

St James's Street Property Management Limited
(registered number: 4663252)

Report of the directors and financial statements
for the year ended 31 December 2012

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St James's Street Property Management Limited

Report of the directors for the year ended 31 December 2012 (registered number 4663252)

The directors present their report and the audited financial statements of the company for the year ended 31 December 2012

Principal activities and business review

The principal activity of the company is the management of property on behalf of the group and other associated companies

The results of the company for the year are set out in the profit and loss account on page 6

Future developments

The company will continue to generate turnover from its property management operations for the foreseeable future

Directors

The directors of the company during the year ended 31 December 2012 and up to the date of signing the financial statements were

A S Barclay
H M Barclay
R J Hall
R K Mowatt
A J T Parson
P L Peters
M Seal

Results and dividend

The loss for the financial year of £1,000 (2011 profit £3,000) has been transferred to reserves. The directors do not recommend the payment of a dividend for the year ended 31 December 2012 (2011 nil)

Employees' involvement

The company has continued to maintain its commitment to employee involvement throughout the business

Employees are kept well informed of the performance and objectives of the company through personal briefings, regular meetings and e-mail

St James's Street Property Management Limited

Report of the directors for the year ended 31 December 2012 (continued) (registered number 4663252)

Equal opportunities

The company is committed to an active equal opportunities policy from recruitment and selection, through training and development, appraisal and promotion to retirement

It is the company's policy to promote an environment free from discrimination, harassment and victimisation, where everyone will receive equal treatment regardless of gender, colour, ethnic or national origin, disability, age, marital status, sexual orientation or religion. All decisions relating to employment practices will be objective, free from bias and based solely upon work criteria and individual merit.

The company is responsive to the needs of its employees, customers and the community at large and are an organisation that endeavours to use everyone's talents and abilities to the full.

Creditor payment policy

For all trade creditors, it is the company's policy to

- agree the terms of payment at the start of business with the supplier,
- ensure that suppliers are aware of the terms of payment, and
- pay in accordance with its contractual and other legal obligations

Statement of directors' responsibilities

The directors are responsible for preparing the report of the directors 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 prepared 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 year. In preparing these financial statements, the directors are required to

- a) select suitable accounting policies and then apply them consistently,
- b) make judgements and accounting estimates that are reasonable and prudent,
- c) state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- d) 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.

St James's Street Property Management Limited

Report of the directors for the year ended 31 December 2012 (continued) **(registered number. 4663252)**

Disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware and the Directors have taken all the steps that ought to have been taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Principal risks and uncertainties

The company's activities expose it to liquidity and interest rate risk. The company's overall financial risk management objective is to minimise its potential adverse effects on the financial performance of the company

(a) **Liquidity risk**

The company practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient funding requirements for working capital. The company has debt facilities that are designed to ensure that it has sufficient available funds for operations and planned expansions

(b) **Interest rate risk**

The company has interest bearing assets which consist of cash balances

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

On behalf of the board



M Seal
Director
9 April 2013

St James's Street Property Management Limited

Independent auditors' report to the members of St James's Street Property Management Limited

We have audited the financial statements of St James's Street Property Management Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, 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 and express an opinion on 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the directors and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2012 and of its loss 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 Report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

St James's Street Property Management Limited

Independent auditors' report to the members of St James's Street Property Management Limited (continued)

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



Simon O'Brien (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
9 April 2013

St James's Street Property Management Limited

Profit and loss account for the year ended 31 December 2012

	NOTE	2012 £'000	2011 £'000
Turnover		3,230	3,109
Administrative expenses		(3,234)	(3,108)
Operating loss	2	(4)	1
Interest receivable and similar income		3	2
(Loss)/profit on ordinary activities before taxation		(1)	3
Taxation on (loss)/profit on ordinary activities	3	-	-
(Loss)/profit for the financial year	11	(1)	3

The (loss)/profit for the financial year arises from the company's continuing operations

No separate statement of total recognised gains and losses has been presented as all gains and losses have been dealt with in the profit and loss account

There is no difference between the (loss)/profit on ordinary activities before taxation and the (loss)/profit for the financial years stated above and their historical cost equivalents

St James's Street Property Management Limited

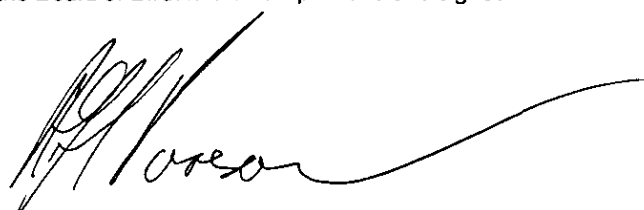
Balance sheet as at 31 December 2012
(registered number: 4663252)

