

**MINERVA PROPERTY SERVICES LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30th JUNE 2002**



**MINERVA PROPERTY SERVICES LIMITED**  
**Financial statements for the year ended 30th June 2002**

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**CONTENTS**

Page

1	Report of the directors
2	Directors' responsibilities for financial statements
3	Report of the independent auditors
4	Profit and loss account
4	Statement of total recognised gains and losses
4	Reconciliation of movements in shareholders' funds
5	Balance sheet
6 - 9	Notes to the financial statements

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**Directors**

PA Coster  
IH Ezekiel  
TC Garnham  
ERW Moody  
AI Rosenfeld

**Secretary**

IH Ezekiel

**Registered office**

25 Harley Street, London W1G 9BR

**Registered number**

3160344

**Auditors**

PricewaterhouseCoopers  
1 Embankment Place  
London  
WC2N 6RH

**MINERVA PROPERTY SERVICES LIMITED**  
**Report of the directors**

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The directors submit their report and the audited financial statements of the company for the year ended 30 June 2002.

**Principal activity**

The principal activity of the company is the holding of investment and the provision of development services.

**Results and dividends**

The financial statements on pages 4 to 9 set out the results for the year ended 30<sup>th</sup> June 2002 and reflect the state of the company's affairs at that date.

The directors do not propose a dividend in respect of the year (2001: £nil).

The results are as expected. No significant changes to the company's business are planned for the foreseeable future.

**Directors**

The directors of the company during the year and at the year-end were:

PA Coster  
IH Ezekiel  
TC Garnham  
ERW Moody  
AI Rosenfeld

**Directors' interests**

The interests of AI Rosenfeld and PA Coster, who are both directors of the ultimate parent company, Minerva plc, are shown in the annual report of that company. The interests of IH Ezekiel, TC Garnham and ERW Moody are disclosed within the accounts of Minerva Property Holdings plc.

**Auditors**

A resolution to reappoint PricewaterhouseCoopers as auditors to the company will be proposed at the annual general meeting.

By order of the board



**IH Ezekiel**  
**Secretary**

20th September 2002

**MINERVA PROPERTY SERVICES LIMITED**  
**Directors' responsibilities for financial statements**

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**Statement of directors' responsibilities**

The directors are required by United Kingdom 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 results for that year.

The directors confirm that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates have been used in the preparation of the financial statements and that applicable accounting standards have been followed. The financial statements have been prepared on the going concern basis.

The directors are also responsible for maintaining proper accounting records which 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 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for preventing and detecting fraud and other irregularities.

**MINERVA PROPERTY SERVICES LIMITED****Report of the independent auditors to the members of Minerva Property Services Limited**

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We have audited the financial statements which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses, the reconciliation of movement in shareholders funds and the related notes.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and United Kingdom auditing standards issued by the Auditing Practices Board.

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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent mis-statements or material inconsistencies with the financial statements. The other information comprises only the report of the directors and the directors' responsibilities for financial statements.

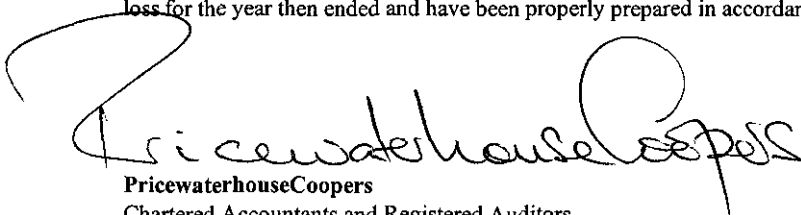
**Basis of audit opinion**

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 mis-statement, 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 at 30<sup>th</sup> June 2002 and of the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**  
Chartered Accountants and Registered Auditors  
London

20th September 2002

# **MINERVA PROPERTY SERVICES LIMITED**

<b>Profit and loss account for the year ended 30th June 2002</b>	<b>Note</b>	<b>2002</b> £	<b>2001</b> £
Administrative expenses		(609,001)	(372,147)
Operating loss	2	(609,001)	(372,147)
Interest receivable	3	20,813	16,218
Loss on ordinary activities before taxation		(588,188)	(355,929)
Taxation	4	-	-
Loss on ordinary activities after taxation		(588,188)	(355,929)
Dividends		-	-
Retained loss for the year		(588,188)	(355,929)

All of the company's activities during the year related to continuing operations.

