350,000)
<b>Total gains recognised since last financial period</b>	<u><u>52,284</u></u>	<u><u>19,265,407</u></u>

# St James Property Development Limited

## BALANCE SHEET

at 31 August 1998

	Notes	31 August 1998 £	18 March 1998 £
<b>CURRENT ASSETS</b>			
Stocks	8	741,111	741,111
Debtors	9	<u>1,986,698</u>	<u>1,942,614</u>
		2,727,809	2,683,725
<b>CREDITORS: amounts falling due within one year</b>	10	<u>(6,693,353)</u>	<u>(6,701,553)</u>
<b>NET CURRENT LIABILITIES</b>		(3,965,544)	(4,017,828)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(3,965,544)</u>	<u>(4,017,828)</u>
 <b>CAPITAL AND RESERVES</b>			
Called up share capital	12	9,000,000	9,000,000
Share Premium	13	49,592,000	49,592,000
Profit and loss account	13	<u>(62,557,544)</u>	<u>(62,609,828)</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>(3,965,544)</u>	<u>(4,017,828)</u>



J F Meddins  
Director

15 JUN 1999

# St James Property Development Limited

## NOTES TO THE ACCOUNTS

at 31 August 1998

### 1a. BASIS OF PREPARATION

The accounts have been prepared on the going concern basis as a fellow subsidiary has given an undertaking of financial support to enable the Company to pay its debts as they fall due.

### 1b. ACCOUNTING POLICIES

#### *Accounting convention*

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

#### *Recognition of profits*

Profits in respect of sales are taken at the time of the legal completion of the sale. Profit on each development is calculated based on total expected revenue less total anticipated costs and after making appropriate provision for all foreseeable losses.

#### *Stock*

Completed properties held for resale and development work in progress are valued at the lower of cost and net realisable value. Costs include land and buildings, improvements and other appropriate costs.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

#### *Interest payable*

All interest payable is written off in arriving at profit on ordinary activities.

#### *Operating leases*

Rental payments for land and buildings are charged to the profit and loss account in the year in which they are incurred.

#### *Deferred taxation*

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is expected the timing difference will reverse.

#### *Related Party Transactions*

Under the provisions of FRS 8, the Company has taken advantage of exemptions from disclosure of transactions with other group companies.

### 2. PRIOR YEAR ADJUSTMENT

The prior year adjustment relates to a bonus payment made in December 1996 which should have been accrued in the year ended September 1996. The effect is to decrease the 1996 profit and 18 March 1998 opening reserves by £350,000.

### 3. TURNOVER

Turnover represents sales legally completed and rental income arising during the year and excludes value added tax.

Turnover arose wholly within the United Kingdom from continuing operations.



# St James Property Development Limited

## NOTES TO THE ACCOUNTS

at 31 August 1998

### 4. OPERATING PROFIT

This is stated after charging/(crediting):

	Note	23 weeks ended 31.8.98 £	76 weeks ended 18.3.98 £
Depreciation		-	22
Rent receivable		(153,239)	(702,217)
Rent payable on operating leases		148,925	614,305
Auditors' remuneration		5,000	8,525
Movement in provisions during the year		-	(3,772,724)

### 5. DIRECTORS' REMUNERATION

There were no directors' emoluments during the period ( 18 March 1998 - £nil).

### 6. EMPLOYEES

There were no employees or employee costs in the period (18 March 1998 - £nil).

### 7. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

There is no corporation tax credit in the current period (18 March 1998 - £nil) due to the losses being surrendered to other group companies without consideration.

There is no deferred taxation liability nor any unprovided deferred tax (18 March 1998 - nil).

### 8. STOCKS

	31 August 1998 £	18 March 1998 £
Work in progress: commercial developments	300,002	300,002
Completed properties held for sale	441,109	441,109
	<u>741,111</u>	<u>741,111</u>

# St James Property Development Limited

## NOTES TO THE ACCOUNTS

at 31 August 1998

### 9. DEBTORS

	31 August 1998 £	18 March 1998 £
Trade debtors	145,407	127,577
Amounts owed by group undertakings	1,802,341	1,672,729
Other debtors	4,485	16,593
Prepayments	34,465	125,715
	<u>1,986,698</u>	<u>1,942,614</u>

No formal arrangements exist for repayment of the amounts owed by group undertakings. In practice, these amounts represent long term advances and are unlikely to be repaid within one year.

### 10. CREDITORS: AMOUNTS DUE WITHIN ONE YEAR

	31 August 1998 £	18 March 1998 £
Trade creditors	(64,151)	(130,170)
Amounts owed to group undertakings	(6,315,977)	(6,315,986)
Other creditors	(16,617)	(16,617)
Accruals and deferred income	(296,608)	(238,780)
	<u>(6,693,353)</u>	<u>(6,701,553)</u>

No formal arrangements exist for repayment of the amounts owed to group undertakings. In practice, these amounts represent long term advances and are unlikely to be repaid within one year.

### 11. OPERATING LEASES

On 31 August 1998 the Company had annual commitments under non-cancellable operating leases as set out below:

	31.8.98 £	Land and Buildings 18.3.98 £
Operating leases which expire:		
Within one year	48,602	-
Within two to five years	30,000	110,000
After five years	151,000	151,000
	<u>229,602</u>	<u>261,000</u>

### 12. SHARE CAPITAL

	31 August 1998 £	18 March 1998 £
Authorised 90,001,000 ordinary shares of 10p each	<u>9,000,100</u>	<u>9,000,100</u>
Allotted, called up and fully paid 90,000,001 ordinary shares of 10p each	<u>9,000,000</u>	<u>9,000,000</u>

# St James Property Development Limited

## NOTES TO THE ACCOUNTS

at 31 August 1998

### 13. SHARE CAPITAL, MOVEMENT ON RESERVES AND RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS

	Share Premium £	Share Capital £	Profit & Loss Account £	Total Shareholders' Funds £
Balance at 1 October 1996	-	9,000,000	(81,875,235)	(72,875,235)
Prior year adjustment	-	-	(350,000)	(350,000)
Profit attributable to shareholders of the company	-	-	19,615,407	19,615,407
Premium on issue of share capital	49,592,000	-	-	49,592,000
Balance at 18 March 1998	49,592,000	9,000,000	(62,609,828)	(4,017,828)
Profit attributable to shareholders of the Company	-	-	52,284	52,284
Balance at 31 August 1998	<u>49,592,000</u>	<u>9,000,000</u>	<u>(62,557,544)</u>	<u>(3,965,544)</u>

### 14. CASH FLOW STATEMENT

The Company is not required to produce a cash flow statement as it is a wholly owned subsidiary of O & H Holdings Limited which prepares a consolidated cash flow statement.

### 15. ULTIMATE PARENT UNDERTAKING

The Company's ultimate parent undertaking is O & H Holdings Limited, which is registered in England and Wales. The smallest group in which the results of the Company are consolidated is that headed by City & St James Property Limited. Copies of its accounts can be obtained from the Company Secretary, 180 Brompton Road, London, SW3 1HF. The largest group in which the results of the Company are consolidated is that headed by O & H Holdings Limited. Copies of its accounts can be obtained from Companies House, Crown Way, Cardiff.