
EUROCITY PROPERTIES (CENTRAL) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2010

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EUROCITY PROPERTIES (CENTRAL) LIMITED

COMPANY INFORMATION

DIRECTORS

A S Perloff
S J Peters
J T Doyle
J H Perloff

COMPANY SECRETARY

S J Peters

COMPANY NUMBER

3428267

REGISTERED OFFICE

Deneway House
88-94 Darkes Lane
Potters Bar
Hertfordshire
EN6 1AQ

AUDITORS

Nexia Smith & Williamson
Chartered Accountants & Statutory Auditors
25 Moorgate
London
EC2R 6AY

EUROCITY PROPERTIES (CENTRAL) LIMITED

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EUROCITY PROPERTIES (CENTRAL) LIMITED

DIRECTORS' REPORT for the year ended 31 December 2010

The directors present their report and the financial statements for the year ended 31 December 2010

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 elected to prepare 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 judgments and 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.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year continued to be that of investment in commercial properties.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The directors are pleased with the results for the year and expect the trading position of the company to be maintained during the coming year.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £24,584 (2009 - £45,959).

A final dividend of £Nil (£Nil per share) (2009 - £70,000 (£35,000 per share)) on ordinary shares was paid during the year.

EUROCITY PROPERTIES (CENTRAL) LIMITED

DIRECTORS' REPORT for the year ended 31 December 2010

DIRECTORS

The directors who served during the year were

A S Perloff
S J Peters
J T Doyle
J H Perloff

FINANCIAL RISK MANAGEMENT

The company is a member of the Panther Securities Plc group. The principal activity of the individual companies within the group is property investment and dealing. The financial risk management procedures set out below are employed by all companies within the Panther Securities Plc group. The group's operations expose it to a variety of financial risks the main two being the effects of changes in credit risk of tenants and interest rate movement exposure on borrowings. The group has in place a risk management programme that seeks to limit the adverse effects of these risks on the financial performance of the group by monitoring levels of debt finance and the related finance costs. The group also uses derivative financial instruments to protect against adverse interest rate movements, no hedge accounting is applied.

Given the size of the group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the group's finance department.

Price risk

The group is exposed to price risk due to normal inflationary increases in the purchase price of the goods and services purchased in the UK. The group also has a price exposure on listed equities that are held as investments. The group has a policy of holding only a small proportion of its assets as listed investments.

Credit risk

The group has implemented policies that require appropriate credit checks on potential tenants before lettings are agreed. In most cases a deposit is requested unless the tenant can provide a strong personal or other guarantee. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually by the board. Exposure is also reduced significantly as the group has a large spread of tenants who operate in different industries.

Liquidity risk

The group actively ensures liquidity by maintaining a long-term finance facility and also holds significant cash deposits which are both utilised so as to ensure the group has sufficient available funds for operations and planned expansions.

Interest rate risk

The group has both interest bearing assets and interest bearing liabilities. Interest bearing assets are cash balances which earn interest at fixed rate. The group has a policy of only borrowing debt to finance the purchase of cash generating assets. The directors will revisit the appropriateness of this policy should the group operations change in size or nature.

EUROCITY PROPERTIES (CENTRAL) LIMITED

DIRECTORS' REPORT
for the year ended 31 December 2010

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

AUDITORS

The auditors, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on 13/7/2011 and signed on its behalf



S. J. Peters
Secretary

EUROCITY PROPERTIES (CENTRAL) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EUROCITY PROPERTIES (CENTRAL) LIMITED

We have audited the financial statements of Eurocity Properties (Central) Limited for the year ended 31 December 2010, set out on pages 5 to 13. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 explained more fully in the Statement of directors' responsibilities included within the Directors' Report on page 1, 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 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.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at www.frc.org.uk/apb/scope/private.cfm.

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 31 December 2010 and of its profit for the year 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.

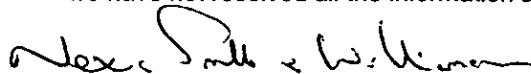
OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

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.



