

Company Number: 643320

**WEST QUAY SHOPPING CENTRE LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**

Year ended 31 December 1999



# WEST QUAY SHOPPING CENTRE LIMITED

## Board of Directors

Mr. P.W.B.Cole  
Mr. M.J.Kill  
Mr. A.F.Pritchard  
Mr. R.J.G.Richards  
Mr. B.Teale  
Mr. G.H.Wright

## Secretary and Registered Office

Miss. C.F. Carson  
100 Park Lane  
London W1Y 4AR

## NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of the Company will be held at 100 Park Lane, London, W1Y 4AR on 22 March 2000 for the following purposes:

1. To receive the report of the directors and financial statements for the year ended 31 December 1999.
2. To re-appoint Deloitte & Touche as auditors of the Company.
3. To authorise the directors to fix the remuneration of the auditors.

By order of the Board



C.F. Carson.  
Secretary  
22 March 2000

Registered Office:  
100 Park Lane  
London W1Y 4AR  
Registered in England and Wales No. 643520

## Notes:

Any member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. That proxy need not also be a member of the Company. Any instrument appointing a proxy must be deposited at the Company's Registered Office by not later than 48 hours before the time fixed for the meeting.

# **WEST QUAY SHOPPING CENTRE LIMITED**

## **REPORT OF THE DIRECTORS**

Year ended 31 December 1999

### **1. RESULTS FOR THE YEAR**

Neither profit nor loss was made in the year, (1998: £ Nil).

### **2. PRINCIPAL ACTIVITIES**

The principal activity of the Company is property development and investment at West Quay Shopping Centre, Southampton.

### **3. DIVIDEND**

No dividend was paid or proposed during the year, (1998: £ Nil).

### **4. REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS**

The Company's principal business is to develop and hold for investment West Quay Shopping Centre, Southampton. The development and letting programmes are progressing as anticipated.

### **5. YEAR 2000**

The importance of Year 2000 was recognised and a programme initiated to address this issue was undertaken by the Company's Development Manager, Hammerson UK Properties plc. No significant difficulties have been experienced by the Company in relation to the Year 2000.

### **6. DIRECTORS**

- (a) Mr. P.W.B. Cole, Mr. M.J. Kill, Mr. A.F.Pritchard, Mr. R.J.G.Richards, Mr. B Teale and Mr. G.H.Wright were directors of the Company throughout the year.
- (b) In accordance with the Articles of Association of the Company, the directors are not required to retire by rotation.
- (c) None of the directors had any interests in the shares of the Company.
- (d) No director has any interest in contracts entered into by the Company.

### **7. SECRETARY**

Mr. S.J. Haydon resigned as secretary of the Company on 28 April 1999. Miss C.F. Carson was appointed as secretary on 28 April 1999.

## WEST QUAY SHOPPING CENTRE LIMITED

### REPORT OF THE DIRECTORS

Year ended 31 December 1999

#### 8. AUDITORS

Deloitte & Touche have indicated their willingness to be in office in accordance with the provisions of the Companies Act 1985 and a resolution proposing their reappointment will be put to the members at the Annual General Meeting.

By order of the Board



C.F. Carson  
Secretary  
22 March 2000

Registered Office:  
100 Park Lane  
London W1Y 4AR  
Registered in England and Wales No. 643320

## **WEST QUAY SHOPPING CENTRE LIMITED**

### **DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE PREPARATION OF THE FINANCIAL STATEMENTS**

The directors are required by company law 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 the year.

The directors ensure that in preparing the financial statements, suitable accounting policies have been applied consistently, reasonable and prudent judgements and estimates made, applicable accounting standards have been followed, and that it is appropriate to use the going concern basis.

The directors are responsible for maintaining adequate accounting records so as to enable them to comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

# WEST QUAY SHOPPING CENTRE LIMITED

## AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 6 to 13 which have been prepared under the accounting policies set out on page 10.

