

**John Shreeves and Partners Limited**

**Directors' report and financial  
statements**

**Registered number 1575164**

**30 April 2001**



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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 April 2001.

### Principal activities

The main activity of the company during the year is that of carrying on the business of quantity surveyors, building surveyors and project managers.

### Business review

The Company has substantially completed its work in connection with the £200m CityPoint scheme. Wates City of London Properties plc, who for many years have used the services of the company no longer exists as a development company. In the short and medium term the business of the Company and the services it provides will be diversified into a larger number of projects and clients, albeit these clients are and will continue to be substantially investment institutions and the projects will continue to include large developments. These include the £50m Eastgate II shopping centre in Inverness for Royal & Sun Alliance, the £31m Portman House office in Oxford Street development for Land Securities and the £36m Lothbury office development in the City for Grosvenor/Royal Bank of Scotland.

The global political and economic climate is uncertain, albeit the UK (within which the company currently restricts its activities) is maintaining growth at present. The property market within the UK has increasingly been influenced by these global climates and is also uncertain at the present time. Nevertheless demand for new buildings still exist and the Company has a substantial number of commissions for the short and medium term including some speculative developments. In the short to medium terms the company expects that it will be able to maintain a good level of turnover and profit.

Long term prospects for the Company are excellent. The Company has invested in IT and has a loyal, well trained, well qualified and motivated workforce together with a substantial list of new and repeat customers. The Company is well placed to take advantage of demand for its services.

### Proposed dividend

The directors do not recommend the payment of a dividend (2000:£nil).

The profit for the year retained in the company is £21,519 (2000:£14,357).

### Directors and directors' interests

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

JW Shreeves  
PR Clack  
EJ Lawrence  
GT Wisbey  
J Sipsma  
G Welfare

At the year end, JW Shreeves held one of the ordinary shares of the company. The directors' interests in the shares of the holding company, John Shreeves Holdings Limited, are disclosed in that company's financial statements. No rights to subscribe for shares in or debentures of the company were granted to any of the directors or their immediate families during the year.

## Directors' report

### Political and charitable contributions

The company made no political contributions during the year. Donations to UK charities amounted to £665 (2000:£1,880).

### Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

On behalf of the Board

  
J.W. Shreeves  
Director

66 Turnmill St  
London  
EC1M 5RR

7 February

2002

## Statement of directors' responsibilities

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 and of the profit or loss 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;
- 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. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



PO Box 695  
8 Salisbury Square  
London  
EC4Y 8BB

## **Independent auditors' report to the members of John Shreeves and Partners Limited**

We have audited the financial statements on pages 5 to 15.

### ***Respective responsibilities of directors and auditors***

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by 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 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.

### ***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 as at 30 April 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**KPMG**  
*Chartered accountants*  
*Registered Auditors*

*11 February*

2002

## Profit and loss account

for the year ended 30 April 2001

	Note	2001 £	2000 £
<b>Turnover</b>	<i>1</i>	<b>3,716,028</b>	3,649,583
Cost of sales		(2,756,295)	(2,775,327)
<b>Gross profit</b>		<b>959,733</b>	874,256
Distribution costs		(273,669)	(247,855)
Administrative expenses		(595,696)	(541,479)
<b>Operating profit</b>	<i>2</i>	<b>90,368</b>	84,922
Other interest receivable and similar income	<i>5</i>	<b>21,874</b>	9,789
Interest payable and similar charges	<i>6</i>	(60,723)	(71,522)
<b>Profit on ordinary activities before taxation</b>	<i>2</i>	<b>51,519</b>	23,189
Tax on profit on ordinary activities	<i>7</i>	(30,000)	(8,832)
<b>Profit on ordinary activities after taxation</b>		<b>21,519</b>	14,357
Retained profit brought forward		<b>232,902</b>	218,545
<b>Retained profit carried forward</b>		<b>254,421</b>	232,902

Results are derived from continuing activities, and are on the basis of historical cost.

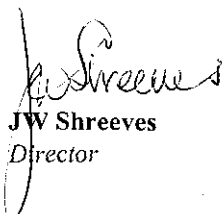
There are no other gains or losses in either the current or previous year other than those included in the profit and loss account.

