

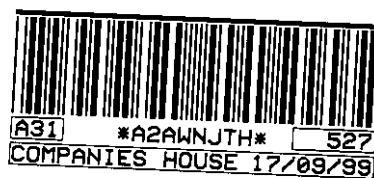
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**CADOGAN DEVELOPMENTS LIMITED**

**REPORT AND ACCOUNTS**

**31 DECEMBER 1998**

784866



**CADOGAN DEVELOPMENTS LIMITED****31 DECEMBER 1998**

Directors:	S A Corbyn
	R J Grant
	P A Sim
Secretary:	J L Treves
Registered Office:	18 Cadogan Gardens London SW3 2RP
Registered number:	784866

## CADOGAN DEVELOPMENTS LIMITED

### DIRECTORS' REPORT

The directors present their report for the year ended 31 December 1998.

#### PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS DEVELOPMENTS

The principal activity of the company continues to be that of property development.

#### ACCOUNTS AND DIVIDENDS

The accounts show a profit for the year attributable to shareholders of £267,029. The directors recommend the payment of a dividend of £267,000.

#### DIRECTORS

The current directors are listed on page 1. Mr Corbyn held office throughout the year under review. On 24 September 1998 the Earl Cadogan resigned as a director and Mr Grant and Mr Sim were appointed in his stead.

None of the directors has any beneficial interest in the shares of the company or the holding company.

#### THE DIRECTORS' RESPONSIBILITIES IN RELATION TO THE COMPANY'S ACCOUNTS

The directors are required by the Companies Act 1985 to prepare accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the result for the year. The directors consider that, in preparing the accounts which accompany this report, the company has used appropriate accounting policies, and that all accounting standards which they believe to be applicable have been followed. They further consider that these accounting policies have been consistently applied and are supported by reasonable and prudent judgements and estimates.

The accounts have been prepared on a going concern basis as the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

The directors have responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the accounts comply with the Companies Act 1985. The directors also have a general responsibility for taking such steps as are reasonably open to them to safeguard the company's assets and to prevent and detect fraud and other irregularities.

#### YEAR 2000

Cadogan Group Limited, the holding company, has addressed this issue on a group basis. The group has been assessing the potential impact of year 2000 problems on its internal systems and on those of its principal suppliers and tenants. The principal internal systems are relatively new in all cases and appropriate assurances have been obtained from suppliers of the necessary compliance. Additionally, various testing procedures are being carried out to confirm compliance with year 2000 requirements. A programme has been initiated to obtain confirmation from the group's principal suppliers and tenants as to their readiness to deal with their own year 2000 issues.

Given the complexity of the issues surrounding the year 2000 and computer systems it is not possible for any organisation to guarantee that all problems have been dealt with. However the board believes that it will achieve an acceptable state of readiness and that it has arranged for sufficient resources to be available to deal promptly with any subsequent failures or issues that may arise at the year-end and thereafter.

All the costs involved in implementing new computer systems and in other preparations for dealing with year 2000 issues are included within the group's normal recurring activities and cannot be separately identified.

By order of the board



J.L. Treves

Secretary

28 May 1999

## **REPORT OF THE AUDITORS**

### **TO THE MEMBERS OF CADOGAN DEVELOPMENTS LIMITED**

We have audited the accounts on pages 4 to 7 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 6.

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 2 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

#### **BASIS OF OPINION**

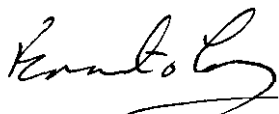
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

#### **OPINION**

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young  
Registered auditor  
London  
28 May 1999

# CADOGAN DEVELOPMENTS LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1998

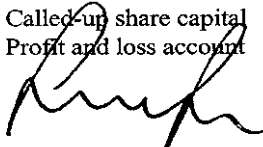

	Note	1998 £	1997 £
<b>RENTS RECEIVABLE</b>		<b>480,878</b>	<b>463,521</b>
Property expenses		74,328	108,732
<i>Net rents receivable</i>		<u>406,550</u>	<u>354,789</u>
Other property income		584	4,562
Administrative expenses		(3,319)	(3,319)
<b>NET OPERATING INCOME</b>		<u>403,815</u>	<u>356,032</u>
Interest receivable		1	2
Interest payable	3	(863)	-
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	4	<u>402,953</u>	<u>356,034</u>
Tax on profit on ordinary activities	5	135,924	114,680
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<u>267,029</u>	<u>241,354</u>
Proposed dividend		267,000	241,000
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		<u>29</u>	<u>354</u>
Balance brought forward		78,915	78,561
Balance at 31 December 1998		<u><u>£78,944</u></u>	<u><u>£78,915</u></u>