There is no difference between the loss on ordinary activities before tax and the retained loss for the year as stated above and their historical cost equivalents.

## **Statement of total recognised gains and losses**

The company has no recognised gains and losses other than those included in the results shown above and therefore no separate statement of total recognised gains and losses has been presented.

<b>Reconciliation of movements in shareholders' funds</b>	<b>2002</b> £	<b>2001</b> £
Retained loss for the year	(588,188)	(355,929)
Opening shareholders' funds	(1,092,846)	(736,917)
Closing shareholders' funds	(1,681,034)	(1,092,846)

**MINERVA PROPERTY SERVICES LIMITED**  
**Balance sheet as at 30th June 2002**

	<u>Note</u>	<u>2002</u>	<u>2001</u>
		<u>£</u>	<u>£</u>
<b>Fixed assets</b>			
Investments	5	1	1
Tangible fixed assets	8	21,128	31,660
		<u>21,129</u>	<u>31,661</u>
<b>Current assets</b>			
Stock	6	16,710,998	11,997,274
Debtors	7	257,588	95,332
Cash at bank and in hand		505,690	485,221
		<u>17,474,276</u>	<u>12,577,827</u>
<b>Creditors: amounts falling due within one year</b>	9	(19,091,781)	(13,617,676)
<b>Provision for liabilities and charges</b>	10	(84,658)	(84,658)
<b>Net current liabilities</b>		<u>(1,702,163)</u>	<u>(1,124,507)</u>
		<u>(1,681,034)</u>	<u>(1,092,846)</u>
<b>Capital and reserve</b>			
Called up share capital	11	2	2
Profit and loss account	12	(1,681,036)	(1,092,848)
		<u>(1,681,034)</u>	<u>(1,092,846)</u>

Approved by the board of directors on 20th September 2002 and signed on its behalf by:

Andrew I Rosenfeld  
Director



Ivan H Ezekiel  
Director



The notes on pages 6 to 9 form part of these financial statements

**1 Accounting policies**

**Convention**

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

**Presentation of financial statements**

FRS 19 'Deferred Tax' and UITF 28 'Operating Lease Incentives' were adopted during the year, neither of which had an effect on the current and prior years financial position.

**Parent company investments**

The company's investments in subsidiary undertakings are valued on a net asset basis by reference to the financial statements of the entity concerned and, where relevant, the valuation of their underlying investment properties as at 30th June 2002.

**Going concern**

The Company has received a letter of support from its ultimate parent, Minerva plc, stating that it is its current intention to make available such funds as may be necessary by the Company to meet its day-to-day expenses as they fall due for a period of 12 months from the date of approval of the financial statements.

**Stock**

Stocks and work in progress are valued at the lower of cost and net realisable value.

**Deferred taxation**

Deferred tax is provided in respect of all timing differences that have originated, but not reversed, at the balance sheet date that may give rise to an obligation to pay more or less tax in the future. A deferred tax asset is recognised when its recoverability is considered reasonably certain. Previously, the Groups accounting policy was only to provide for deferred tax to the extent that liabilities and assets were expected to be payable or receivable in the foreseeable future. Deferred tax is measured on a non-discounted basis at the tax rates which apply at the balance sheet date. No provision is made for tax liabilities on unrealised revaluation gains at the balance sheet date.

**Depreciation**

Fixtures and fittings and office equipment are depreciated over their expected lives of between three and five years.

**Cash flow statement**

The company is a wholly owned subsidiary of Minerva plc and the cash flows of the company are included in the consolidated cash flow statement of that company. Consequently the company is exempt under the terms of FRS1 from publishing its own cash flow statement.

**Consolidation**

As permitted by the Companies Act 1985, the company has not prepared group financial statements as it is a wholly owned subsidiary of Minerva plc, which is incorporated in Great Britain and registered in England.

**2 Operating loss**

Audit and filing fees are borne by fellow subsidiary company.

The directors are remunerated in respect of their services to the group as a whole. It is not practicable to allocate their remuneration between the services they provide to the company and the various other group companies and therefore no information in respect of their remuneration is disclosed below. The remuneration received by these individuals is disclosed in the financial statements of Minerva plc (the ultimate parent company) or Minerva Property Holdings plc (a fellow group company). The directors were the sole employees of the company during the year.

Operating result is stated after charging depreciation of £10,532 (2001: £4,526).