### Respective responsibilities of directors and auditors

As described on page 4 the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

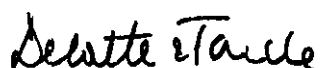
### Basis of opinion

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 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 December 1999 and of its result for the year then ended have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche  
Hill House  
1 Little New Street  
London  
EC4A 3TR

Chartered Accountants  
and Registered Auditors  
22 March 2000

# WEST QUAY SHOPPING CENTRE LIMITED

## PROFIT AND LOSS ACCOUNT

Year ended 31 December 1999

	Note	Year ended 31.12.99 £'000	9 months ended 31.12.98 £'000
Interest receivable		1,080	883
Interest payable to shareholders		(6,012)	(861)
Interest capitalised		4,932	(22)
Retained profit for the financial year		<u>-</u>	<u>-</u>

All activities derive from continuing operations.

There are no recognised gains or losses or movements in shareholders' funds in the current financial year or the preceding financial period other than as stated in the profit and loss account.


# WEST QUAY SHOPPING CENTRE LIMITED

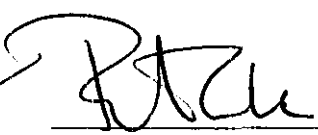
BALANCE SHEET as at 31 December 1999

	Note	1999		1998	
		£'000	£'000	£'000	£'000
Tangible fixed assets					
Land and buildings	4		208,051		109,671
Investments	5		-		-
Current assets					
Debtors	6	1,060		1,175	
Cash at bank and in hand		13,141		29,000	
		-----		-----	
Total current assets		14,201		30,175	
Creditors: amounts falling due with in one year	7	6,852		7,346	
		-----		-----	
Net current assets			7,349		22,829
			-----		-----
Total assets less current liabilities			215,400		132,500
Creditors: amounts falling due after more than one year	8		(135,400)		(52,500)
			-----		-----
			80,000		30,000
			=====		=====
Capital and reserves					
Called up share capital	9		80,000		30,000
Profit and loss account			-		-
			-----		-----
Equity shareholders' funds			80,000		30,000
			=====		=====

The financial statements were approved by the Board of Directors on 22 March 2000.

Signed on behalf of the Board of Directors

  
 \_\_\_\_\_  
 Director

  
 \_\_\_\_\_  
 Director



# WEST QUAY SHOPPING CENTRE LIMITED

## CASH FLOW STATEMENT

Year ended 31 December 1999

	Year ended 31.12.99 £'000	9 months ended 31.12.98 £'000
Cash (outflow)/ inflow from returns on investment and servicing of finance – net interest (paid) / received	(4,532)	22
Cash outflow from capital expenditure	(93,199)	(43,149)
	-----	-----
Cash outflow before use of short term deposits and finance	(98,131)	(43,127)
Management of liquid resources	15,359	(5,669)
Cash inflow from financing	82,900	52,500
	-----	-----
Increase / (decrease) in cash in the year	528	(296)
	=====	=====

## ANALYSIS OF MOVEMENT IN NET DEBT

Year ended 31 December 1999

	Short term Deposits £'000	Overdraft £'000	Borrowings due after 1 year £'000	Net debt £'000
Balance as at 1 January 1999	29,000	(628)	(52,500)	(24,128)
Cashflow	(15,859)	628	(82,900)	(98,131)
	-----	-----	-----	-----
Balance as at 31 December 1999	13,141	-	(135,400)	(122,259)
	=====	=====	=====	=====

## WEST QUAY SHOPPING CENTRE LIMITED

### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT Year ended 31 December 1999

	Full Year 31.12.99 £'000	9 months ended 31.12.98 £'000
Decrease / (increase) in bank overdraft in the year	628	(296)
Increase in debt	(82,900)	(52,500)
(Increase) / decrease in liquid resources	(15,859)	4,669
Change in net debt resulting from cashflow	<u>(98,131)</u>	<u>(48,127)</u>

# WEST QUAY SHOPPING CENTRE LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 December 1999

### 1. ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with all applicable accounting standards. The financial statements are in compliance with the Companies Act 1985.

