

Company Registration No. 590768 (England and Wales)

**QUINTAIN MERIDIAN LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2005**



# QUINTAIN MERIDIAN LIMITED

## COMPANY INFORMATION

---

**Directors**

N G Ellis  
A R Wyatt  
N S K Shattock  
R J Worthington  
J R Hamilton Stubber

**Secretary**

S Dixon

**Company number**

590768

**Registered office**

16 Grosvenor Street  
London  
W1K 4QF

**Auditors**

KPMG Audit Plc  
8 Salisbury Square  
London  
EC4Y 8BB

---

# QUINTAIN MERIDIAN LIMITED

## CONTENTS

---

	<b>Page</b>
Directors' report	1 - 2
Independent auditors' report	3
Profit and loss account	4
Statement of total recognised gains and losses	5
Balance sheet	6
Notes to the financial statements	7 - 11

---

# **QUINTAIN MERIDIAN LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2005**

---

The directors present their report and financial statements for the year ended 31 March 2005.

### **Principal activities and review of the business**

The principal activity of the Company is property investment.

The results for the year and the financial position at the year end were considered satisfactory by the directors.

### **Results and dividends**

The results for the year are set out on page 4.

The directors do not recommend payment of an ordinary dividend (2004:£nil).

### **Directors**

The following directors have held office since 1 April 2004:

N G Ellis  
A R Wyatt  
N S K Shattock  
R J Worthington  
J R Hamilton Stubber

### **Directors' interests**

There are no directors' interests requiring disclosure under the Companies Act 1985. The directors listed above at 31 March 2005, are also directors of the ultimate parent company and, as such, their interests in the share and loan capital of that company are shown in its directors' report.

### **Auditors**

The Company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with section 386(1) of the Companies Act 1985. Therefore, the auditors, KPMG Audit Plc, will be deemed to be reappointed for each succeeding financial year.

# QUINTAIN MERIDIAN LIMITED

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

---

### 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 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;
- 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.

By order of the board



S Dixon

**Secretary**

23 January 2006

# QUINTAIN MERIDIAN LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF QUINTAIN MERIDIAN LIMITED

---

We have audited the financial statements on pages 4 to 11.

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 the directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, 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 loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
KPMG Audit Plc

Chartered Accountants and  
Registered Auditor

23 January 2006

8 Salisbury Square  
London  
EC4Y 8BB

# QUINTAIN MERIDIAN LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005

	Notes	2005 £	2004 £
Turnover	2	125,803	455,003
Cost of sales		(50,800)	(47,428)
<b>Gross profit</b>		75,003	407,575
Administrative expenses		(1,399,845)	(315)
<b>Operating (loss)/profit</b>	3	(1,324,842)	407,260
Other interest receivable and similar income		-	126
Interest payable and similar charges	4	(806,900)	-
<b>(Loss)/profit on ordinary activities before taxation</b>		(2,131,742)	407,386
Tax on (loss)/profit on ordinary activities	5	106,174	(27,903)
<b>(Loss)/profit on ordinary activities after taxation</b>	11	(2,025,568)	379,483

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There is no difference between profits as stated and profits on the historical cost basis.

# QUINTAIN MERIDIAN LIMITED

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2005

---

	Notes	2005 £	2004 £
(Loss)/profit for the financial year		(2,025,568)	379,483
Unrealised surplus on revaluation of properties	11	10,409,059	14,166,898
<b>Total recognised gains and losses relating to the year</b>		<u>8,383,491</u>	<u>14,546,381</u>