	NOTE	2012 £'000	2011 £'000
Tangible Fixed assets	5	<u>181</u>	<u>161</u>
Current assets			
Debtors	6	239	175
Cash at bank and in hand	7	<u>3,667</u>	<u>1,293</u>
		3,906	1,468
Creditors amounts falling due within one year	8	<u>(4,083)</u>	<u>(1,624)</u>
Net current liabilities		<u>(177)</u>	<u>(156)</u>
Total assets less current liabilities		<u>4</u>	<u>5</u>
Capital and reserves			
Called up share capital	10	-	-
Profit and loss account	11	<u>4</u>	<u>5</u>
Total shareholders' funds	11	<u>4</u>	<u>5</u>

The financial statements on pages 6 to 13 were approved by the Board of Directors on 9 April 2013 and signed on its behalf by



R K Mowatt
Director



A J T Parson
Director

St James's Street Property Management Limited

Notes to the financial statements for the year ended 31 December 2012

1 Principal accounting policies

Basis of accounting

The accounts are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and United Kingdom accounting standards, which have been applied on a consistent basis with the previous year. The principal accounting policies are set out below.

The financial statements have been prepared on a going concern basis which assumes that the company will continue to trade. The shareholders have indicated that they will continue to make sufficient funds available to ensure that the company will be able to trade for the foreseeable future. On this basis the directors consider the going concern basis of preparation is appropriate.

Cash flow statement

The company is exempt from the requirement of Financial Reporting Standard No 1 (Revised 1996) 'cash flow Statements' to prepare a consolidated cash flow statement as it is a wholly owned subsidiary of Ellerman Investments Limited whose accounts are publicly available.

Turnover

Turnover, which excludes value added tax, comprises the company's fee income from its group and associated companies for the management of their portfolios of property interests. Turnover is recognised for management fee income earned on an accruals basis. All turnover is realised in the United Kingdom.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Costs include the original purchase price of the asset and costs attributed to bringing the asset to its working condition for its intended use. Depreciation is provided to write down the cost of tangible fixed assets to their estimated residual values by equal annual instalments over their estimated useful working lives as follows:

Motor Vehicles	20-25% per annum
Fixtures, fittings and equipment	10-33% per annum

Taxation

Corporation tax is provided on taxable profits at the standard rate of corporation tax in the United Kingdom of 24.5 percent (2011: 26.5 percent).

Deferred tax is accounted for on an undiscounted basis at tax rates enacted or substantially enacted at the balance sheet date on all differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. A deferred tax asset is only recognised when it is more likely than not that the asset will be recoverable in the foreseeable future out of suitable taxable profits from which the underlying timing differences can be deducted.

St James's Street Property Management Limited

Notes to the financial statements for the year ended 31 December 2012 (continued)

Pensions

Contributions are made to the personal pension plans of certain employees. The expenditure is charged to the profit and loss account in the period to which it relates.

Operating leases

Costs in respect of operating leases are charged in arriving at the operating profit or loss on a straight-line basis over the lease term.

2 Operating loss

(Loss)/profit on ordinary activities is stated after charging

	2012 £'000	2011 £'000
Fees payable to the Company's auditor for the audit of the Company's financial statements	20	15
Depreciation owned assets	70	69
Operating lease rentals		
Land and buildings	187	170
Other	11	10

The fees payable to the Company's auditor in 2012 include an under-provision of £5,000 relating to the financial year ending 2011.

3 Taxation on (loss)/profit on ordinary activities

	2012 £'000	2011 £'000
Current tax		
United Kingdom corporation tax at 24.5% (2011: 26.5%)	-	-
Deferred tax		
Deferred tax charge for current year	-	-
Tax on (loss)/profit on ordinary activities	<u>-</u>	<u>-</u>

The tax assessed for the year is different (2011: different) to the standard rate of corporation tax in the United Kingdom, 24.5% (2011: 26.5%). The differences are explained below:

	2012 £'000	2011 £'000
(Loss)/profit on ordinary activities before tax	<u>(1)</u>	<u>3</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the United Kingdom of 24.5% (2011: 26.5%)	-	1
Effects of:		
Expenses not deductible for tax purposes	1	1
Accelerated capital allowances and other timing differences	4	5
Losses brought forward	(4)	(7)
Group relief surrendered	(1)	-
Current tax charge for the year	<u>-</u>	<u>-</u>

St James's Street Property Management Limited

Notes to the financial statements for the year ended 31 December 2012 (continued)

4 Directors and employees

Five of the Directors were paid by other group companies for their services as a whole and no specific allocation of their remuneration has been made in respect of this Company. Their emoluments are therefore not included in the disclosure below.

