

**STOCKLEY PARK CONSORTIUM  
LIMITED**

**Report and Financial Statements**

**31 December 2000**



**Deloitte & Touche  
Hill House  
1 Little New Street  
London EC4A 3TR**

# **STOCKLEY PARK CONSORTIUM LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2000**

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# **STOCKLEY PARK CONSORTIUM LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2000**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

M H A Broke (Chairman)  
A D Vander Meersch  
N H C Thompson  
F Suzuki  
D Philips  
T Yamamoto

#### **Alternate directors**

J Wythe to N H C Thompson  
N Hugill to D Phillips  
J Rudd-Jones to F Suzuki  
H Ichiki to T Yamamoto

#### **SECRETARY**

M P Rutherford

#### **REGISTERED OFFICE**

4<sup>th</sup> Floor  
Broadbent House  
64/65 Grosvenor Street  
London W1K 3JH

#### **PRINCIPAL BANKERS**

Lloyds TSB Bank plc  
72 Lombard Street  
London EC3 3BT

#### **SOLICITORS**

Herbert Smith  
Exchange House  
Primrose Street  
London EC2A 2HS

Cameron McKenna  
Mitre House  
160 Aldersgate Street  
London EC1A 4DD

#### **AUDITORS**

Deloitte & Touche  
Chartered Accountants  
Hill House  
1 Little New Street  
London EC4A 3TR

# STOCKLEY PARK CONSORTIUM LIMITED

## DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2000.

### PRINCIPAL ACTIVITY

The principal activity of the company is that of investment and property development. The company's subsidiary and associated undertakings hold property for development and as an investment, operate leisure facilities and provide estate, facilities and project management services at Stockley Park Heathrow. The directors do not anticipate any major changes in the foreseeable future.

### REVIEW OF DEVELOPMENTS

The group's results for the year and state of affairs at 31 December 2000 are set out in the attached financial statements. The group's retained profit for the financial year was £8,251,000 (1999 - £7,691,000). The directors do not recommend the payment of a dividend (1999 - nil).

### DIRECTORS AND THEIR INTERESTS

The current directors of the company are listed on page 1.

Directors of the company who served throughout the year and to the date of this report are as follows:

M H A Broke (Chairman)  
A D Vander Meersch  
N H C Thompson  
F Suzuki  
D Philips  
T Yamamoto

#### Alternate directors

J Wythe to N H C Thompson  
N Hugill to D Phillips  
J Rudd-Jones to F Suzuki  
H Ichiki to T Yamamoto (appointed 14 December 2000)

No director was beneficially interested in the share capital of the company or any other group company at any time during the year.

### AUDITORS

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



M P Rutherford

13<sup>th</sup> June 2001

**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 the group as at the end of the financial year and of the profit or loss of the group 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;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the group 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 group to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## STOCKLEY PARK CONSORTIUM LIMITED

### AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 5 to 19 which have been prepared under the accounting policies set out on page 9 and 10.

#### Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom Law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

#### Basis of 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 circumstances, consistently applied and adequately disclosed of the company and the group.

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 affairs of the company and the group as at 31 December 2000 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche*

Chartered Accountants and  
Registered Auditors

15/6/2001

# STOCKLEY PARK CONSORTIUM LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT Year ended 31 December 2000

	Note	2000 £'000	1999 £'000
<b>TURNOVER</b>			
Continuing operations		39,538	60,342
Discontinued operations		-	1,799
<b>TOTAL TURNOVER</b>	2	39,538	62,141
Cost of sales		(30,279)	(52,633)
<b>GROSS PROFIT</b>		9,259	9,508
Administrative expenses		(2,497)	(3,443)
<b>OPERATING PROFIT</b>			
Continuing operations		6,762	5,697
Discontinued operations		-	368
<b>GROUP OPERATING PROFIT</b>	3,4	6,762	6,065
Share of results of associated undertaking		-	34
<b>TOTAL OPERATING PROFIT</b>		6,762	6,099
Profit on disposal of discontinued operations	8	-	2,080
Profit on disposal of associated company	9	192	-
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		6,954	8,179
Interest receivable and similar income		1,433	415
Interest payable and similar charges	6	(1)	(14)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	8,386	8,580
Tax on profit on ordinary activities	7	(108)	(889)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		8,278	7,691
Minority Interests		(27)	-
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>	20	8,251	7,691