# QUINTAIN MERIDIAN LIMITED

## BALANCE SHEET AS AT 31 MARCH 2005

	Notes	2005 £	£	2004 £	£
<b>Fixed assets</b>					
Tangible assets	6	100,606,728		90,088,971	
<b>Current assets</b>					
Debtors	7	211,903		1,365,493	
<b>Creditors: amounts falling due within one year</b>	8	<u>(13,962,551)</u>		<u>(12,875,701)</u>	
<b>Net current liabilities</b>			<u>(13,750,648)</u>		<u>(11,510,208)</u>
<b>Total assets less current liabilities</b>			86,856,080		78,578,763
<b>Provisions for liabilities and charges</b>	9		<u>(8,282)</u>		<u>(114,456)</u>
<b>Net Assets</b>			<u>86,847,798</u>		<u>78,464,307</u>
<b>Capital and reserves</b>					
Called up share capital	10		3		3
Revaluation reserve	11		87,256,956		76,847,897
Profit and loss account	11		<u>(409,161)</u>		<u>1,616,407</u>
<b>Shareholders' funds - equity interests</b>	12		<u>86,847,798</u>		<u>78,464,307</u>

The financial statements were approved by the Board on 23 January 2006

  
R J Worthington  
Director

# QUINTAIN MERIDIAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of investment properties and in accordance with all applicable accounting standards and the requirements of the Companies Act 1985, except as explained below.

Under the provision of FRS1 (Revised), the Company has not prepared a cashflow statement because its ultimate parent company, Quintain Estates and Development PLC, which is incorporated in Great Britain, has prepared consolidated financial statements which include the financial statements of the Company for the year and which contain a cashflow statement.

#### 1.2 Turnover

Turnover is stated net of VAT and comprises rental income, commissions and fees receivable. Rent increases arising from rent reviews due during the year are taken into account only to the extent that such reviews are agreed with tenants at the accounting date.

#### 1.3 Tangible fixed assets and depreciation

In accordance with SSAP 19 Accounting for Investment Properties, no depreciation is provided in respect of the Company's freehold investment properties and leasehold investment properties with over 20 years to run. This represents a departure from the provisions of the Companies Act 1985 which requires all properties to be depreciated. Such properties are held not for consumption but for investment and the directors consider that to depreciate them would not give a true and fair view. Depreciation is only one of the many factors reflected in the annual valuation of properties and accordingly the amount of depreciation which might otherwise have been charged cannot be separately identified or quantified.

#### 1.4 Deferred taxation

Deferred tax is recognised on all timing differences that have originated but not reversed at the balance sheet date, except that as permitted by FRS 19, Deferred Tax, no provision is made for the tax on unrealised property revaluation surpluses. Deferred tax assets are recognised to the extent that they are considered recoverable.

#### 1.5 Valuation of properties

Investment properties are independently valued annually by external professional valuers on an open market basis. Investment properties under development are stated at estimated market value on completion, supported by independent valuation, less estimated costs to complete. Any surplus or deficit on revaluation is transferred to the revaluation reserve except that deficits below original cost which are expected to be permanent are charged to the profit and loss account.

### 2 Turnover

	2005 £	2004 £
Rents receivable	125,803	455,003

# QUINTAIN MERIDIAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

### 3 Operating (loss)/profit

Auditors' remuneration has been wholly borne by the ultimate parent company, Quintain Estates and Development PLC in the current and prior year. In the current year, this cost forms part of a group management fee from the ultimate parent.

All of the directors who served during the year are also directors of the ultimate parent company. Their remuneration for services as directors to the group is wholly borne by and disclosed in the accounts of that company in the current and prior year.

### 4 Interest payable

	2005 £	2004 £
--	-----------	-----------

Included in interest payable is the following amount:  
On amounts payable to group companies

806,900	-
---------	---

### 5 Taxation

	2005 £	2004 £
--	-----------	-----------

Current tax charge

-	-
---	---

Deferred tax

(106,174)	27,903
-----------	--------

(106,174)	27,903
-----------	--------

#### Factors affecting the tax charge for the year

(Loss)/profit on ordinary activities before taxation

(2,131,742)	407,386
-------------	---------

(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30% (2004: 30%)

(639,523)	122,216
-----------	---------

Effects of:

Capital allowances

106,174	(27,903)
---------	----------

Tax losses utilised

533,349	(94,313)
---------	----------

639,523	(122,216)
---------	-----------

Current tax charge

-	-
---	---

Group relief has been surrendered/(claimed) for nil payment.

