

AKELER DEVELOPMENTS LIMITED

Annual report

for the year ended 31 December 2005

Registered Number : 03525212



AKELER DEVELOPMENTS LIMITED

Annual report

for the year ended 31 December 2005

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AKELER DEVELOPMENTS LIMITED

Directors and advisors

Directors

M J Boret

S J Morgan - resigned 6 June 2005

P Going

N H Pope

T H Silver - resigned 25 January 2005

D Okell

A D Jeffrey

J R B Cole - appointed 25 January 2005

N McGilp - appointed 25 January 2005

Secretary

N H Pope

Independent Auditors

PricewaterhouseCoopers LLP

32 London Bridge Street

London

SE1 9SY

Registered Office

7 Clifford Street

London

W1S 2WE

Registered Number

03525212

AKELER DEVELOPMENTS LIMITED

Directors' report for the year ended 31 December 2005

The directors present their report and the audited financial statements of the company for the year ended 31 December 2005.

Principal activities

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

Review of business

Both the level of business and the year end financial position were satisfactory.

Results and dividends

The Company's profit before tax for the financial year is £723,307 (2004: profit £2,072,928).

The directors do not recommend the payment of a dividend (2004: £nil).

Directors

The directors of the company during the year and to the date of this report except where stated were as follows:

T H Silver	(resigned 25 January 2005)
M J Boret	
P Going	
S J Morgan	(resigned 6 June 2005)
N H Pope	(company secretary)
D Okell	
AD Jeffrey	
N McGilp	(appointed 25 January 2005)
J R B Cole	(appointed 25 January 2005)

Directors' interests

During the year none of the directors held any interest in the shares of the company (2004: Nil).

Statement of disclosure of information to auditors

The directors confirm that to their knowledge there is no relevant audit information of which the company's auditors are unaware of. They also confirm that they have taken all the necessary steps to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Statement of directors' responsibilities

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. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2005 and that applicable United Kingdom accounting standards have been followed.

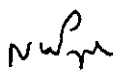
AKELER DEVELOPMENTS LIMITED

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.

Auditors

The 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

25 July 2006

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AKELER DEVELOPMENTS LIMITED

We have audited the financial statements of Akeler Developments Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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 law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). 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 into 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
Date

27 July 2006

AKELER DEVELOPMENTS LIMITED

Profit and loss account for the year ended 31 December 2005

	Note	2005 £	2004 £
Turnover	2	700,000	33,897,256
Cost of sales		-	(26,968,326)
Gross profit/(loss)		700,000	6,928,930
Administrative expenses		(577,247)	(630,901)
Operating profit/(loss)		122,753	6,298,029
Provision for the deficit of Akeler Brentford		(150,475)	(3,100,117)
(Loss)/Profit on ordinary activities before interest and tax		(27,722)	3,197,912
Interest receivable and similar income	4	751,242	207,693
Interest payable and similar charges	5	(213)	(1,332,677)
Profit on ordinary activities before taxation	6	723,307	2,072,928
Taxation	7	-	101,767
Retained profit for the financial year	14	723,307	2,174,695

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.

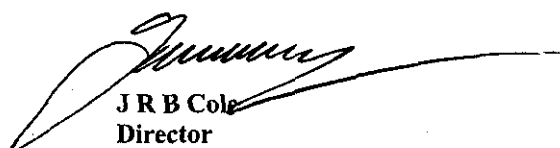
AKELER DEVELOPMENTS LIMITED

Balance sheet as at 31 December 2005

	Note	2005 £	2004 £
Fixed assets			
Investments in Group Undertakings	8	3	4
Investment in Joint Venture	9	<u>1</u>	<u>189,154</u>
		4	189,158
Current assets			
Work in progress	10	1,301,125	1,829
Debtors	11	14,510,716	15,366,538
Cash at bank and in hand		<u>182</u>	<u>29,348</u>
		15,812,023	15,397,715
Creditors: amounts falling due within one year	12	<u>(4,832,237)</u>	<u>(5,330,390)</u>
Net current assets		10,979,786	10,067,325
Total assets less current liabilities		10,979,790	10,256,483
Net assets		<u>10,979,790</u>	<u>10,256,483</u>
Capital and reserves			
Called up share capital	13	5,000,100	5,000,100
Profit and loss account	14	5,979,690	5,256,383
Equity shareholders' funds	15	<u>10,979,790</u>	<u>10,256,483</u>

The financial statements on pages 5 to 13 were approved by the board of directors on 2006 and were signed on its behalf by:

25 July


J R B Cole
Director

AKELER DEVELOPMENTS LIMITED

Notes to the financial statements for the year ended 31 December 2005

1 Principal accounting policies

These financial statements have been prepared on the going concern basis, under historical cost convention and 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 'Accounting Policies'.

Cash flow statement

The company has taken advantage of exemptions under the provisions of FRS 1 (revised 1996) 'Cash flow statements' and not prepared a cash flow statement.

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 on taxable profits 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.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Loan arrangement fees

Loan arrangement fees are deferred and amortised on a straight line basis over the life of the related loan or credit facility.

Rental income

Rental income is recognised, net of taxes, in the period to which it relates. Rent free periods are allocated on a straight line basis over the shorter of the lease term, break clause or rent review.

AKELER DEVELOPMENTS LIMITED

Management Charges

Management charges include fees in accordance with management agreements and are accounted for in the period when the service is provided.

2 Turnover

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

	2005 £	2004 £
Rental income	-	1,229,522
Property sale proceeds	-	32,167,734
Management charge	700,000	500,000
	<u>700,000</u>	<u>33,897,256</u>

During the prior year the company sold its Leeds Valley Park development for gross proceeds of £32,167,734.