There are no recognised gains or losses other than the profit for the current and preceding years. Consequently, a separate statement of total recognised gains and losses is not presented.

# STOCKLEY PARK CONSORTIUM LIMITED

## CONSOLIDATED BALANCE SHEET 31 December 2000

	Note	2000 £'000	1999 £'000
<b>FIXED ASSETS</b>			
Tangible assets	8	46,058	39,086
Investments	9	1	20
		<u>46,059</u>	<u>39,106</u>
<b>CURRENT ASSETS</b>			
Stocks and work-in-progress	10	2,892	20,334
Debtors	11	847	819
Cash at bank and in hand	12	24,876	21,028
		<u>28,615</u>	<u>42,181</u>
<b>CREDITORS: amounts falling due within one year</b>	13	<u>(9,077)</u>	<u>(4,527)</u>
<b>NET CURRENT ASSETS</b>		<u>19,538</u>	<u>37,654</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		65,597	76,760
<b>CREDITORS: amounts falling due after more than one year</b>	14	<u>(27)</u>	<u>(19,441)</u>
<b>TOTAL NET ASSETS</b>		<u>65,570</u>	<u>57,319</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	58,005	58,005
Profit and loss account	20	7,565	(686)
<b>SHAREHOLDERS' FUNDS</b>		<u>65,570</u>	<u>57,319</u>
Shareholders' funds:			
Equity		7,577	(674)
Non-equity	19	57,993	57,993

These financial statements were approved by the Board of Directors on 13<sup>th</sup> June 2001.

Signed on behalf of the Board of Directors

Director



# STOCKLEY PARK CONSORTIUM LIMITED

## COMPANY BALANCE SHEET 31 December 2000

	Note	2000 £'000	1999 £'000
<b>FIXED ASSETS</b>			
Tangible assets	8	289	35
Investments	9	37,254	37,254
		<u>37,543</u>	<u>37,289</u>
<b>CURRENT ASSETS</b>			
Stocks and work-in-progress	10	2,885	2,746
Debtors	11	6,569	1,572
Cash at bank and in hand	12	24,236	20,894
		<u>33,690</u>	<u>25,212</u>
<b>CREDITORS: amounts falling due within one year</b>	13	<u>(29,522)</u>	<u>(9,091)</u>
<b>NET CURRENT ASSETS</b>		<u>4,168</u>	<u>16,121</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>41,711</u>	<u>53,410</u>
<b>CREDITORS: amounts falling due after more than one year</b>	14	-	15,767
<b>TOTAL NET ASSETS</b>		<u><u>41,711</u></u>	<u><u>37,643</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	58,005	58,005
Profit and loss account	20	<u>(16,294)</u>	<u>(20,362)</u>
<b>SHAREHOLDERS' FUNDS</b>	20	<u><u>41,711</u></u>	<u><u>37,643</u></u>
Shareholders' funds:			
Equity		(16,282)	(20,350)
Non-equity	19	57,993	57,993

These financial statements were approved by the Board of Directors on 13<sup>th</sup> June 2001.