**MINERVA PROPERTY SERVICES LIMITED**

Notes to the financial statements for the year ended 30th June 2002

<b>3 Interest receivable</b>	<b><u>2002</u></b>	<b><u>2001</u></b>
	<b>£</b>	<b>£</b>
Bank interest	<u>20,813</u>	<u>16,218</u>
<b>4 Taxation</b>	<b><u>2002</u></b>	<b><u>2001</u></b>
	<b>£</b>	<b>£</b>
UK corporation tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>
	<b>£</b>	<b>£</b>
Loss on ordinary activities before taxation	<u>(588,188)</u>	<u>(355,929)</u>
Tax on loss on ordinary activities at 30 per cent	(176,456)	(106,779)
Tax losses and other timing differences	39,764	106,779
Capital allowances	2,034	-
Effect of losses surrendered to other group companies	<u>134,658</u>	<u>-</u>
UK corporation tax charge	<u>-</u>	<u>-</u>

Tax losses of approximately £1.1 million have not been recognised in the balance sheet.

**5 Investment in subsidiary undertakings**

The historical cost of investment in subsidiary undertakings at 30 June 2002 was £1.

The principal wholly owned subsidiary undertaking, whose main activity is the provision of property, design and development services, is Minerva Property Services (Wigmore Street) Limited.

<b>6 Stock</b>	<b><u>2002</u></b>	<b><u>2001</u></b>
	<b>£</b>	<b>£</b>
Work in progress	<u>16,710,998</u>	<u>11,997,274</u>
<b>7 Debtors</b>	<b><u>2002</u></b>	<b><u>2001</u></b>
	<b>£</b>	<b>£</b>
Other debtors	247,240	94,335
Prepayments and accrued income	<u>10,348</u>	<u>997</u>
	<u>257,588</u>	<u>95,332</u>

**MINERVA PROPERTY SERVICES LIMITED**  
**Notes to the financial statements for the year ended 30th June 2002**

**8 Tangible fixed assets**

	<b>Total</b>	<b>Office equipment</b>	<b>Fixture and fittings</b>
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 July 2001	36,186	27,061	9,125
Additions	-	-	-
At 30 June 2002	<u>36,186</u>	<u>27,061</u>	<u>9,125</u>
<b>Depreciation</b>			
At 1 July 2001	4,526	3,172	1,354
Charge for the year	10,532	8,857	1,675
At 30 June 2002	<u>15,058</u>	<u>12,029</u>	<u>3,029</u>
<b>Net book value at 30 June 2002</b>	<u>21,128</u>	<u>15,032</u>	<u>6,096</u>
<b>Net book value at 30 June 2001</b>	<u>31,660</u>	<u>23,889</u>	<u>7,771</u>

**9 Creditors: Amounts falling due within one year**

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Amounts owed to group companies	18,372,884	12,814,465
Other creditors	77,635	24,717
Accruals and deferred income	641,262	778,494
	<u>19,091,781</u>	<u>13,617,676</u>

Amounts due to group companies are unsecured, interest free and repayable on demand.

**10 Provision for liabilities and charges**

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
At 1 July 2001	84,658	84,658
Charged to profit and loss account	-	-
At 30 June 2002	<u>84,658</u>	<u>84,658</u>

The above provision relates wholly to the investment in Minerva Property Services (Wigmore Street) Limited, which has net liabilities at 30 June 2002.

**11 Called up share capital**

	<b>2002</b>	<b>2001</b>
<b>Authorised</b>	<b>£</b>	<b>£</b>
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Issued and fully paid</b>	<b>£</b>	<b>£</b>
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

**MINERVA PROPERTY SERVICES LIMITED**

Notes to the financial statements for the year ended 30th June 2002

**12 Reserves**

	<b>Profit and loss account</b>
	<b>£</b>
At 1 July 2001	(1,092,848)
Retained loss for the year	(588,188)
At 30 June 2002	<u>(1,681,036)</u>

**13 Parent and ultimate holding company**

The company is a wholly owned subsidiary of Minerva Corporation PLC and the ultimate holding company is Minerva plc. Copies of the financial statements of Minerva plc are available from their registered office at 25 Harley Street, London, W1G 9BR.

**14 Related party transactions**

The company is a subsidiary undertaking of which 100% of the voting rights are controlled within the group and it has taken advantage of the exemption in FRS8 not to disclose any transactions or balances with entities that are part of the group.