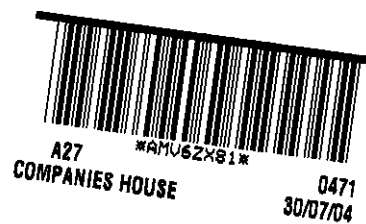


# **AKELER DEVELOPMENTS LIMITED**

## **Annual report**

**for the year ended 31 December 2003**

**Registered Number : 3525212**



# **AKELER DEVELOPMENTS LIMITED**

## **Annual report**

**for the year ended 31 December 2003**

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# **AKELER DEVELOPMENTS LIMITED**

## **Directors and Advisors for the year ended 31 December 2003**

### **Directors**

M J Boret  
S J Morgan  
P Going  
N H Pope  
T H Silver  
D Okell  
A D Jeffrey

### **Secretary**

N H Pope

### **Auditors**

PricewaterhouseCoopers LLP  
32 London Bridge Street  
London  
SE1 9SY

### **Registered Office**

7 Clifford Street  
London  
W1S 2WE

### **Registered Number**

3525212

# AKELER DEVELOPMENTS LIMITED

## Directors' report for the year ended 31 December 2003

The directors present their report and the audited financial statements of the company for the year ended 31 December 2003.

### Principal activities

The principal activity of the company in the year under review was that of property development services.

### Review of business

The results for the year are set out in the profit and loss account on page 5. During the year the company issued share capital of £5,000,099 (2002: £Nil).

Both the level of business and the year end financial position were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

### Dividends and transfers to reserves

The directors do not recommend the payment of a dividend (2002: £nil).

### Directors

The directors of the company at 31 December 2003, all of whom have been directors for the whole of the year ended on that date except where stated, are as follows:

T H Silver

M J Boret

P Going

S J Morgan

N H Pope

D Okell

M F Perkins

(resigned 3 March 2003)

A D Jeffrey

(appointed 19 March 2003)

### Directors' interests

During the year none of the directors held any interest in the shares of the company.

### Directors' responsibilities statement

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently with the exception of the changes arising on the adoption of the new accounting standards in the year as explained on page 7 under Note 1 'Accounting policies'. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2003 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 the prevention and detection of fraud and other irregularities.

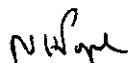
# **AKELER DEVELOPMENTS LIMITED**

## **Directors' report for the year ended 31 December 2003**

### **Auditors**

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their reappointment as auditors to the Company will be proposed at the annual general meeting.

**By order of the Board**



**N H Pope**

**Secretary**

**Date 8 June 2004**

## **Independent auditors' report to the members of AKELER DEVELOPMENTS LIMITED**

We have audited the financial statements which comprise the profit and loss account, balance sheet 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 relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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 misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.


### **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 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 at 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers LLP**  
**Chartered Accountants and Registered Auditors**  
London  
Date 8 June 2004

# AKELER DEVELOPMENTS LIMITED

## Profit and loss account for the year ended 31 December 2003

	Notes	2003 £	2002 £
<b>Turnover</b>	2	178,210	12,965
Cost of sales		(380,731)	(7,460)
<b>Gross (loss)/profit</b>		(202,521)	5,505
Profit on sale of fixed asset	9	76,145	-
Administrative expenses		(187,431)	(2,849,486)
<b>Operating loss</b>		(313,807)	(2,843,981)
Dividends Received from subsidiary undertakings		2,750,833	-
Interest receivable and similar income	5	28,336	1,239,539
Interest payable and similar charges	6	(1,052,658)	(1,598,024)
<b>Profit/(loss) on ordinary activities before taxation</b>	7	1,412,704	(3,202,466)
Taxation	8	(81,000)	988,484
<b>Retained profit/(loss) for the financial year</b>	17	1,331,704	(2,213,982)

All amounts relate to continuing activities.

The company had no gains or losses other than those included in the profit and loss account above. Therefore no separate statement of total recognised gains and losses has been presented.