#### (b) Consolidation

The directors have not prepared group accounts on the basis that its subsidiary, Governeffect Limited, may be excluded from consolidation under S229 (1) of the Companies Act 1985 on the grounds that it is not material for the purpose of giving a true and fair view. These financial statements therefore present information on the Company as an individual undertaking and not as a group.

#### (c) Cost of properties

Fully developed properties held for the long term are valued at the balance sheet date at market value. Surpluses and deficits arising from revaluation are taken to the revaluation reserve.

Properties in the course of development are held at the lower of cost and recoverable amount. An amount equivalent to the net development outgoings, including interest, attributable to properties held for development investment is added to the cost of such properties. A property is regarded as being in the course of development until substantially let and income producing or until income exceeds outgoings.

On new developments, all letting costs are capitalised. On subsequent lettings the previous costs are written off against the results for the year and the new costs capitalised. Where new costs are less than those previously capitalised, such new costs are written off.

#### (d) Investments

Investments in subsidiary undertakings are stated at cost less provision for impairment.

### 2. ADMINISTRATION EXPENSES

The directors did not receive any remuneration for services to the Company in the year (1998: £ nil).

The Company has no employees (1998: nil)

The auditors' remuneration is paid by a controlling party.

## WEST QUAY SHOPPING CENTRE LIMITED

### NOTES TO THE ACCOUNTS

Year ended 31 December 1999

#### 3. TAXATION

Tax losses in the year are to be carried forward.

#### 4. LAND AND BUILDINGS

**Long Leasehold**  
**£'000**

Properties in the course of development at cost:

At 1 January 1999

109,671

Additions at cost

93,448

Net interest payable added to cost of property

4,932

At 31 December 1999

208,051

Should the property be sold at book value, it is estimated that the tax liability which would arise would not exceed £8,200,000.

#### Capital commitments

**1999**

**1998**

**£'000**

**£'000**

Contracted

57,108

113,768

#### 5. INVESTMENTS

**£**

Shares in subsidiary undertaking at cost:

At 1 January 1999 and 31 December 1999

2

The investment is in Governeffect Limited, which is 100% owned and registered in England and Wales. Its principal activity is property investment. In the opinion of the directors, the value of investment in subsidiary undertakings is not less than their carrying value in the balance sheet.

# WEST QUAY SHOPPING CENTRE LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 December 1999

### 6. DEBTORS

	1999 £'000	1998 £'000
Amounts owed by group undertaking	-	21
Other debtors	979	1,154
Prepayments and accrued income	81	-
	<u>1,060</u>	<u>1,175</u>

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

	1999 £'000	1998 £'000
Bank overdraft	-	628
Trade creditors	5,788	6,623
Amounts owed to group undertaking	146	30
Other creditors	918	65
	<u>6,852</u>	<u>7,346</u>

### 8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1999 £'000	1998 £'000
Amount owed to Hammerson (West Quay) Limited	67,700	26,250
Amount owed to Barclays Bank PLC	67,700	26,250
	<u>135,400</u>	<u>52,500</u>

The above amounts bear interest at variable rates and are repayable on winding up the Company.

# WEST QUAY SHOPPING CENTRE LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 December 1999

### 9. CALLED UP SHARE CAPITAL

	Called up, authorized, allotted and fully paid	
	1999 £'000	1998 £'000
40,000,000 Class A shares of £1 each	40,000	40,000
40,000,000 Class B shares of £1 each	40,000	40,000
	-----	-----
	80,000	80,000
	=====	=====

The A and B shares are owned by Barclays Bank PLC and Hammerson (West Quay) Ltd respectively.

Both classes of share carry equal rights in all respects.

### 10. RELATED PARTY TRANSACTIONS

A project management fee of £1,000,000 (1998: £672,000), payable to Hammerson UK Properties plc, a subsidiary of Hammerson plc was charged during the year. Subject to note 6,7 and 8, there were no other material related party transactions during the year.

### 11. ULTIMATE CONTROLLING PARTIES

The ultimate controlling parties are Barclays Bank PLC and Hammerson plc, both of which are registered in England and Wales.