

# **199 KNIGHTSBRIDGE PROJECT MANAGEMENT LIMITED**

## **REPORT AND ACCOUNTS**

**YEAR ENDED 31 MAY 2003**



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199 KNIGHTSBRIDGE PROJECT MANAGEMENT LIMITED

I N D E X

Year ended 31 May 2003

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**199 KNIGHTSBRIDGE PROJECT MANAGEMENT LIMITED**

**GENERAL INFORMATION**

**Year ended 31 May 2003**

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<b>Directors</b>	Sammy Lee Antony Chiu
<b>Secretary</b>	Temple Secretarial Limited
<b>Registered office</b>	16 Old Bailey London EC4M 7EG
<b>Company number</b>	3897929
<b>Auditors</b>	Dixon Wilson (PO Box 900) Rotherwick House 3 Thomas More Street London EIW 1YX
<b>Bankers</b>	Bank of East Asia 75 Shaftesbury Avenue London W1D 5BB  HSBC Bank Plc Poultry and Princes Street Branch PO Box 648 27-32 Poultry London EC2P 2BX
<b>Solicitors</b>	Withers LLP 16 Old Bailey London EC4M 7EG

# 199 KNIGHTSBRIDGE PROJECT MANAGEMENT LIMITED

## REPORT OF THE DIRECTORS

Year ended 31 May 2003

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The directors present their report and accounts for the year ended 31 May 2003.

### Principal activity

The company is engaged in the business of project management. It is currently managing the development of a residential building project.

### Directors and directors' interests

The directors of the company who held office during the year were as follows:

Sammy Lee  
Antony Chiu  
Serenea Wan Yau (resigned 16 September 2002)

Sammy Lee held a 15% interest in the share capital of the immediate parent company, 199 Knightsbridge Investment Limited throughout the year under review. No other directors have had any interests in the share capital of the company.

### Directors' responsibilities

United Kingdom company law requires the directors 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 period and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors 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

A resolution to re-appoint Dixon Wilson as auditors in accordance with Section 385 of the Companies Act 1985 will be proposed at the forthcoming annual general meeting.

### Special provisions

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



SAMMY LEE  
Director

30 March 2004

# 199 KNIGHTSBRIDGE PROJECT MANAGEMENT LIMITED

## AUDITORS' REPORT

Year ended 31 May 2003

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 199 KNIGHTSBRIDGE PROJECT MANAGEMENT LIMITED

We have audited the financial statements of 199 Knightsbridge Project Management Limited for the year ended 31 May 2003 which comprise the Profit and loss account, the Balance sheet, the Accounting policies and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) under the historical cost convention and under the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinion we have formed.

#### 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.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 with the company 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 United Kingdom 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 as at 31 May 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.

  
DIXON WILSON

Chartered Accountants and Registered Auditors

Rotherwick House

3 Thomas More Street

London E1W 1YX

31 March 2004

**199 KNIGHTSBRIDGE PROJECT MANAGEMENT LIMITED**

**PROFIT AND LOSS ACCOUNT**

**Year ended 31 May 2003**

	<b>Note</b>	<b>2003 £</b>	<b>2002 £</b>
<b>Turnover</b>	<b>1</b>	<b>2,959,423</b>	<b>2,071,292</b>
Cost of sales		(2,529,422)	(1,770,335)
<b>Gross profit</b>		<b>430,001</b>	<b>300,957</b>
Administrative expenses		(97,526)	(67,927)
Exceptional item – prior year costs subsequently invoiced		-	228,665
<b>Operating profit</b>	<b>2</b>	<b>332,475</b>	<b>461,695</b>
Interest receivable and similar income		14,848	59,878
Interest payable and similar charges		-	(788)
<b>Profit on ordinary activities before taxation</b>		<b>347,323</b>	<b>520,785</b>
Tax on profit on ordinary activities	<b>3</b>	(93,471)	(144,390)
<b>Profit on ordinary activities after taxation</b>		<b>253,852</b>	<b>376,395</b>
Retained profits/(losses) brought forward		336,910	(39,485)
<b>Retained profits carried forward</b>		<b>590,762</b>	<b>336,910</b>

**199 KNIGHTSBRIDGE PROJECT MANAGEMENT LIMITED****BALANCE SHEET****At 31 May 2003**

	Note	2003 £	2002 £
<b>Fixed assets</b>			
Tangible assets	4	112,545	39,273
<b>Current assets</b>			
Debtors	5	259,562	430,391
Cash at bank		705,259	186,459
		964,821	616,850
<b>Creditors: amounts falling due within one year</b>	6	(486,602)	(319,211)
<b>Net current assets</b>		478,219	297,639
<b>Total assets less current liabilities</b>		590,764	336,912
<b>Capital and reserves</b>			
Called up share capital	7	2	2
Profit and loss account		590,762	336,910
<b>Equity shareholders' funds</b>		590,764	336,912

**Special provisions**

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements on pages 5 to 10 were approved by the board of directors on 30 March 2004 and were signed by:-



SAMMY LEE  
Director



ANTONY CHIU  
Director

## **199 KNIGHTSBRIDGE PROJECT MANAGEMENT LIMITED**

### **A C C O U N T I N G   P O L I C I E S**

**Year ended 31 May 2003**

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#### **Basis of accounting**

These financial statements have been prepared under the historical cost convention.