### RECOGNISED GAINS AND LOSSES

There were no recognised gains and losses other than the profit attributable to shareholders of the company of £267,029 in the year ended 31 December 1998 and £241,354 in the year ended 31 December 1997.

# CADOGAN DEVELOPMENTS LIMITED

## BALANCE SHEET 31 DECEMBER 1998

	Note	1998 £	1997 £
<b>CURRENT ASSETS</b>			
Leasehold properties		595,983	430,983
Debtors		44,627	17,818
Cash at bank		137	70
		<u>640,747</u>	<u>448,871</u>
<b>CREDITORS - amounts falling due within one year</b>			
Other creditors		8,822	3,575
Amount owed to parent undertaking		160,851	13,192
Taxation		125,030	112,089
Dividend		267,000	241,000
		<u>561,703</u>	<u>369,856</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><u>£79,044</u></u>	<u><u>£79,015</u></u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	6	100	100
Profit and loss account		78,944	78,915
 S A Corbyn - Director  R J Grant - Director  28 May 1999			
	7	<u><u>£79,044</u></u>	<u><u>£79,015</u></u>

# CADOGAN DEVELOPMENTS LIMITED

## NOTES ON THE ACCOUNTS 31 DECEMBER 1998

### 1 ACCOUNTING POLICIES

#### (a) Accounting convention

The accounts have been prepared in accordance with all applicable accounting standards and under the historical cost convention.

#### (b) Leasehold properties

Leasehold properties are included at the lower of cost and net realisable value.

### 2 EMOLUMENTS OF DIRECTORS

The directors received no remuneration during the year (1997 - nil).

### 3 INTEREST PAYABLE

	1998 £	1997 £
Interest on bank overdraft repayable within 5 years	58	-
Other loans	805	-
	<u>£863</u>	<u>-</u>

### 4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION is stated after charging:

	1998 £	1997 £
Auditors' remuneration		
As auditors	1,292	1,292
Other services	2,000	2,000
	<u>      </u>	<u>      </u>

### 5 TAXATION

Provision has been made for corporation tax at current rates on the assessable profit for the year. The taxation charge in the profit and loss account comprises:

	1998 £	1997 £
Corporation tax	124,901	112,107
Adjustment in respect of previous year	11,023	2,573
	<u>£135,924</u>	<u>£114,680</u>

The company is a close company.

# CADOGAN DEVELOPMENTS LIMITED

## NOTES ON THE ACCOUNTS 31 DECEMBER 1998

### 6 CALLED-UP SHARE CAPITAL

	1998	1997
Ordinary shares of £1 each Authorised	<b>£250,000</b>	£250,000
	<hr/>	<hr/>
Allotted and fully paid	<b>£100</b>	£100
	<hr/>	<hr/>

### 7 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	1998 £	1997 £
Profit attributable to members	<b>267,029</b>	241,354
Dividend	<b>267,000</b>	241,000
	<hr/>	<hr/>
Net additions to shareholders' funds	<b>29</b>	354
Opening shareholders' funds	<b>79,015</b>	78,661
	<hr/>	<hr/>
Closing shareholders' funds	<b>£79,044</b>	£79,015
	<hr/>	<hr/>

### 8 ULTIMATE HOLDING COMPANY

The holding company for all operational purposes is Cadogan Group Limited and the ultimate holding company is Cadogan Settled Estates Limited, both of which are registered in England and Wales.

The ultimate ownership of Cadogan Settled Estates Limited is vested in The Eighth Earl Cadogan's 6 December 1961 Settlement.

Group accounts are prepared by Cadogan Settled Estates Limited and Cadogan Group Limited and can be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff CF4 3UZ.