Signed on behalf of the Board of Directors

Director

# STOCKLEY PARK CONSORTIUM LIMITED

## CONSOLIDATED CASH FLOW STATEMENT Year ended 31 December 2000

	Note	2000 £'000	1999 £'000
Net cash inflow from operating activities	15	23,889	38,638
Returns on investments and servicing of finance			
Interest received		1,433	415
Interest paid		(1)	(14)
Net cash inflow from returns on investments and servicing of finance		1,432	401
Taxation			
Corporation tax paid		(493)	(220)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(7,334)	(320)
Proceeds on sale of tangible fixed assets		70	3,000
Proceeds on sale of investments		211	-
Net cash inflow for capital expenditure and financial investment		(7,053)	2,680
Net cash inflow before use of liquid resources		17,775	41,499
Financing			
Repayment of mezzanine loans		-	(5,990)
Repayment of subordinated loans		(15,767)	(23,611)
Drawdown of subordinated loans		5,514	
(Repayment)/drawdown of bank loans		(3,674)	(3,326)
Net cash outflow from financing		(13,927)	(32,927)
Increase in cash	12,16	3,848	8,572

**NOTES TO THE ACCOUNTS**

**Year ended 31 December 2000**

**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted by the directors are described below.

**Accounting convention**

The financial statements are prepared under the historical cost convention, as amended for the statement of investment properties at valuation.

**Basis of consolidation**

The financial statements of the group include those of the company and its subsidiary undertakings and the group's share of results of its associated undertaking for the year ended 31 December 2000. Details of the subsidiary and associated undertakings are shown in note 9 to the accounts.

The parent company has not presented its own profit and loss account as permitted by Section 230(3) of the Companies Act 1985. The parent company's profit for the financial year amounted to £4,068,000 (1999 – loss of £5,370,000).

**Fixed assets and depreciation**

Fixed assets are stated at cost less depreciation which is provided to write off the cost of the assets over their estimated economic lives at 25% per annum on a straight-line basis, except for buildings which are depreciated over 20 years on a straight line basis and freehold land, which is not depreciated.

**Fixed assets in the course of construction**

The company capitalises directly attributable interest on all tangible fixed assets in the course of construction. Where the construction is financed by general borrowings the interest costs are apportioned across the relevant development projects on a site area basis. Where a specific loan is taken out to finance a fixed asset in the course of construction all of the interest costs associated with that loan are capitalised to that fixed asset.

**Investments in subsidiary undertakings**

Investments in subsidiary undertakings are stated at cost less provision for any impairment. In the consolidated accounts, shares in associated undertakings are accounted for using the equity method of accounting.

**Stocks and work-in-progress**

Stocks and work-in-progress include all costs incurred in bringing property developments to their present state and are stated at the lower of cost and net realisable value. Costs include interest charges on borrowings and other net outgoings which are directly related to a specific development project. Profit is recognised on the disposal of each building on the legal completion of contracts. In the case of short term development contracts, where there is a contract for sale, profit is recognised on practical completion of the building.

**Long-term contracts**

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs (as defined in stocks and work-in-progress above) as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract.

**Deferred taxation**

Deferred taxation is provided under the liability method on all timing differences to the extent that it is probable that a liability will crystallise, calculated at the rate at which it is estimated that tax will be payable.

# STOCKLEY PARK CONSORTIUM LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 December 2000

### 1. ACCOUNTING POLICIES (continued)

#### Turnover

Turnover comprises sales to external customers of properties, rental income from completed buildings not yet sold, management fees and income from leisure facilities, all stated net of value added tax.

### 2. SEGMENTAL INFORMATION

Turnover is stated net of value added tax. Turnover and profit before taxation are wholly derived from business carried out in the United Kingdom. Turnover by destination is not materially different from turnover by source.