	2012 £'000	2011 £'000
Staff costs (including part-time staff and Directors) during the year:		
Wages and salaries	1,762	1,776
Social security costs	233	229
Other pension costs	161	158
	<u>2,156</u>	<u>2,163</u>

	2012 Number	2011 Number
Average monthly number of full time equivalents (including part-time staff and Directors) employed		
Administration	<u>17</u>	<u>20</u>

	2012 £'000	2011 £'000
Directors' emoluments.		
Aggregate emoluments	548	532
Company contributions paid to money purchase pension scheme	<u>36</u>	<u>34</u>
	<u>584</u>	<u>566</u>

Retirement benefits are accruing to one Director (2011: one) under a defined contribution scheme.

	2012 £'000	2011 £'000
Highest paid Director		
Aggregate emoluments	351	346
Company contributions paid to money purchase pension scheme	<u>24</u>	<u>23</u>
	<u>375</u>	<u>369</u>

St James's Street Property Management Limited

Notes to the financial statements for the year ended 31 December 2012 (continued)

5 Tangible fixed assets

	Motor vehicles £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost			
At 1 January 2012	195	229	424
Additions	-	90	90
At 31 December 2012	195	319	514
Accumulated depreciation			
At 1 January 2012	110	153	263
Charge for the year	32	38	70
At 31 December 2012	142	191	333
Net book value			
At 31 December 2012	53	128	181
At 31 December 2011	85	76	161

6 Debtors

	2012 £'000	2011 £'000
Amounts falling due within one year		
Other debtors	69	44
Prepayments and accrued income	170	131
	239	175

Client debtors for both current and prior year have been offset against client creditors (see note 8)

7 Cash at bank and in hand

At 31 December 2012, cash balances with banks include £3,584,000 (2011 £1,271,000) of cash deposits held on behalf of clients

St James's Street Property Management Limited

Notes to the financial statements for the year ended 31 December 2012 (continued)

8 Creditors amounts falling due within one year

	2012 £'000	2011 £'000
Trade creditors	15	40
Client creditors	3,584	1,271
Amounts owed to group undertakings	137	47
Other creditors	1	130
Accruals and deferred income	346	136
	<hr/>	<hr/>
	4,083	1,624
	<hr/>	<hr/>

Amounts due to fellow subsidiary undertakings are unsecured, interest free and repayable on demand

9 Deferred taxation

There are no deferred taxes recognised in the balance sheet. The potential deferred tax asset not recognised is as follows

	2012 £'000	2011 £'000
Depreciation in excess of capital allowances	26	24
Losses carried forward	84	88
	<hr/>	<hr/>
	110	112
	<hr/>	<hr/>

10 Called up share capital

	2012 £	2011 £
Authorised		
1,000 (2011: 1,000) ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
Allotted and fully paid		
1 (2011: 1) ordinary shares of £1 each	1	1
	<hr/>	<hr/>

St James's Street Property Management Limited

Notes to the financial statements for the year ended 31 December 2012 (continued)

11 Profit and loss account

	2012 £'000	2011 £'000
At 1 January	5	2
(Loss)/profit for the financial year	(1)	3
	<hr/>	<hr/>
At 31 December	4	5
	<hr/>	<hr/>

12 Operating lease commitments

The company had annual commitments under non-cancellable operating leases as follows

	2012 £'000	2011 £'000
Land and Buildings		
Expiring between two and five years	185	180
Other		
Expiring between one and two years	11	10
	<hr/>	<hr/>
	196	190
	<hr/>	<hr/>

13 Pensions

The company has established personal pension schemes approved under the stakeholder pension's rules. The contributions made by the Company for the year amounted to £161,000 (2011: £158,000). The value of pension costs outstanding at the year end was £nil (2011: £nil).

14 Related party transactions

As the company's voting rights are controlled within the group headed by Ellerman Investments Limited, the company has taken advantage of the exemption contained in FRS8 and has therefore not disclosed transactions or balances with entities which form part of the group or are disclosed in the group financial statements.

15 Ultimate controlling party

The immediate holding company is Ellerman Investments Limited, a company incorporated in England & Wales, which the directors regard as being ultimately controlled by Sir David and Sir Frederick Barclay Family Settlements.

B UK Limited, a company incorporated in Bermuda, is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2012. Ellerman Investments Limited is the smallest group of undertakings to consolidate these financial statements. The financial statements of Ellerman Investments Limited can be obtained by writing to 3rd Floor, 20 St James's Street, London SW1A 1ES.