#### **Depreciation**

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Fixtures, fittings, machinery and equipment – 25% straight line

#### **Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Exchange differences are taken to the profit and loss account.

#### **Leases**

Rentals applicable to operating leases are charged to the profit and loss account in equal annual amounts over the periods of the leases.



**199 KNIGHTSBRIDGE PROJECT MANAGEMENT LIMITED****NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 May 2003****1. Turnover**

Turnover represents project management fees due from another group company, 199 Knightsbridge Development Limited, excluding value added tax.

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<b>2. Operating profit</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Depreciation	42,201	13,332
Rentals under operating leases:		
- Land and buildings	355,320	195,330
- Office equipment	12,614	9,395
Directors' remuneration	22,500	37,200
Auditors' remuneration	6,500	8,000

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**3. Tax on profit on ordinary activities**

Based on the profit for the year:

United Kingdom corporation tax	93,471	144,716
Adjustment in respect of prior year – deferred tax	-	(326)
	<u>93,471</u>	<u>144,390</u>

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**199 KNIGHTSBRIDGE PROJECT MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 May 2003**

4. Tangible fixed assets	Fixtures, fittings, machinery and equipment £	
<b>Cost</b>		
At 1 June 2002	53,330	
Additions	115,473	
At 31 May 2003	<u>168,803</u>	
<b>Accumulated depreciation</b>		
At 1 June 2002	14,057	
Charge for the year	42,201	
At 31 May 2003	<u>56,258</u>	
<b>Net book value</b>		
At 31 May 2003	<u>112,545</u>	
At 31 May 2002	<u>39,273</u>	

  

5. Debtors	2003 £	2002 £
Amounts owed by group undertakings	201,028	96,401
Other debtors	43,534	104,520
Accrued income	15,000	229,470
	<u>259,562</u>	<u>430,391</u>

  

6. Creditors: amounts falling due within one year		
Bank loan	225,307	-
Trade creditors	107,964	80,105
Corporation tax	93,471	144,390
Other creditors	27,358	-
Accruals and deferred income	32,502	94,716
	<u>486,602</u>	<u>319,211</u>

**199 KNIGHTSBRIDGE PROJECT MANAGEMENT LIMITED****NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 May 2003**

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<b>7. Called up share capital</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Authorised 10,000 ordinary shares of £1 each	10,000	10,000
	<hr/>	<hr/>
Called up, allotted and fully paid 2 ordinary shares of £1 each	2	2
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**8. Operating lease commitments**

At 31 May 2003 the company was committed to making the following payments during the next year in respect of operating leases:

	<b>Land and buildings</b>
	<b>£</b>
Leases which expire:	
- within 2 to 5 years	355,000
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**9. Related party transactions**

Turnover of £2,959,423 (2002 - £2,071,292) is derived solely from transactions with another group company, 199 Knightsbridge Development Limited. Amounts owed by group undertakings of £201,028 (2002 - £96,401) are owed by 199 Knightsbridge Development Limited.

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**10. Immediate parent company and ultimate parent company**

The immediate parent company is 199 Knightsbridge Investment Limited, a company incorporated in the British Virgin Islands. The ultimate parent company and controlling entity is Chow Tai Fook Enterprises Limited, a company registered in Hong Kong.

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THE ADDITIONAL INFORMATION ON THE FOLLOWING PAGE HAS BEEN PREPARED FROM THE ACCOUNTING RECORDS OF THE COMPANY. WHILE IT DOES NOT FORM PART OF THE STATUTORY FINANCIAL STATEMENTS, IT SHOULD BE READ IN CONJUNCTION WITH THEM AND THE AUDITORS' REPORT THEREON.

**199 KNIGHTSBRIDGE PROJECT MANAGEMENT LIMITED**

**DETAILED PROFIT AND LOSS ACCOUNT**

**Year ended 31 May 2003**

	<b>2003</b>		<b>2002</b>	
	£	£	£	£
<b>Turnover</b>		2,959,423		2,071,292
Cost of sales		(2,529,422)		(1,770,335)
<b>Gross profit</b>		<u>430,001</u>		<u>300,957</u>
<b>Administrative expenses:</b>				
Directors remuneration	20,000		37,200	
Employers national insurance	2,500		-	
Bank charges	3,422		-	
Audit fees	6,500		8,000	
Accountancy fees	10,289		-	
Equipment rentals	12,614		9,395	
Depreciation	<u>42,201</u>		<u>13,332</u>	
		(97,526)		(67,927)
Exceptional item – prior year costs subsequently invoiced		-		<u>228,665</u>
<b>Operating profit</b>		<u>332,475</u>		<u>461,695</u>
Interest receivable and similar income		14,848		59,878
Interest payable and similar charges		-		(788)
<b>Profit before taxation</b>		<u>347,323</u>		<u>520,785</u>