The turnover, all of which is derived from external customers, and profit before taxation attributed to each business are as follows:

	Turnover 2000 £'000	Profit before taxation 2000 £'000	Turnover 1999 £'000	Profit before taxation 1999 £'000
Property trading - property sales	37,542	8,235	57,961	6,338
- rental income	1,280	116	93	(282)
Estates and facilities management	307	(121)	815	97
Sports and leisure facilities				
- continuing operations	409	156	1,473	2,059
- discontinued operations	-	-	1,799	368
	<u>39,538</u>	<u>8,386</u>	<u>62,141</u>	<u>8,580</u>

The analysis of the net assets of the group by each business segment is as follows:

	31 December 2000 £'000	31 December 1999 £'000
Property investment	5,818	5,818
Property trading	56,686	48,409
Estates and facilities management	20	163
Sports and leisure facilities	3,046	2,929
	<u>65,570</u>	<u>57,319</u>

# STOCKLEY PARK CONSORTIUM LIMITED

## NOTES TO THE ACCOUNTS Year ended 31 December 2000

### 3. ANALYSIS OF CONTINUING AND DISCONTINUED OPERATIONS

	Continuing 2000 £'000	Discontinued 2000 £'000	Continuing 1999 £'000	Discontinued 1999 £'000
Turnover	39,538	-	60,342	1,799
Cost of sales	(30,279)	-	(52,171)	(462)
Gross profit	9,259	-	8,171	1,337
Administrative expenses	(2,497)	-	(2,474)	(969)
	6,762	-	5,697	368

### 4. OPERATING PROFIT

	2000 £'000	1999 £'000
This is stated after charging:		
Auditors' remuneration for audit services	28	27
Depreciation of fixed assets	319	279
Profit/(loss) on disposal of fixed assets	27	(131)

### 5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2000 £'000	1999 £'000
Emoluments (excluding pension contributions and awards under share option schemes and other long-term incentive schemes)	285	354
Highest paid director's remuneration:		
Aggregate of emoluments and awards under long-term incentive schemes (excluding pension contributions, share options gains and awards in the form of shares)	250	229

Pension contributions under a money purchase scheme of the highest paid director amounted to £15,000 for the year (1999 - £13,000).

None of the directors received awards under long-term incentive schemes or were members of a defined benefit pension scheme during the year.

# STOCKLEY PARK CONSORTIUM LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 December 2000

### 5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)

	£'000	£'000
Staff costs excluding directors incurred in the year were:		
Salaries	1,039	1,434
Social security costs	101	169
Pension costs	32	57
	<u>1,172</u>	<u>1,660</u>
	No.	No.
Average number of employees during the year:		
Management and administration	10	7
Estates and facilities management	10	16
Sports and leisure facilities	27	40
	<u>47</u>	<u>63</u>

### 6. INTEREST PAYABLE AND SIMILAR CHARGES

	2000 £'000	1999 £'000
Bank loans and overdrafts repayable within five years	131	201
Shareholders' loans wholly repayable within five years	-	435
	<u>131</u>	<u>636</u>
Capitalised in stocks and work-in-progress and assets in the course of construction	(130)	(622)
	<u>1</u>	<u>14</u>

Since 1 July 1991, interest payable on the subordinated loans shown in note 14 to the accounts has been waived by the shareholders.

### 7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000 £'000	1999 £'000
United Kingdom corporation tax at 30%, based on the profit for the year	439	889
Adjustment in respect of prior years	(331)	-
	<u>108</u>	<u>889</u>

The current year tax charge is low due to the deduction for the payment of pre 1996 subordinated loan interest subordinated loan interest by the parent company. This is treated by the Inland Revenue on a paid basis and whilst no entry is made in the accounts this year a tax deduction is taken for the cash paid in the year.

# STOCKLEY PARK CONSORTIUM LIMITED

## NOTES TO THE ACCOUNTS Year ended 31 December 2000

### 8. TANGIBLE FIXED ASSETS

Group	Land and Buildings £'000	Assets in course of construction £'000	Motor vehicles £'000	Fixtures and fittings £'000	Furniture and equipment £'000	Total £'000
Cost						
At 1 January 2000	4,346	35,353	121	191	485	40,496
Additions	-	6,364	47	694	229	7,334
Disposals	-	-	(65)	-	(89)	(154)
At 31 December 2000	4,346	41,717	103	885	625	47,676
Depreciation						
At 1 January 2000	725	-	96	160	429	1,410
Charge for the year	73	-	17	156	73	319
Disposals	-	-	(40)	-	(71)	(111)
At 31 December 2000	798	-	73	316	431	1,618
Net book value						
At 31 December 2000	3,548	41,717	30	569	194	46,058
At 31 December 1999	3,621	35,353	25	31	56	39,086