3 Employees and directors' emoluments

The company did not employ any staff other than the directors in the year ended 31 December 2005 (2004: nil). The directors received no remuneration in respect of their services for the company (2004: Nil).

4 Interest receivable and similar income

	2005 £	2004 £
Bank interest receivable	145	592
Joint venture interest receivable	2,484	10,260
Other interest	140	124,325
Group interest receivable	748,473	72,516
	<u>751,242</u>	<u>207,693</u>

5 Interest payable and similar charges

	2005 £	2004 £
Bank interest payable	213	1,033,180
Amortisation of loan arrangement fees	-	168,760
Group interest payable	-	130,737
	<u>213</u>	<u>1,332,677</u>

AKELER DEVELOPMENTS LIMITED

6 Profit on ordinary activities before taxation

	2005 £	2004 £
Profit on ordinary activities before taxation is stated after charging:		
Amortisation of loan arrangement fees	-	168,760
Auditors remuneration – audit services	6,625	8,000
Non-Audit services – tax compliance	50	5,500

7 Taxation

	2005 £	2004 £
Current tax:		
UK corporation tax on profit of the period	-	-
Prior year adjustment	-	(101,767)
Total current tax	<u>-</u>	<u>(101,767)</u>

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

	2005 £	2004 £
Profit on ordinary activities before tax	<u>723,307</u>	<u>2,072,928</u>
Profit on ordinary activities multiplied by standard rate of Corporation tax in the UK of 30% (2004:30%)	<u>216,992</u>	<u>621,878</u>
Effects of:		
Provision for deficit of Akeler Brentford Ltd	45,143	930,035
Group relief	(262,135)	(1,551,913)
Prior year adjustments	-	(101,767)
Current tax (credit) for the period	<u>-</u>	<u>(101,767)</u>

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8 Investment in group undertakings

Subsidiary	Country	Percentage held	Cost	Cost
			2005	2004
			£	£
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		-	1
			<u>3</u>	<u>4</u>

Investments in group undertakings are stated at cost.

During the year Leeds Valley Park Management Company Limited was sold to another group company at cost.

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.

9 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 £1 (2004: £189,154).

	2005	2004
	£	£
Investment in Joint Venture	1	1
Loan to Joint Venture	-	189,153
	<u>1</u>	<u>189,154</u>

10 Work in progress

	2005	2004
	£	£
Work in progress	<u>1,301,125</u>	<u>1,829</u>

During the prior year the company sold its Leeds Valley Park development for gross proceeds of £32,167,734 realising a gain of £5,199,408 before taxation.

AKELER DEVELOPMENTS LIMITED

11 Debtors

	2005	2004
	£	£
Amounts falling due within one year		
Trade debtors	-	449,399
Amounts due from group undertakings	14,322,003	14,890,004
Other debtors	815	16,508
Prepayments	-	10,627
VAT	187,898	-
	<u>14,510,716</u>	<u>15,366,538</u>

All the amounts due from group undertakings relate to loans which are unsecured and are repayable on demand. Interest is charged at 9% to Leeds Valley Park Management Company Limited and at National Westminster Bank Plc base lending rate plus 1% to all other group companies.

12 Creditors: amounts falling due within one year

	2005	2004
	£	£
Bank overdrafts	-	310,457
Amounts due to group undertakings	-	45,051
Provision for Akeler Brentford Ltd deficit	3,250,592	3,100,117
VAT	-	870,738
Trade creditors	1,153,851	301,942
Accruals and deferred income	427,794	702,085
	<u>4,832,237</u>	<u>5,330,390</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%.

13 Called up share capital

	2005	2004
	£	£
Authorised		
5,000,100 Ordinary shares of £1 each	<u>5,000,100</u>	<u>5,000,100</u>
Allotted, called up and fully paid		
5,000,100 Ordinary shares of £1 each	<u>5,000,100</u>	<u>5,000,100</u>

AKELER DEVELOPMENTS LIMITED

14 Reserves

	Profit and loss account £
At 1 January 2005	5,256,383
Retained profit for the year	723,307
At 31 December 2005	<u>5,979,690</u>

15 Reconciliation of movements in equity shareholders' funds

	2005 £	2004 £
Opening shareholders' funds	10,256,483	8,081,788
Retained profit for the financial year	723,307	2,174,695
Closing shareholders' funds	<u>10,979,790</u>	<u>10,256,483</u>

16 Immediate and ultimate parent company

The immediate parent company of Akeler Developments Limited is Akeler Holdings SA, a company registered in Luxembourg. The ultimate parent company of Akeler Developments Limited is Lend Lease Global Properties SICAF.

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.

17 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.

At 31st December 2005 Akeler Developments Limited had an outstanding loan due from Ask/Akeler Developments Limited of £Nil (2004: £189,154 including interest payable). During the year Akeler Developments Limited had management charges to Ask/Akeler Developments Limited, based on management services provided, amounting to £700,000 (2004: £500,000). Ask/Akeler Developments Limited is 50% owned by Akeler Developments Limited.

18 Financial commitments

There were no capital commitments at 31 December 2005 (2004: £nil) other than those disclosed in the accounts.

AKELER DEVELOPMENTS LIMITED

19 Guarantees and bank overdraft

Akeler Developments Limited forms part of an unlimited inter company composite guarantee with National Westminster Bank Plc whereby it jointly and severally guarantees to discharge on demand all the obligations, with interest from the date of demand, of each company in the group.