# QUINTAIN MERIDIAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

### 6 Investment Properties

	Freehold	Long leasehold	Total
	£	£	£
<b>Cost or valuation</b>			
At 1 April 2004	85,149,465	4,939,506	90,088,971
Additions	108,698	-	108,698
Reclassification	3,103,568	(3,103,568)	-
Revaluation	10,161,476	247,583	10,409,059
	<hr/>	<hr/>	<hr/>
At 31 March 2005	98,523,207	2,083,521	100,606,728
	<hr/>	<hr/>	<hr/>

Investment properties were valued independently by Savills Commercial Limited, Chartered Surveyors, as external valuers, on the basis of open market value and in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors. Where necessary, these valuations have been adjusted for the impact of incentives offered to tenants to enter into or renew leases as prescribed by UITF 28, Operating Lease Incentives.

The historical cost of the Company's investment properties was £13,349,772 (2004: £13,241,074).

### 7 Debtors

	2005	2004
	£	£
Rent receivable	211,257	566,176
Amounts owed by parent and fellow subsidiary undertakings	-	798,440
Prepayments and accrued income	646	877
	<hr/>	<hr/>
	211,903	1,365,493
	<hr/>	<hr/>

### 8 Creditors: amounts falling due within one year

	2005	2004
	£	£
Trade creditors	8,262	9,042
Amounts owed to parent and fellow subsidiary undertakings	13,929,769	12,836,960
Taxes and social security costs	10,688	3,008
Other creditors	2,904	4,377
Accruals and deferred income	10,928	22,314
	<hr/>	<hr/>
	13,962,551	12,875,701
	<hr/>	<hr/>

# QUINTAIN MERIDIAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

### 9 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 April 2004	114,456
Profit and loss account	(106,174)
Balance at 31 March 2005	<u>8,282</u>

Deferred taxation provided in the financial statements and the amounts not provided are as follows:

	Not provided		Provided	
	2005	2004	2005	2004
	£	£	£	£
Accelerated capital allowances	-	-	8,282	114,456
	-	-	8,282	114,456
Surplus on revaluation of land and buildings	26,349,388	23,799,984	-	-
	26,349,388	23,799,984	8,282	114,456

### 10 Share capital

	2005 £	2004 £
<b>Authorised</b>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
<b>Allotted, called up and fully paid</b>		
3 Ordinary shares of £1 each	<u>3</u>	<u>3</u>

### 11 Reserves

	Revaluation reserve £	Profit and loss account £
Balance at 1 April 2004	76,847,897	1,616,407
Retained loss for the year	-	(2,025,568)
Revaluation during the year	10,409,059	-
Balance at 31 March 2005	<u>87,256,956</u>	<u>(409,161)</u>

# QUINTAIN MERIDIAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

---

12 Reconciliation of movements in shareholders' funds	2005 £	2004 £
(Loss)/Profit for the financial year	(2,025,568)	379,483
Other recognised gains and losses	10,409,059	14,166,898
	<hr/>	<hr/>
Net addition to shareholders' funds	8,383,491	14,546,381
Opening shareholders' funds	78,464,307	63,917,926
	<hr/>	<hr/>
Closing shareholders' funds	86,847,798	78,464,307
	<hr/>	<hr/>

### 13 Employees

#### Number of employees

There were no employees during the year apart from the directors (2004:none).

### 14 Control

The Company's immediate parent company is Woolwich Investment Company Limited and its ultimate parent company is Quintain Estates and Development PLC. The only group in which results of the Company are consolidated is that headed by Quintain Estates and Development PLC. Group financial statements are available on request from 16 Grosvenor Street, London W1K 4QF.

### 15 Related party transactions

The Company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.