

Delta Property Services Limited 2975954

Report and Financial Statements

31 December 2002



Delta Property Services Limited

Registered No. 2975954

Directors

J D Ashcroft

K H J Bowden

K Browne (resigned 6 August 2002)

Auditors

Ernst & Young LLP

Becket House

1 Lambeth Palace Road

London SE1 7EU

Bankers

HSBC plc

1 Sydney Place

Onslow Square

South Kensington

London SW7 3NW

Solicitors

Field Fisher Waterhouse

35 Vine Street

London EC3N 2AA

Registered Office

35 Vine Street

London EC3N 2AA

Directors' report

The directors present their report together with the audited financial statements for the year ended 31 December 2002.

Results and dividends

The loss for the year, after taxation amounted to £47,977 (2001 – profit of £176,739). Detailed results are set out on page 5. The directors do not recommend the payment of a dividend (2001 – £nil).

Principal activity

The company's principal activity during the year continued to be the provision of property advisory services.

Future developments

The directors intend to continue with the company's current activities.

Directors and their interests

The directors of the company who served during the year ended 31 December 2002 were as listed on page 1.

No directors held interests in the share capital of the company at any time during the year.

Auditors

The company has passed a resolution under section 386 of the Companies Act 1985 not to reappoint auditors annually. Ernst & Young LLP have expressed their willingness to continue in office for the forthcoming year.

On behalf of the Board



Director

06 JUN 2003

Statement of directors' responsibilities in respect of the financial statements

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; and
- 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.

Independent auditors' report**to the members of Delta Property Services Limited**

We have audited the company's financial statements for the year ended 31 December 2002, which comprise the Profit and Loss Account, Company Balance Sheet, Statement of Total Recognised Gains and Losses, and the related notes 1 to 11. These financial statements have been prepared on the basis of 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 auditors' 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 the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

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

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.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

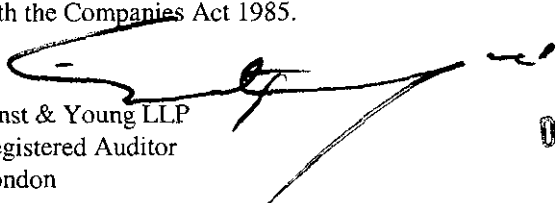
Basis of audit opinion

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 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 affairs of the company as at 31 December 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
London

06 JUN 2003

Profit and loss account

for the year ended 31 December 2002

	Notes	2002 £	2001 £
Turnover	2	378,702	358,454
Cost of sales		—	—
Gross profit		378,702	358,454
Administrative expenses		(437,434)	(189,558)
Operating (loss)/profit	3	(58,732)	168,896
Bank interest receivable		10,735	7,843
(Loss)/profit on ordinary activities before taxation		(47,977)	176,739
Tax on profit on ordinary activities	4	—	—
(Loss)/profit retained for the financial year		(47,977)	176,739

Statement of total recognised gains and losses

for the year ended 31 December 2002

There were no recognised gains or losses attributable to the shareholders of the company other than those recognised in the profit and loss account.

Balance sheet

at 31 December 2002

	Notes	2002 £	2001 £
Current assets			
Debtors	6	289,269	306,957
Cash at bank and short term deposits		491,493	404,168
		<u>780,762</u>	<u>711,125</u>
Creditors: amounts falling due within one year	7	(170,126)	(52,492)
		<u>610,636</u>	<u>658,633</u>
Net current assets			
		<u>610,636</u>	<u>658,633</u>
Total assets less current liabilities		<u>610,636</u>	<u>658,633</u>
Capital and reserves			
Called up share capital	8	2	2
Profit and loss account	9	610,634	658,631
		<u>610,634</u>	<u>658,633</u>
Equity shareholder's funds		<u>610,634</u>	<u>658,633</u>

Approved by the Board on:
and signed on its behalf by:

Director



06 JUN 2003

Notes to the financial statements

at 31 December 2002

1. Accounting policies

Basis of preparation

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

The company is exempt, according to FRS 1 (revised 1996) from the requirement to prepare a statement of cash flows as it is a wholly owned subsidiary undertaking of Delta (UK) Land and Developments PLC, the consolidated financial statements of which will incorporate a consolidated statement of cash flow including those of the company.