Included within 'Assets in course of construction' costs carried forward are finance costs totalling £8,788,167 which have been capitalised. £nil (1999 - £198,843) has been capitalised in the year, which is based on a proportion, calculated with reference to site area, of general borrowings that have been used to finance the construction. The interest capitalised in the year has been charged at a rate of 2% above 6 month LIBOR.

Additions to 'Assets in course of construction' of £6,363,778 (1999 - £35,353,000) were transferred from work-in-progress during the year.

During the previous year the trade and assets of a subsidiary company were sold to Virgin Active Limited resulting in a profit on disposal of £2,080,000.

# STOCKLEY PARK CONSORTIUM LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 December 2000

### 8. TANGIBLE FIXED ASSETS (continued)

Company	Motor vehicles £'000	Fixtures and fittings £'000	Furniture and equipment £'000	Total £'000
Cost				
At 1 January 2000	103	141	176	420
Additions	45	234	72	351
Disposals	(46)	-	-	(46)
At 31 December 2000	102	375	248	725
Depreciation				
At 1 January 2000	80	141	164	385
Charge for the year	17	30	27	74
Disposals	(23)	-	-	(23)
At 31 December 2000	74	171	191	436
Net book value				
At 31 December 2000	28	204	57	289
At 31 December 1999	23	-	12	35

### 9. INVESTMENTS HELD AS FIXED ASSETS

	2000 £'000	Group 1999 £'000	2000 £'000	Company 1999 £'000
Investment in associated undertakings	-	19	-	-
Investment in subsidiary undertakings	-	-	37,253	37,253
Other investments	1	1	1	1
	1	20	37,254	37,254

During the year the company sold its remaining 25% share in Stockley Park Golf Limited ("SPGL") whose issued share capital comprises 100,000 ordinary shares of 10p each.

Subsidiary undertakings	Country of registration and operation	Activity	Portion of Ordinary shares held
Stockley Park Arena Limited*	England	Sport and leisure	100%
Stockley Park Investments Limited*	England	Property investment	100%
Millbrook Facilities Management Limited	England	Facilities management	100%
Arena Stockley Limited	England	Dormant	100%
5 The Square Limited*	England	Property development	100%
Stockley Park Phase 3 Limited*	England	Property development	100%
Eurica (Stockley Park) Limited*	England	Facilities management	51%

The undertakings marked with an \* are directly owned by Stockley Park Consortium Limited.



# STOCKLEY PARK CONSORTIUM LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 December 2000

### 10. STOCKS AND WORK-IN-PROGRESS

	2000 £'000	Group 1999 £'000	2000 £'000	Company 1999 £'000
Raw materials and goods for resale	7	7	-	-
Development work-in-progress	2,885	20,327	2,885	2,746
	<u>2,892</u>	<u>20,334</u>	<u>2,885</u>	<u>2,746</u>

Capitalised interest included in the production cost of stocks and work-in-progress of the company and the group is as follows:

	£'000
At 1 January 2000	90
Interest capitalised during the year	91
Interest released	(181)
At 31 December 2000	<u>-</u>

### 11. DEBTORS

	2000 £'000	Group 1999 £'000	2000 £'000	Company 1999 £'000
Trade debtors	172	295	32	68
Other debtors	21	21	9	-
VAT recoverable	155	364	38	116
Amounts owed by subsidiary companies	-	-	6,066	1,336
Prepayments and accrued income	499	139	424	52
	<u>847</u>	<u>819</u>	<u>6,569</u>	<u>1,572</u>

### 12. CASH AT BANK AND IN HAND

	2000 £'000	Group 1999 £'000	2000 £'000	Company 1999 £'000
Cash at bank and in hand	24,571	13,113	24,236	12,991
Held in blocked accounts	305	7,915	-	7,903
	<u>24,876</u>	<u>21,028</u>	<u>24,236</u>	<u>20,894</u>

Cash held in blocked accounts represents deposits with the Highways Agency and tenants deposits. In the prior year this represented amounts on deposit with shareholders.