Michael Bishop (Senior statutory auditor)

for and on behalf of

Nexia Smith & Williamson

Chartered Accountants
Statutory Auditors

25 Moorgate

London

EC2R 6AY

Date

14 July 2011

EUROCITY PROPERTIES (CENTRAL) LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2010

	Note	2010 £	2009 £
TURNOVER	1,2	40,095	64,500
Cost of sales		(21,217)	(1,400)
GROSS PROFIT		18,878	63,100
Administrative expenses		(13,204)	-
Other operating income	3	27,747	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		33,421	63,100
Tax on profit on ordinary activities	6	(8,837)	(17,141)
PROFIT FOR THE FINANCIAL YEAR	12	24,584	45,959

All amounts relate to continuing operations

The notes on pages 8 to 13 form part of these financial statements

EUROCITY PROPERTIES (CENTRAL) LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 December 2010

	2010 £	2009 £
PROFIT FOR THE FINANCIAL YEAR	24,584	45,959
Unrealised surplus/(deficit) on revaluation of investment properties	<u>55,000</u>	<u>(35,000)</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u><u>79,584</u></u>	<u><u>10,959</u></u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES
for the year ended 31 December 2010

	2010 £	2009 £
REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>33,421</u>	<u>63,100</u>
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u><u>33,421</u></u>	<u><u>63,100</u></u>
HISTORICAL PROFIT FOR THE YEAR AFTER TAXATION	<u><u>24,584</u></u>	<u><u>45,959</u></u>

The notes on pages 8 to 13 form part of these financial statements

EUROCITY PROPERTIES (CENTRAL) LIMITED
Registered number 3428267

BALANCE SHEET
as at 31 December 2010

	Note	2010 £	2009 £
FIXED ASSETS			
Investment property	7	770,000	715,000
CURRENT ASSETS			
Debtors	8	20,520	-
Cash at bank		9,757	-
		<u>30,277</u>	<u>-</u>
CREDITORS amounts falling due within one year	9	<u>(568,517)</u>	<u>(562,824)</u>
NET CURRENT LIABILITIES		<u>(538,240)</u>	<u>(562,824)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>231,760</u>	<u>152,176</u>
CAPITAL AND RESERVES			
Called up share capital	11	2	2
Investment property reserve	12	193,426	138,426
Profit and loss account	12	38,332	13,748
SHAREHOLDERS' FUNDS	13	<u>231,760</u>	<u>152,176</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13/7/2011.

A. S. Perloff
Director



EUROCITY PROPERTIES (CENTRAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2010

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention on a going concern basis and in accordance with applicable accounting standards

1.2 CASH FLOW

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

1.3 TURNOVER

Turnover represents the value of rents receivable for tenancy occupation in the year to 31 December. Any amounts received in advance or arrears are deferred or accrued as necessary

1.4 INVESTMENT PROPERTIES

Investment properties are accounted for in accordance with SSAP 19 as follows

- i) investment properties are revalued annually by the directors and by independent professional valuers at intervals of not more than three years. The surplus or deficit on revaluation is transferred to the revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year, and
- ii) no depreciation is provided in respect of leasehold investment properties with over 20 years to run

Although the Companies Act would normally require the systematic annual depreciation of fixed assets, the directors believe that the policy of not providing depreciation is necessary to give a true and fair view, since the current value of investment properties, and the changes to that current value, are of prime importance rather than a calculation of systematic annual depreciation. Depreciation is only one of many factors reflected in the valuation, and the amount which might otherwise have been included cannot be separately identified or quantified

1.5 OPERATING LEASES

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

EUROCITY PROPERTIES (CENTRAL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010**

1. ACCOUNTING POLICIES (continued)

1.6 DEFERRED TAXATION

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

2. TURNOVER

All turnover arose in the United Kingdom

3. OTHER OPERATING INCOME

	2010	2009
	£	£
Other operating income	27,747	-

4. PROFIT

During the year, no director received any emoluments (2009 - £NIL)