Foreign currency

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward exchange contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or if appropriate at the forward contract rate. All differences are taken to the profit and loss account.

2. Turnover

Turnover, which is stated net of value added tax, is derived from fees levied to other group undertakings, all of which are incorporated in the Channel Islands.

3. Operating loss

This is stated after charging:

		2002	2001
		£	£
Auditor's remuneration	- audit services	4,000	3,500
	- non-audit services	-	-
		<u>4,000</u>	<u>3,500</u>

4. Tax

(a) Tax on loss on ordinary activities

The tax charge is made up as follows:

	2002	2001
	£	£
<i>Current tax</i>		
UK corporation tax	-	-
Total current tax	<u>-</u>	<u>-</u>
<i>Deferred tax</i>	£	£
Origination and reversal of timing	-	-
Tax on loss on ordinary activities	<u>-</u>	<u>-</u>

Notes to the financial statements

at 31 December 2002

4. Tax (continued)

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30%. The differences are reconciled below:

	2002 £	2001 £
Loss on ordinary activities before tax	(47,997)	176,739
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	(14,399)	53,022
Group relief	—	(54,862)
Tax losses utilised	14,324	—
Expenses not deductible for tax purposes	75	1,840
Total current tax	—	—

(c) Factors affecting current tax charge

Deferred tax asset in respect of losses carried forward has not been recognised because at present, it is uncertain that there will be sufficient future taxable profits in the company from which future reversal of the underlying losses can be deducted. The unrecognised deferred tax asset in respect of losses carried forward is £14,324 (2001 – £nil).

(d) Deferred tax

The deferred tax included in the balance sheet is as follows:

	2002 £	2001 £
Included in provisions for liabilities and charges	—	—
Accelerated capital allowances	—	—
Tax losses carried forward	—	—
Provision for deferred tax	—	—

Notes to the financial statements

at 31 December 2002

5. Directors' emoluments

The company has no employees other than directors. Messrs D Ashcroft and K Bowden did not receive any emoluments for their services to the company, however they are directors of the immediate parent undertaking. Full details of the emoluments are disclosed in the financial statements of Delta (UK) Land Developments PLC.

	2002 £	2001 £
Directors' emoluments	4,420	11,480
Highest paid director	4,420	11,480

6. Debtors

	2002 £	2001 £
Amounts due from immediate parent undertaking	212,531	220,451
Other debtors	76,738	86,506
	289,269	306,957

7. Creditors: amounts falling due within one year

	2002 £	2001 £
Amounts due to ultimate parent undertaking	13,004	13,503
Other creditors	114,487	469
Accruals	42,635	38,520
	170,126	52,492

Amounts due to the ultimate parent undertaking represent an interest free loan repayable on demand.

8. Share capital

	2002 £	2001 £
<i>Authorised</i>		
Ordinary shares of £1 each	2	2
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	2	2

Notes to the financial statements

at 31 December 2002

8. Share capital (continued)

On 6 October 1994 2 Ordinary shares of £1 each were issued at par to the immediate parent undertaking Delta (UK) Land Developments PLC. The subscription price was satisfied by an intercompany debt with the immediate parent undertaking.

9. Reconciliation of shareholder's funds and movements on reserves

	Share capital £	Profit and loss account £	Total share- holder's funds £
At 31 December 2000	2	481,892	481,894
Profit for the year 2001	–	176,739	176,739
At 31 December 2001	2	658,631	658,633
Loss for the year 2002	–	(47,997)	(47,997)
At 31 December 2002	2	610,634	610,634

10. Related party transactions

Delta Property Services Limited is a 100% subsidiary undertaking of Delta (UK) Land Developments PLC. Any related party transactions have been fully disclosed in the consolidated statutory financial statements of Delta (UK) Land Developments PLC.

11. Ultimate parent undertaking

The company's immediate parent undertaking and the smallest group of which the company is a member is Delta (UK) Land Developments PLC. It has included the company in its group financial statements, copies of which are available from its registered office: 35 Vine Street, London EC3N 2AA.

The directors consider that the company's ultimate parent undertaking and controlling party is Delta Overseas Investments (Private) Limited, which is incorporated in Singapore. Copies of its financial statements may be obtained from the Registry of Companies and Businesses at 10 Anson Road, OS - 01/15, Singapore 079903.