

# GAINRACE LIMITED

COMPANY NO. 3628298

## ANNUAL REPORT

31 DECEMBER 2000

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**GAINRACE LIMITED****DIRECTORS' REPORT**

The directors of Gainrace Limited present their annual report and the audited accounts for the year ended 31 December 2000.

**Activities and review of the business**

The company was incorporated 8 September 1998 and started trading on 1 May 2000. The principal activity of the Company is property investment and development.

**Results and dividends**

The Company's loss after taxation for the financial year was £62,773 (1999 - Nil). No dividend is proposed for the year ended 31 December 2000.

**Profit and loss**

	2000	1999
	£	£
Loss for the financial year	(62,773)	-
Dividends paid and proposed	-	-
Retained loss for the year	(62,773)	-
Balance at beginning of year	-	-
Balance at end of year	(62,773)	-

**Directors**

The following directors held office during the year and to the date of these accounts:

M R Barker	(Appointed 4 July 2000)
M J Newberry	
R M Wiseman	

There were no interests in shares or debentures requiring disclosure under the Companies Act 1985.

**Tangible fixed assets**

Details of movements in tangible fixed assets during the year are given in note 6 to the accounts.

**GAINRACE LIMITED****DIRECTORS' REPORT (continued)****Statement of directors' responsibilities**

The Companies Act 1985 requires the directors to prepare accounts 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 accounts, the directors are required to:-

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

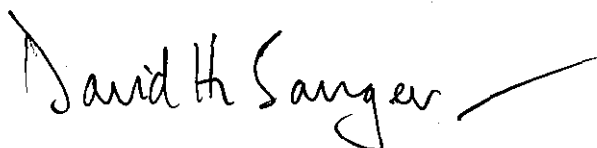
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Auditors**

The Company passed an Elective Resolution on 23 March 2000 in accordance with the Companies Act 1985 to dispense with the holding of annual general meetings, the laying of accounts and reports before general meetings and the annual reappointment of Auditors.

PricewaterhouseCoopers were appointed as auditors and will continue in office as Auditors of the Company pursuant to Section 386 of the Companies Act 1985. However, pursuant to Section 253 (2) of the Companies Act 1985, any Member or the Auditors of the Company may require the accounts and reports to be laid before a general meeting by depositing a notice to that effect at the registered office of the Company not later than 28 days after the despatch of the accounts and reports to Members.

By Order of the Board



Authorised signatory for  
Shell Corporate Secretary Limited  
Company Secretary

21 September 2001

**GAINRACE LIMITED****AUDITORS' REPORT TO THE MEMBERS OF GAINRACE LIMITED**

We have audited the financial statements on pages 4 to 10, which have been prepared under the historical cost convention, and the accounting policies set out on page 6 and 7.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the Annual Report. As described on page 2, this includes responsibility for preparing the financial statements in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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 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.

**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 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors

1 Embankment Place  
LONDON WC2N 6NN

21 / 9 / 2001

**GAINRACE LIMITED****PROFIT AND LOSS ACCOUNT**  
**For the year ended 31 December 2000**

	Notes	2000 £	1999 £
<b>Turnover</b>			
Continuing operations	2	17,709	-
		<u>17,709</u>	<u>-</u>
Other operating expenses		(75,169)	-
		<u>(75,169)</u>	<u>-</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(57,460)	-
Tax on loss on ordinary activities	5	(5,313)	-
		<u>(5,313)</u>	<u>-</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>		(62,773)	-
Dividends paid and proposed		-	-
		<u>-</u>	<u>-</u>
<b>RETAINED LOSS FOR THE YEAR</b>		(62,773)	-
<b>Profit and loss account at 1 January</b>		-	-
		<u>-</u>	<u>-</u>
<b>Profit and loss account at 31 December</b>		(62,773)	-
		<u>(62,773)</u>	<u>-</u>

The reported loss on ordinary activities and the retained loss for the period are presented on a historical cost basis. The Company has no recognised gains or losses other than its profit for the financial year as disclosed above.

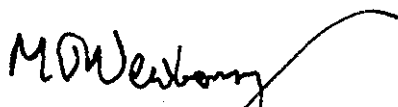
The notes on pages 6 to 10 form part of these accounts.

**GAINRACE LIMITED****BALANCE SHEET**  
as at 31 December 2000

	Notes	2000 £	1999 £
<b>Tangible fixed assets</b>	6	525,413	-
<b>Current assets</b>			
Debtors		-	2
<b>Creditors – amounts falling due within one year</b>	7	(588,184)	-
<b>Net current liabilities</b>		(588,184)	2
<b>Total assets less current liabilities</b>		(62,771)	2
<b>Net assets</b>		(62,771)	2
<b>Capital and reserves</b>			
Called up share capital	8	2	2
Profit and loss account		(62,773)	-
<b>Equity shareholders' funds</b>	10	(62,771)	2

The notes on pages 6 to 10 form part of these accounts.