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

# AKELER DEVELOPMENTS LIMITED

## Balance sheet as at 31 December 2003

	Notes	2003 £	2002 £
<b>Fixed assets</b>			
Tangible fixed assets	9	-	121,355
Investments in Group Undertakings	10	4	3
Investment in Joint Venture	11	<u>564,231</u>	<u>275,896</u>
		<b>564,235</b>	<b>397,254</b>
<b>Current assets</b>			
Work in progress	12	<b>24,818,759</b>	13,973,829
Debtors	13	<b>1,583,319</b>	4,164,758
Cash at bank and in hand		<u>1,072</u>	<u>18,950</u>
		<b>26,403,150</b>	<b>18,157,537</b>
Creditors: amounts falling due within one year	14	<u>(6,325,470)</u>	<u>(14,614,806)</u>
<b>Net current assets</b>		<b>20,076,680</b>	<b>3,542,731</b>
<b>Total assets less current liabilities</b>		<b>20,641,915</b>	<b>3,939,985</b>
Creditors: amounts falling due after more than one year	15	<b>(12,560,127)</b>	<b>(2,190,000)</b>
<b>Net assets</b>		<u><b>8,081,788</b></u>	<u><b>1,749,985</b></u>
<b>Capital and reserves</b>			
Called up share capital	16	<b>5,000,100</b>	1
Profit and loss account	17	<b>3,081,688</b>	<b>1,749,984</b>
<b>Equity shareholders' funds</b>	18	<u><b>8,081,788</b></u>	<u><b>1,749,985</b></u>

The financial statements on pages 5 to 14 were approved by the board of directors on 8 June 2004 and were signed on its behalf by:

  
T H Silver  
Director



# AKELER DEVELOPMENTS LIMITED

## Notes to the financial statements for the year ended 31 December 2003

### 1 Principal accounting policies

The financial statements have been prepared in accordance with Companies Act 1985 and applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

#### **Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention.

#### **Accounting policies**

The accounting policies and estimation techniques selected for use in the preparation of the financial statements are the most appropriate to give a true and fair view for the company's particular circumstances as required by FRS 18

#### **Cash flow statement**

The company has taken advantage of exemptions under the provisions of Financial Reporting Standard No 1 for subsidiary undertakings and not prepared a cash flow statement.

#### **Tangible fixed assets**

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal rates used for this purpose are:

Freehold land and buildings	3.33%
-----------------------------	-------

#### **Work in progress**

Work in progress is stated at the lower of cost and net realisable value. Project overheads and legal and professional fees are included in the cost of work in progress. Profits on disposal are recognised when there is a legally binding sale agreement which has become unconditional and irrevocable by the date of the accounts, subject to any provisions necessary to cover residual commitments relating to the property.

#### **Investments in Joint Ventures**

Investments in Joint Ventures are stated at cost less provision for any permanent diminution in value. Dividends receivable from Joint Ventures are recognised when received.

#### **Turnover**

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied.

#### **Taxation**

Corporation tax payable is provided at the current rate.

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or right to pay less tax in the future have occurred at the balance sheet date. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain.

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

# AKELER DEVELOPMENTS LIMITED

## Notes to the financial statements for the year ended 31 December 2003

### 2 Turnover

Turnover consists entirely of sales made in the United Kingdom from the provision of property development services and sales of property developments.

### 3 Employees

The company did not employ any staff in the year ended 31 December 2003 (2002: nil).

### 4 Directors emoluments

	2003	2002
	£	£
Aggregate emoluments	0	1,149,134
Aggregate amounts (including receivable under long term incentive schemes)	0	382,319
	<u>0</u>	<u>1,531,453</u>

Highest paid director:

The above amounts of remuneration include £0 (2002: £694,276) in respect of the highest paid director.

In previous years, costs have been recharged by other group companies at an arm's length rate and the relevant proportion of directors' salaries were included in directors emoluments in this company's accounts. In 2003, the basis for recharges changed and consequently no element of directors emoluments have been directly recharged so no emoluments are shown in these accounts. All directors' remuneration and pension costs are borne by Akeler Property Services Limited.

