

Company registration number: 02969815

**DEVELOPMENT SECURITIES (GREENWICH) LIMITED**

**Annual report and financial statements**

**for the period from 1 January 2011 to 29 February 2012**



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# **DEVELOPMENT SECURITIES (GREENWICH) LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 FEBRUARY 2012**

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# **DEVELOPMENT SECURITIES (GREENWICH) LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 FEBRUARY 2012**

### **OFFICERS AND PROFESSIONAL ADVISORS**

#### **DIRECTORS**

M H Marx  
C J Barwick  
M S Weiner  
G Prothero  
Development Securities Estates PLC

#### **COMPANY SECRETARY**

H M Ratsey

#### **REGISTERED OFFICE**

Portland House  
Bressenden Place  
London  
SW1E 5DS

#### **INDEPENDENT AUDITORS**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
1 Embankment Place  
London  
WC2N 6RH

# **DEVELOPMENT SECURITIES (GREENWICH) LIMITED**

## **DIRECTORS' REPORT for the period ended 29 February 2012**

The directors present their report and audited financial statements for the period from 1 January 2011 to 29 February 2012. The comparative results presented are for the year 1 January 2010 to 31 December 2010. The change in accounting reference date has been made in order to align the reference date with that of its ultimate parent entity.

The company registration number is 02969815.

### **PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The principal activity of the company during the period was to provide funding to a joint venture entity in connection with a development. The directors do not foresee any change in the future activities of the company.

### **RESULTS AND DIVIDENDS**

The company's profit for the financial period is £204,600 (31 December 2010: profit of £51,143). The directors do not recommend the payment of a dividend (31 December 2010: £nil).

### **DIRECTORS**

The directors who held office during the period and up to the date of signing the financial statements were as follows:

M H Marx  
Development Securities Estates PLC  
C J Barwick  
M S Weiner  
G Prothero

### **DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

The company maintains directors' and officers' liability insurance, which is reviewed annually and is considered to be adequately insured. Such qualifying third party indemnity provisions remain in place at the date of approving the directors' report.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The management of the business and the execution of the company's strategy are subject to a number of risks. The company is a member of the Development Securities PLC group of companies. Further discussion of the risks and uncertainties, in the context of the group as a whole, is provided in the group's annual report which does not form part of this report.

### **KEY PERFORMANCE INDICATORS ("KPIs")**

The directors of Development Securities PLC manage the group's operations on a group basis. For this reason, the company's directors believe that an analysis using KPIs for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of the company. The development, performance and position of the group is discussed in the group's annual report which does not form part of this report.

# DEVELOPMENT SECURITIES (GREENWICH) LIMITED

## DIRECTORS' REPORT for the period ended 29 February 2012 (continued)

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

### DISCLOSURE OF INFORMATION TO AUDITORS

In the case of each director in office at the date the directors' report is approved, the following applies

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the annual general meeting.

Approved by the board of directors  
and signed by order of the board



H M Ratsey  
Company Secretary  
28 August 2012

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DEVELOPMENT SECURITIES (GREENWICH) LIMITED**

We have audited the financial statements of Development Securities (Greenwich) Limited for the period from 1 January 2011 to 29 February 2012 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

As explained more fully in the statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 29 February 2012 and of its profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

### **Opinion on other matter prescribed by the Companies Act 2006**


In our opinion the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DEVELOPMENT SECURITIES (GREENWICH) LIMITED (continued)**

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Sonia Copeland (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

**28** August 2012

## DEVELOPMENT SECURITIES (GREENWICH) LIMITED

### PROFIT AND LOSS ACCOUNT for the period ended 29 February 2012

		Period from 1.01.11 to 29 02 12 £	Year ended 31.12.10 £
Administrative expenses		<u>(67)</u>	<u>-</u>
<b>OPERATING LOSS</b>	2	(67)	-
Interest receivable and similar income	3	<u>204,667</u>	<u>51,143</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>204,600</u>	<u>51,143</u>
Tax on profit on ordinary activities	4	<u>-</u>	<u>-</u>
<b>PROFIT FOR THE FINANCIAL PERIOD</b>	8	<u>204,600</u>	<u>51,143</u>

All amounts related to continuing activities

There is no material difference between the profit on ordinary activities before taxation and the profit for the periods stated above and their historical cost equivalents

The company has no recognised gains and losses other than those included in the profit and loss account above and therefore no separate statement of total recognised gains and losses is presented



# DEVELOPMENT SECURITIES (GREENWICH) LIMITED

## BALANCE SHEET as at 29 February 2012

	Note	29 Feb 2012 £	31 Dec 2010 £
<b>CURRENT ASSETS</b>			
Debtors	5	<u>2,487,443</u>	<u>1,494,595</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	6	<u>(1,806,600)</u>	<u>(1,018,352)</u>
<b>NET CURRENT ASSETS</b>		<u>680,843</u>	<u>476,243</u>
<b>NET ASSETS</b>		<u>680,843</u>	<u>476,243</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	100	100
Profit and loss account	8	<u>680,743</u>	<u>476,143</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>	8	<u>680,843</u>	<u>476,243</u>

These financial statements on pages 6 to 10 were approved by the board of directors on 28 August 2012

Signed on behalf of the board of directors

  
G Brotherton  
Director

# DEVELOPMENT SECURITIES (GREENWICH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the period ended 29 February 2012

### 1 ACCOUNTING POLICIES

#### Basis of accounting

These financial statements are prepared in accordance with the Companies Act 2006, and in accordance with applicable United Kingdom accounting standards and under the historical cost convention. The accounting policies adopted are consistent with the previous year.