These financial statements were approved by the Board on 21 September 2001 and signed on their behalf by :-



Director : M. J. Newberry

**GAINRACE LIMITED****NOTES TO THE ACCOUNTS****1. Accounting policies****Accounting convention**

The accounts are prepared under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom.

**Basis of preparation - Going concern**

The company is reliant on the continuing support of Shell Property Company Limited, its immediate parent company for short to medium term funding. The directors believe that this support will continue for the foreseeable future and therefore it is appropriate for the financial statements to be prepared on a going concern basis.

**Group Accounts**

The ultimate parent company is N.V. Koninklijke Nederlandsche Petroleum Maatschappij (Royal Dutch Petroleum Company) which is incorporated in the Netherlands.

The accounts of the company are incorporated in the financial statements of the Royal Dutch/Shell Group of Companies which form part of the Annual Reports of Royal Dutch Petroleum Company and The "Shell" Transport and Trading Company, p.l.c.

Copies of the financial statements of the Royal Dutch/Shell Group of Companies are available from:

Group Investor Relations  
SLBPA Division  
Shell Centre  
London  
SE1 7NA

**Turnover**

Turnover represents amounts invoiced to tenants and is accounted for as receivable and excludes value added tax.

**Depreciation**

No depreciation is provided on land or buildings under construction.

The carrying amounts of fixed assets are reviewed for possible impairment whenever events or changes in circumstances indicate. For this purpose, assets are grouped based on separately identifiable and largely independent cashflows.

**GAINRACE LIMITED****NOTES TO THE ACCOUNTS (continued)****Cash flow statements**

In accordance with the exemption allowed by paragraph 5 (a) of Financial Reporting Standard 1, a cash flow statement for the company has not been provided.

**Related party disclosures**

In accordance with the exemption allowed by paragraph 3(c) of Financial Reporting Standard 8, no disclosure is made of transactions with other member companies of the Royal Dutch/Shell group and related parties of the group.

**Deferred taxation**

Tax deferred or accelerated by the effect of timing differences is accounted for to the extent that it is probable that a liability or asset will crystallise. No provision for deferred tax is made to the extent that it is reasonable to assume the liability or asset will not crystallise.

**2. Turnover**

	2000 £	1999 £
Continuing operations:		
Rent receivable	17,709	-
	<hr/>	<hr/>



**GAINRACE LIMITED****NOTES TO THE ACCOUNTS (continued)****3. Auditors' remuneration**

The auditors' remuneration will be borne by another Group undertaking.

**4. Directors' emoluments**

None of the directors received any emoluments in respect of services to the Company in 2000.

**5. Taxation**

The charge for the year is made up as follows:

	2000 £	1999 £
United Kingdom corporation tax		
Based on the net profit for the year at 30% and chargeable gains arising during 2000	5,313	-
	<hr/> 5,313 <hr/>	<hr/> - <hr/>

It is the policy of the Company, and of other group undertakings, to record a tax charge or credit in the profit and loss account calculated at the tax rate prevailing in the year for tax payable to the Inland Revenue, or for group relief to be surrendered to or received from other group undertakings, and for which payment may be requested. In the event that payment should be made at a rate different from the tax rate prevailing in the current year, adjustments would be taken up to reflect the rate differential.

**GAINRACE LIMITED****NOTES TO THE ACCOUNTS (continued)****6. Tangible fixed assets**

	Land and buildings £	Plant and machinery £	Total £
<b>Cost</b>			
At 1 January 2000	-	-	-
Additions	525,413	-	525,413
Disposals	-	-	-
At 31 December 2000	525,413	-	525,413
<b>Depreciation</b>			
At 1 January 2000	-	-	-
Charge for year	-	-	-
Disposals	-	-	-
At 31 December 2000	-	-	-
<b>Net book amount</b>			
At 31 December 2000	525,413	-	525,413
At 31 December 1999	-	-	-

All land and buildings are freehold.

**7. Creditors - amounts falling due within one year**

	2000 £	1999 £
Amounts owed to parent undertaking	580,273	-
Taxation payable	5,313	-
Deferred income	2,598	-
	<u>588,184</u>	<u>-</u>

**GAINRACE LIMITED****NOTES TO THE ACCOUNTS (continued)****8. Share capital**

	2000 £	1999 £
Authorised ordinary £1 shares	100	100
Issued, allotted and fully paid ordinary £1 shares	2	2

**9. Employees**

The Company had no employees during 2000.

**10. Reconciliation of movements in shareholders' funds**

	2000 £	1999 £
(Loss) for the financial year	(62,773)	-
Dividends	-	-
Net (decrease) in shareholder's funds	(62,773)	-
Opening shareholder's funds	2	2
Closing shareholder's funds	(62,771)	2