### 5 Interest receivable and similar income

	2003	2002
	£	£
Bank interest receivable	-	3,918
Joint Venture interest receivable	28,336	-
Group interest receivable	-	1,235,621
	<u>28,336</u>	<u>1,239,539</u>

# AKELER DEVELOPMENTS LIMITED

## Notes to the financial statements for the year ended 31 December 2003

### 6 Interest payable and similar charges

	2003 £	2002 £
Bank interest payable	442,526	8,056
Amortisation of loan arrangement fees	49,493	16,830
Group interest payable	560,624	1,573,018
Other interests	15	120
	<u>1,052,658</u>	<u>1,598,024</u>

### 7 Profit/(loss) on ordinary activities before taxation

	2003 £	2002 £
Profit/(loss) on ordinary activities before taxation is stated after charging:		
Depreciation charge for the year	2,674	3,561
Amortisation of loan arrangement fees	49,493	16,830
Auditors' remuneration		
- audit services	12,500	7,500

### 8 Taxation on profit/(loss) on ordinary activities

	2003 £	2002 £
<b>Current tax:</b>		
UK corporation tax on profit/(loss) of the period	-	988,484
Prior year adjustment	(81,000)	-
Total current tax	<u>(81,000)</u>	<u>988,484</u>

# AKELER DEVELOPMENTS LIMITED

## Notes to the financial statements for the year ended 31 December 2003

The tax assessed for the year is higher than the standard rate of corporation tax in the UK (30%).  
The differences are explained below:

	2003	2002
	£	£
Profit/(loss) on ordinary activities before tax	1,412,704	(3,202,466)
Profit/(loss) on ordinary activities multiplied by standard rate of	(423,811)	960,740
Corporation tax in the UK of 30% (2002:30%)		
Effects of:		
Loss surrendered to other group undertakings	423,811	-
Carry back of losses to prior year		27,744
Prior year adjustments	(81,000)	-
Current tax (charge)/credit for the period	(81,000)	988,484

## 9 Tangible fixed assets

	Freehold land and buildings £
<b>Cost</b>	
At 1 January 2003	133,520
Disposals	(133,520)
At 31 December 2003	-
<b>Depreciation</b>	
At 1 January 2003	12,165
Disposals	(12,165)
At 31 December 2003	-
<b>Net book value</b>	
At 31 December 2003	-
At 31 December 2002	121,355

During the year, the company sold its freehold property at Leyton Road for net proceeds of £197,500 giving rise to a profit on disposal of £76,145.

# AKELER DEVELOPMENTS LIMITED

## 10 Investments in group undertakings

Subsidiary	Country	Percentage held	Cost	Cost
			2003	2002
			£	£
Akeler Brentford Limited	UK	100%	1	1
Akeler (Bridgend) Limited	UK	100%	1	1
Akeler (Merthyr Tydfil) Limited	UK	100%	1	1
Leeds Valley Park Management Company Limited	UK	100%	1	-
			<u>4</u>	<u>3</u>

Investments in group undertakings are stated at cost. Dividends were received in the year from Akeler (Bridgend) Limited and Akeler (Merthyr Tydfil) Limited.

The company has taken advantage of the exemption from preparing consolidated financial statements since it is included in the consolidated financial statements of Lend Lease Global Properties SICAF, a company incorporated in Luxembourg.

## 11 Investments in joint ventures

A Joint Venture, Ask/Akeler Developments Ltd was established in the UK in July 2001 between Akeler Developments Ltd and Ask Property Developments Ltd. Both parties own equal shares and voting rights and have committed equal funds to the Joint Venture. At the year-end, Akeler Developments Ltd had committed funds of £564,231 (2002: £275,896).

The loan to Ask / Akeler Developments Limited bears interest at Natwest Bank Plc base rate plus 1%.

	2003	2002
	£	£
Loan to Joint Venture	564,231	275,896
	<u>564,231</u>	<u>275,896</u>

## 12 Work in progress

	2003	2002
	£	£
Work in progress	<u>24,818,759</u>	<u>13,973,829</u>

CB Richard Ellis valued the property at Leeds Valley Park at December 2003 at £30,728,000.