#### Going concern

The directors have prepared the financial statements on the going concern basis, on the grounds that the company can meet its liabilities as they fall due.

#### Cash flow statement and related party disclosures

The company is a wholly-owned subsidiary of Development Securities PLC and is included in the consolidated financial statements of Development Securities PLC, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard number 1 "Cash flow statements" (revised 1996). The company is also exempt under the terms of Financial Reporting Standard number 8 "Related party disclosures" from disclosing related party transactions with entities that are part of the Development Securities PLC group.

#### Taxation

Current tax, including United Kingdom corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that 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 current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no binding contract to dispose of these assets. 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.

### 2 OPERATING LOSS

The auditors' remuneration of £2,500 (31 December 2010: £2,500) has been borne by Development Securities PLC, the ultimate parent company.

None of the directors received any emoluments in respect of qualifying services provided to the company during the period (31 December 2010: £nil). Directors are remunerated by Development Securities PLC.

The company does not have any employees (31 December 2010: none).

### 3 INTEREST RECEIVABLE AND SIMILAR INCOME

	Period from 1.02.11 to 29.02.12 £	Year ended 31.12.10 £
Other interest	<u>204,667</u>	<u>51,143</u>

# DEVELOPMENT SECURITIES (GREENWICH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the period ended 29 February 2012 (continued)

### 4 TAX ON PROFIT ON ORDINARY ACTIVITIES

#### Tax charge

There is no tax charge in the current period (31 December 2010 £nil)

The tax assessed for the period is lower (31 December 2010 lower) than the standard rate of corporation tax in the United Kingdom of 26.5% (31 December 2010 28%). The differences are explained below

#### Factors affecting the current tax charge for the period

	Period from 1 01.11 to 29 02.12 £	Year ended 31.12.10 £
Profit on ordinary activities before taxation	204,600	51,143
Profit on ordinary activities multiplied by the standard rate in the United Kingdom 26.5% (31 December 2010 28%)	54,219	14,320
Effect of Group relief claimed for nil consideration	(54,219)	(14,320)
Current tax charge for the period	-	-

#### Factors affecting current and future tax charges

As announced in the March 2011 Budget, the main rate of UK corporation tax was reduced to 26% from 1 April 2011 and 25% from 1 April 2012. The reductions were substantively enacted at the balance sheet date and, therefore recognised in these financial statements.

Further reductions to the UK corporation tax rate were announced in the March 2012 Budget. The changes, which are expected to be enacted separately each year, propose to reduce the rate to 24% from 1 April 2012, followed by 1% reduction per annum to 22% by 1 April 2014. The changes had not been substantively enacted at the balance sheet date and, therefore, are not recognised in these financial statements.

### 5 DEBTORS

	29 Feb 2012 £	31 Dec 2010 £
Amounts due from related party	2,440,943	1,488,463
Other debtors	-	6,132
Prepayments	46,500	-
	2,487,443	1,494,595

During the previous year, the company entered into a funding arrangement with a joint venture partner. This was increased in the current year. The loan attracts a fixed coupon rate of 8.5% per annum.

# DEVELOPMENT SECURITIES (GREENWICH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the period ended 29 February 2012 (continued)

### 6 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	29 Feb 2012 £	31 Dec 2010 £
Amounts owed to ultimate parent undertaking	<u>1,806,600</u>	<u>1,018,352</u>

There is neither a set date nor terms for repayment of the unsecured amounts owed to the ultimate parent undertaking and interest is not charged on this balance

### 7 CALLED UP SHARE CAPITAL

	29 Feb 2012 £	31 Dec 2010 £
<b>Authorised.</b> 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
<b>Allotted and fully paid:</b> 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

### 8 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Called up share capital £	Profit and loss account £	Total shareholders' funds £
At 1 January 2011	100	476,143	476,243
Profit for the financial period	<u>-</u>	<u>204,600</u>	<u>204,600</u>
At 29 February 2012	<u>100</u>	<u>680,743</u>	<u>680,843</u>

### 9 ULTIMATE AND IMMEDIATE CONTROLLING PARTY

The ultimate parent and controlling company of the largest and smallest group of which Development Securities (Greenwich) Limited is a member and for which consolidated accounts are produced is Development Securities PLC

The immediate parent company is Development Securities (Projects) Limited

Both companies are incorporated in Great Britain and registered in England and Wales

Copies of the annual report and financial statements of Development Securities PLC and Development Securities (Projects) Limited can be obtained from Portland House, Bressenden Place, London SW1E 5DS