## Balance sheet

at 30 April 2001

	Note	2001 £	2000 £
<b>Fixed assets</b>			
Tangible assets	8	892,362	919,159
<b>Current assets</b>			
Work in Progress	9	191,091	136,420
Debtors	10	505,960	513,425
Cash at bank and in hand		557,915	627,423
		<u>1,254,966</u>	<u>1,277,268</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(986,097)</u>	<u>(912,851)</u>
<b>Net current assets</b>		<u>268,869</u>	<u>364,417</u>
<b>Total assets less current liabilities</b>		<u>1,161,231</u>	<u>1,283,576</u>
<b>Creditors: amounts falling due after more than one year</b>	12	<u>(424,998)</u>	<u>(469,803)</u>
<b>Provisions for liabilities and charges</b>	13	<u>(480,812)</u>	<u>(579,871)</u>
<b>Net assets</b>		<u>255,421</u>	<u>233,902</u>
<b>Capital and reserves</b>			
Called up share capital	14	1,000	1,000
Profit and loss account		254,421	232,902
<b>Total shareholders' funds - equity</b>	15	<u>255,421</u>	<u>233,902</u>

These financial statements were approved by the board of directors on 7th February 2002 and were signed on its behalf by:

  
JW Shreeves  
Director



## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable Accounting Standards and under the historical cost accounting rules.

Under Financial Reporting Standard 1, Cash Flow Statements, the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

Under Financial Reporting Standard 8, Related Party Disclosures, the company has taken advantage of the exemption to subsidiary undertakings not to disclose transaction with fellow group companies. The consolidated financial statements of John Shreeves Holdings Limited, within which this company is included, can be obtained from The Secretary, 66 Turnmill St, London EC1M 5RR.

#### *Fixed assets and depreciation*

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	-	50 years
Short leasehold and improvements to leasehold property	-	5 years
Plant and machinery	-	5 years
Motor vehicles	-	5 years

A full year's depreciation is charged in the year of acquisition, with no charge in the year of disposal.

#### *Leases*

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

#### *Pension costs*

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Work in progress*

Work in progress is stated at the lower of cost and net realisable value. For work in progress, cost includes an appropriate proportion of attributable overheads.

#### *Taxation*

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

#### *Turnover and provision for future costs*

Turnover is derived from the provision of services as quantity surveyors and project managers in the United Kingdom.

Invoices are rendered in accordance with an agreed timetable and in certain cases the relevant work may be performed after the date of the invoice. In such cases, provision is made at the date of invoicing for the costs to be incurred subsequently.

### 2 Profit on ordinary activities before taxation

	2001 £	2000 £
<i>Profit on ordinary activities before taxation is stated after charging :</i>		
Auditors' remuneration:		
Audit	19,800	19,350
Other services	3,100	10,150
Depreciation and other amounts written off tangible fixed assets:		
Owned	40,649	38,155
Leased	128,020	106,338
Hire of office equipment - rentals payable under operating leases	16,426	15,214
Hire of other assets - operating leases	27,511	27,450
Loss on sale of fixed assets	3,000	-
<i>after crediting:</i>		
Profit on sale of fixed assets	-	8,430
	<hr/>	<hr/>

## Notes (continued)

### 3 Remuneration of directors

	2001 £	2000 £
Directors' emoluments:		
Remuneration as executives	315,563	304,020

The emoluments, excluding pension contributions, of the highest paid director were £81,386 (2000: £84,954).

	Number of directors	
	2001	2000
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	3	3

### 4 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2001	2000
Technical	35	33
Administrative	12	12
	47	45

The aggregate payroll costs of these persons were as follows:

	2001 £	2000 £
Wages and salaries	1,479,618	1,388,734
Social security costs	164,239	152,861
Other pension costs (see note 16)	66,051	57,626
	1,709,908	1,599,221

**Notes** *(continued)*

**5 Other interest receivable and similar income**

	2001 £	2000 £
Bank interest	21,874	9,789

**6 Interest payable and similar charges**

	2001 £	2000 £
On bank loans repayable after five years	37,085	38,251
On bank loans and overdrafts wholly repayable within five years	310	273
Finance charges payable in respect of finance leases and hire purchase contracts	23,328	32,987
On all other loans	-	11
	<u>60,723</u>	<u>71,522</u>

**7 Taxation**

	2001 £	2000 £
UK corporation tax	30,000	17,662
Under/(over) provision in previous years	-	(8,830)
	<u>30,000</u>	<u>8,832</u>