At the year end there were no directors accruing pension benefits

5. AUDITORS' REMUNERATION

	2010	2009
	£	£
Fees payable to the company's auditor for the audit of the company's annual accounts	3,250	-

EUROCITY PROPERTIES (CENTRAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

6. TAXATION

	2010 £	2009 £
ANALYSIS OF TAX CHARGE IN THE YEAR		
UK corporation tax charge on profit for the year	9,236	17,673
Adjustments in respect of prior periods	(399)	(532)
	<u>8,837</u>	<u>17,141</u>
TAX ON PROFIT ON ORDINARY ACTIVITIES		

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2009 - *lower than*) the standard rate of corporation tax in the UK of 28% (2009 - 28%). The differences are explained below

	2010 £	2009 £
Profit on ordinary activities before tax	<u>33,421</u>	<u>63,100</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 - 28%)	9,358	17,668
EFFECTS OF.		
Non-tax deductible amortisation of goodwill and impairment	-	310
Capital allowances for year in excess of depreciation	(122)	(305)
Adjustments to tax charge in respect of prior periods	(399)	(532)
	<u>8,837</u>	<u>17,141</u>
CURRENT TAX CHARGE FOR THE YEAR (see note above)		

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges

EUROCITY PROPERTIES (CENTRAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

7. INVESTMENT PROPERTY

	Freehold investment property £
COST	
At 1 January 2010	715,000
Surplus/(deficit) on revaluation	55,000
	<hr/>
At 31 December 2010	770,000
	<hr/> <hr/>

Land and buildings were revalued by G L Hearn, Chartered Surveyors on 31 December 2010 at market value on an existing use basis

At 31 December 2010, £770,000 (2009 - £715,000) included within the net book value of land and buildings relates to freehold land and buildings

The historic cost of the properties was £576,574 (2009 - £576,574)

REVALUATION RESERVES

At 1 January 2010	138,426
Net surplus in investment properties	55,000
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At 31 December 2010	193,426
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8. DEBTORS

	2010 £	2009 £
Trade debtors	20,520	-
	<hr/>	<hr/>

**9. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2010 £	2009 £
Trade creditors	12,731	8,957
Amounts owed to group undertakings	537,800	548,492
Corporation tax	9,236	-
Accruals and deferred income	8,750	5,375
	<hr/>	<hr/>
	568,517	562,824
	<hr/> <hr/>	<hr/> <hr/>

The inter company loans are interest free and repayable on demand, however there is no present intention to seek repayment of these loans

EUROCITY PROPERTIES (CENTRAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

10. PROVISIONS

The potential liability for deferred taxation not provided was as follows

	2010 £	2009 £
Potential capital gains	4,989	-

11. SHARE CAPITAL

	2010 £	2009 £
ALLOTTED, CALLED UP AND FULLY PAID		
2 Ordinary shares of £1 each	2	2

12. RESERVES

	Investment property revaluation reserve £	Profit and loss account £
At 1 January 2010	138,426	13,748
Profit for the year	-	24,584
Movement on investment property	55,000	-
At 31 December 2010	193,426	38,332

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2010 £	2009 £
Opening shareholders' funds	152,176	211,217
Profit for the year	24,584	45,959
Dividends (Note 14)	-	(70,000)
Other recognised gains and losses during the year	55,000	(35,000)
Closing shareholders' funds	231,760	152,176

EUROCITY PROPERTIES (CENTRAL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010**

14. DIVIDENDS

	2010 £	2009 £
Ordinary dividends paid £Nil per share (2009 - £35,000)	-	70,000

15. RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemptions conferred under FRS 8, such that related party transactions need not be disclosed, because consolidated accounts including this company are publicly available

16. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent undertaking is Eurocity Properties PLC, and the ultimate parent undertaking is Panther Securities PLC, a company incorporated in Great Britain. Consolidated accounts for the group are available from the Registered Office