# AKELER DEVELOPMENTS LIMITED

## 13 Debtors

	2003 £	2002 £
<b>Amounts falling due within one year</b>		
Trade debtors	343,763	12,494
Amounts due from group undertakings	174,534	2,878,975
Other debtors	6,278	66,134
Prepayments	282,293	128,262
VAT	121,752	343,194
Corporation tax	654,699	735,699
	<u>1,583,319</u>	<u>4,164,758</u>

All the amounts due from group undertakings relate to loans which are unsecured and are repayable on demand. Interest is charged at National Westminster Bank Plc base lending rate plus 1%.

## 14 Creditors: amounts falling due within one year

	2003 £	2002 £
Bank overdrafts	638,942	39,026
Amounts due to group undertakings	4,516,088	14,037,039
Trade creditors	64,644	497,025
Accruals and deferred income	1,105,796	41,716
	<u>6,325,470</u>	<u>14,614,806</u>

All the amounts due to group undertakings relate to loans which are unsecured and are repayable on demand. Interest is charged at National Westminster Bank Plc base lending rate plus 1%.

## 15 Creditors: amounts falling due after one year

	2003 £	2003 £
<b>Land and buildings</b>		
Expiring in three to four years	<u>12,560,127</u>	<u>2,190,000</u>

The amounts due between 3 and 4 years relate to a loan from Landesbank Hessen-Thüringen Girozentrale secured on the company's Leeds Valley Park property which is due for repayment on 12<sup>th</sup> March 2007.

# AKELER DEVELOPMENTS LIMITED

## 16 Called up share capital

	2003 £	2002 £
<b>Authorised</b>		
5,000,100 Ordinary shares of £1 each	<u>5,000,100</u>	<u>100</u>
<b>Allotted, called up and fully paid</b>		
5,000,100 Ordinary shares of £1 each	<u>5,000,100</u>	<u>1</u>

During the year, 5,000,099 shares were subscribed at £1 each for cash.

## 17 Profit and loss account

	2003 £	2002 £
At 1 January	1,749,984	3,963,966
Retained profit/(loss) for the year	<u>1,331,704</u>	<u>(2,213,982)</u>
<b>At 31 December</b>	<u>3,081,688</u>	<u>1,749,984</u>

## 18 Reconciliation of movements in equity shareholders' funds

	2003 £	2002 £
Opening shareholders' funds	1,749,985	3,963,967
Additional Capital Issued	5,000,099	-
Profit/(loss) for the financial year	<u>1,331,704</u>	<u>(2,213,982)</u>
<b>Closing shareholders' funds</b>	<u>8,081,788</u>	<u>1,749,985</u>

## 19 Ultimate and immediate parent company

Akeler Developments Limited is a wholly owned subsidiary of Akeler Property Investments S.à r.l, a company registered in Luxembourg. Akeler Property Investments S.à r.l is 99% owned by Akeler Holdings SA, another company registered in Luxembourg.

The smallest group in which the results of the company are consolidated is the group of which Lend Lease Global Properties SICAF is the ultimate parent company which is registered in Luxembourg. These consolidated accounts may be obtained from 33 Boulevard Prince Henri L-1724 Luxembourg.

## 20 Related party transactions

As a subsidiary undertaking of Lend Lease Global Properties SICAF, the company has taken advantage of the exemption in FRS8, 'Related Party Disclosures' not to disclose transactions with other members of the group headed by Akeler Holdings S.A and of its relationship with the Ask/Akeler Joint Venture.

At 31<sup>st</sup> December 2003 Akeler Developments Limited had an outstanding loan due from Ask/Akeler Developments Limited of £564,231 including interest payable (2002: £275,896 excluding interest payable). Ask/Akeler Developments Limited is 50% owned by Akeler Developments Limited.

# **AKELER DEVELOPMENTS LIMITED**

## **21 Financial Commitments**

There were no capital commitments at 31 December 2003 (2002:£nil) other than those disclosed in the accounts.