# STOCKLEY PARK CONSORTIUM LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 December 2000

### 13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £'000	Group 1999 £'000	2000 £'000	Company 1999 £'000
Trade creditors	176	255	17	89
Other creditors	64	24	21	24
Tenant deposits	104	41	-	-
Other taxes and social security costs	387	807	87	423
Amounts owed to Shareholders – subordinated loans	5,514	-	-	-
Amounts owed to subsidiary companies	-	-	27,697	6,422
Accruals and deferred income	2,832	3,400	1,700	2,133
	<u>9,077</u>	<u>4,527</u>	<u>29,522</u>	<u>9,091</u>

### 14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2000 £'000	Group 1999 £'000	2000 £'000	Company 1999 £'000
Shareholders' subordinated loans – unsecured	-	15,767	-	15,767
Bank loans – secured	-	3,674	-	-
Minority Interests	27	-	-	-
	<u>27</u>	<u>19,441</u>	<u>-</u>	<u>15,767</u>

Repayments of subordinated loans were made during the year as follows:

	Principal £'000	Interest £'000	Total £'000
SKSP Limited	3,045	1,550	4,595
Prudential Property Investments Limited	-	6,703	6,703
Chelsfield (Stockley Park) Limited	-	4,469	4,469
Total	<u>3,045</u>	<u>12,722</u>	<u>15,767</u>

### 15. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2000 £'000	1999 £'000
Operating profit	6,762	6,065
Depreciation charge	319	279
(Increase)/decrease in debtors	(28)	452
Decrease in stocks and work-in-progress	17,442	32,949
Decrease in creditors	(579)	(1,238)
(Profit)/loss on disposal of fixed assets	(27)	131
Net cash inflow from operating activities	<u>23,889</u>	<u>38,638</u>

# STOCKLEY PARK CONSORTIUM LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 December 2000

### 16. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2000 £'000	1999 £'000
Increase in free cash in the year	3,848	8,572
Cash outflow/(inflow) from payments from /(to) blocked accounts	7,610	(2,893)
Cash outflow from repayment of mezzanine loans	-	5,990
Cash inflow from drawdown of subordinated loans	(5,514)	-
Cash outflow from repayment of subordinated loans	15,767	23,611
Cash outflow from repayment of bank loans	3,674	3,326
	<hr/>	<hr/>
Decrease in net debt in the year	25,385	38,606
Interest rolled up on mezzanine loans	-	(435)
Net debt at 1 January	(6,328)	(44,499)
	<hr/>	<hr/>
Net cash/(debt) at 31 December	19,057	(6,328)
	<hr/>	<hr/>

### 17. ANALYSIS OF MOVEMENTS IN NET DEBT

	At 1 January 2000 £'000	Cash Flow £'000	Other non-cash changes £'000	At 31 December 2000 £'000
Cash at bank and in hand	(13,113)	(11,458)	-	(24,571)
Debt due within one year	-	5,514	-	5,514
Debt due after one year	19,441	(19,441)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net debt	6,328	(25,385)	-	(19,057)
	<hr/>	<hr/>	<hr/>	<hr/>

### 18. DEFERRED TAXATION

	Provided 2000 £'000	Unprovided 2000 £'000	Provided 1999 £'000	Unprovided 1999 £'000
Capital allowances in excess of depreciation	-	(136)	-	(116)
Other timing differences	-	(19)	-	(768)
	<hr/>	<hr/>	<hr/>	<hr/>
	-	(155)	-	(884)
	<hr/>	<hr/>	<hr/>	<hr/>