## Notes (continued)

### 8 Tangible fixed assets

	Freehold property	Short leasehold and leasehold improvements	Plant and machinery	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At beginning of year	550,000	242,217	280,714	546,689	1,619,620
Additions	-	-	32,957	114,915	147,872
Disposals	-	-	-	(10,000)	(10,000)
At end of year	550,000	242,217	313,671	651,604	1,757,492
<b>Depreciation and diminution in value</b>					
At beginning of year	44,000	231,343	220,937	204,181	700,461
Charge for year	11,000	3,624	26,025	128,020	168,669
On disposals	-	-	-	(4,000)	(4,000)
At end of year	55,000	234,967	246,962	328,201	865,130
<b>Net book value</b>					
At 30 April 2001	495,000	7,250	66,709	323,403	892,362
At 30 April 2000	506,000	10,874	59,777	342,508	919,159

Included in the total net book value of motor vehicles is £323,403 (2000:£342,508) in respect of assets held under hire purchase contracts. Depreciation for the year on these assets was £128,020 (2000:£106,338).

**Notes** (continued)

**9 Work in Progress**

	2001 £	2000 £
Work in progress	191,091	136,420

**10 Debtors**

	2001 £	2000 £
Trade debtors	374,782	420,009
Other debtors	33,183	23,476
Prepayments and accrued income	97,995	69,940
	505,960	513,425

**11 Creditors: amounts falling due within one year**

	2001 £	2000 £
Obligations under finance leases and hire purchase contracts (see note 12)	131,282	130,365
Trade creditors	60,119	44,070
Amounts owed to parent undertaking	453,605	353,430
Other creditors including taxation and social security:		
Corporation tax	30,000	17,662
Other taxes and social security	141,686	159,015
	171,686	176,677
Other creditors	-	9,371
Accruals and deferred income	169,405	198,938
	986,097	912,851

**Notes** (*continued*)

**12 Creditors: amounts falling due after more than one year**

	2001 £	2000 £
Mortgage loan	350,000	350,000
Obligations under finance leases and hire purchase contracts	74,998	119,803
	<u>424,998</u>	<u>469,803</u>

The loan is secured on the freehold property of the company at 66 Turnmill Street, and the finance leases are secured on the assets to which they relate.

The maturity of obligations is as follows:

	Mortgage loan £	2001 Finance leases £	Total £	Mortgage loan £	2000 Finance leases £	Total £
Within one year	-	131,282	131,282	-	130,365	130,365
In the second to fifth years	-	74,998	74,998	-	119,803	119,803
Over five years	350,000	-	350,000	350,000	-	350,000
	<u>350,000</u>	<u>206,280</u>	<u>556,280</u>	<u>350,000</u>	<u>250,168</u>	<u>600,168</u>

**13 Provisions for liabilities and charges**

**Provision for future costs**

	2001 £
At beginning of year	579,871
Released during year	(99,059)
	<u>480,812</u>
At end of year	<u>480,812</u>

## Notes (continued)

### 14 Called up share capital

	2001 £	2000 £
<i>Authorised</i>		
1,000 Ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
1,000 Ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>

### 15 Reconciliation of movements in shareholders' funds

	2001 £	2000 £
Profit for the financial year	21,519	14,357
Opening shareholders' funds	233,902	219,545
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Closing shareholders' funds	255,421	233,902
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### 16 Pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the fund and amounted to £66,051 (2000: £57,626). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

### 17 Commitments

There are no capital commitments existing at the year end.

Annual commitments under non-cancellable operating leases are as follows:

	2001		2000	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
Within one year	-	4,621	-	4,621
Within the second to fifth years inclusive	19,500	10,593	19,500	10,593
In more than five years	7,950	-	7,950	-
	<hr/>	<hr/>	<hr/>	<hr/>
	27,450	15,214	27,450	15,214
	<hr/>	<hr/>	<hr/>	<hr/>



**Notes** *(continued)*

**18 Parent company and ultimate controlling party**

The parent and ultimate parent company is John Shreeves Holdings Limited, a company registered in England and Wales. John Shreeves Holdings Limited is the parent company of the only group of companies for which group accounts are drawn up and of which the company is a member. Copies of the group accounts may be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff.

John Shreeves Holdings Limited is controlled by John Shreeves, a director of that company.

**19 Related parties**

As the company is a wholly owned subsidiary of John Shreeves Holdings Limited, the company has taken advantage of the exemption contained in FRS8 and has therefore not disclosed transactions or balances with John Shreeves Holdings Limited.