# STOCKLEY PARK CONSORTIUM LIMITED

## NOTES TO THE ACCOUNTS Year ended 31 December 2000

### 19. CALLED UP SHARE CAPITAL

	2000 £'000	1999 £'000
Authorised		
2,018,880 ordinary shares of £1 each	2,019	2,019
57,993,120 redeemable preference shares of £1 each	57,993	57,993
	<u>60,012</u>	<u>60,012</u>
Called up, allotted and fully paid		
12,000 ordinary shares of £1 each	12	12
57,993,120 redeemable preference shares of £1 each	57,993	57,993
	<u>58,005</u>	<u>58,005</u>

The preference shares are held by the ordinary shareholders in the same proportion as their ordinary shares. The preference shares carry no voting rights and are redeemable at par, by the company, once all obligations under the mezzanine loans have been discharged, or otherwise, on 31 December 2005, at the option of either the shareholders or the company.

### 20. SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share capital £'000	Profit and loss account £'000	Total £'000
<b>Group</b>			
At 1 January 2000	58,005	(686)	57,319
Profit for the year	-	8,251	8,251
	<u>58,005</u>	<u>7,565</u>	<u>65,570</u>
At 31 December 2000	58,005	7,565	65,570
<b>Company</b>			
At 1 January 2000	58,005	(20,362)	37,643
Profit for the year	-	4,068	4,068
	<u>58,005</u>	<u>(16,294)</u>	<u>41,711</u>
At 31 December 2000	58,005	(16,294)	41,711

### 21. RELATED PARTY TRANSACTIONS

There have been no related party transactions other than those disclosed in note 14.

### 22. ULTIMATE PARENT COMPANY

The company's ultimate parent undertaking and controlling party and parent undertaking of the largest group of which the company is a member, and for which group financial statements are prepared, is Kajima Corporation, a company incorporated in Japan. Copies of the group financial statements of Kajima Corporation are available from 1-2-7 Moto-Akasaka, Minato-Ku, Tokyo.

The smallest group of which the company is a member and for which group financial statements are prepared is Kajima Europe UK Holding Limited. Copies of the group financial statements are available from Grove House, 248a Marylebone Road, London NW1 6JZ.

# **STOCKLEY PARK CONSORTIUM LIMITED**

## **NOTES TO THE ACCOUNTS**

**Year ended 31 December 2000**

### **23. OPERATING SUBSIDIARIES**

#### **Millbrook Facilities Management Limited**

The company was responsible for successfully providing the project management on the group's development activities. The company will cease to trade from 1 January 2001.

Millbrook was also responsible for all of the estate management at Stockley Park and provided facilities management to a variety of companies located both on and off the park.

#### **Stockley Park Investments Limited**

The company holds, as investments, the group's completed commercial office developments.

#### **5 The Square Limited**

The company was responsible for the development of a property known as 5 The Square, which was sold during the year. The company no longer trades.

#### **Stockley Park Phase 3 Limited**

The company holds the third phase of Stockley Park, comprising 50,000m<sup>2</sup> of commercial office space as an investment.

#### **Stockley Park Arena Limited**

The company operates the Waterfront Brasserie and the Arena Forum, a business centre including serviced offices and conference facilities.

#### **Arena Stockley Limited**

The company previously operated the Arena Club, a private health and leisure club. Following the sale of its business to Virgin Active Ltd during the year the company no longer trades.

#### **Eurica (Stockley Park) Limited (51% owned)**

Eurica (Stockley Park) Limited is responsible for all the project management of the group's development activities.

Eurica (Stockley Park) Limited is also responsible for all of the estate management at Stockley Park and provides facilities management to a variety of companies located both on and off the park.