

Company Registration No. 2368763

Kajima Property Holdings Limited

Report and Financial Statements

31 December 2010

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Kajima Property Holdings Limited

Report and financial statements 2010

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Kajima Property Holdings Limited

Report and financial statements 2010

Officers and professional advisers

Directors

M Uchida
A Yajima
H Iizawa
J M Rudd-Jones
N W M G Chism

Secretary

D M Hedge

Registered office

55 Baker Street
London
W1U 8EW

Auditor

Deloitte LLP
Chartered Accountants & Statutory Auditor
London

Kajima Property Holdings Limited

Directors' report

The directors present their annual report on the affairs of the company, together with the financial statements and auditors' report for the year ended 31 December 2010. This directors' report has been prepared in accordance with the special provisions relating to small companies under Part 15 of the Companies Act 2006.

Business review and principal activities

The company is a wholly-owned subsidiary of Kajima Europe UK Holding Limited.

The company has no activity other than to act as the parent company of a number of subsidiary companies that are engaged in property investment and development in the London area.

There have been no significant changes in the company's principal activities in the year under review. However, during the year planning permission was granted for the construction of a hotel, data centre and offices on land at Stockley Park near Heathrow Airport held indirectly through the company's subsidiary SKSP Limited.

Going concern

Although the company has net liabilities, and net current liabilities, the directors have received an undertaking from the company's immediate parent company, Kajima Europe UK Holding Limited, that it will provide or procure adequate finance to enable the company to meet its liabilities as they fall due for at least twelve months from the date of approval of these financial statements.

Having made appropriate enquiries, the directors consider it reasonable to assume that the company has adequate resources to continue for the foreseeable future and, for this reason, have continued to adopt the going concern basis in preparing the accounts.

Results and dividends

As shown in the profit and loss account on page 6, the company made a profit before and after taxation of £20,000 (2009: loss £275,000).

No dividend has been paid in the year (2009: £nil) and the directors recommend that no final dividend be paid (2009: £nil).

The balance sheet on page 7 of the financial statements shows that the net liabilities were reduced by £20,000 compared to the prior year.

The company is financed by an interest-free loan from its immediate parent, Kajima Europe UK Holding Limited.

Principal risks and uncertainties

As the company is not engaged in any trading activity, the directors do not consider that it is exposed to any material risk or uncertainty, other than respect of its investments in subsidiaries. It has therefore not used financial instruments to change its exposure to any of these risks.

Directors and their interests

The current directors of the company are shown on page 1. On 5 July 2010, Mr N W M G Chism was appointed as a director. No other changes in directorships have taken place during the year or since the year-end.

None of the directors had any interests in the shares of the company or any other group company at any time during the year.

Qualifying third party indemnity provisions are currently in force for the benefit of certain directors.

Kajima Property Holdings Limited

Directors' report (continued)

Disclosure of information to auditor

Each of the directors at the date of approval of this report confirms that

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

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006

Auditor

Deloitte LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with Section 487(2) of the Companies Act 2006 and, unless the company receives notice under Section 488(1) of the Act, offer themselves for reappointment as auditors in accordance with the Companies Act

By Order of the Board



D M Hedge
Secretary

28 June 2011

Kajima Property Holdings Limited

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report 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 elected to prepare 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 period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 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.

Independent auditor's report to the members of Kajima Property Holdings Limited

We have audited the financial statements of Grove House UK Limited for the year ended 31 December 2010 which comprise the profit and loss account, the balance sheet and the related notes 1 to 11. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, 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 (APB's) Ethical Standards for Auditors.

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 annual report 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 2010 and of its profit 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report.



Makhan Chahal (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom

28 June 2011

Kajima Property Holdings Limited

Profit and loss account

Year ended 31 December 2010

	Note	2010 £'000	2009 £'000
Operating profit	2	-	-
Dividend received	3	20	-
Impairment adjustment on investments in subsidiary undertakings	5	-	(275)
Profit/(loss) on ordinary activities before taxation		<u>20</u>	<u>(275)</u>
Taxation	4	-	-
Profit/(loss) on ordinary activities after taxation retained for the year	10	<u>20</u>	<u>(275)</u>

All activities derive from continuing operations in the current and preceding year

The company had no other recognised gains or losses for the current or previous year. Accordingly, no statement of total recognised gains and losses is required.

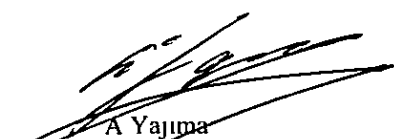
The notes on pages 8 to 12 form part of these financial statements

Kajima Property Holdings Limited

Balance sheet At 31 December 2010

	Note	2010 £'000	2009 £'000
Fixed assets			
Investments	5	<u>34,661</u>	<u>34,661</u>
Current assets			
Debtors	6	<u>20</u>	<u>-</u>
		20	-
Creditors: amounts falling due within one year	7	<u>(50,911)</u>	<u>(50,911)</u>
Net current liabilities		<u>(50,891)</u>	<u>(50,911)</u>
Total assets less current liabilities		(16,230)	(16,250)
Provisions	8	<u>(10,936)</u>	<u>(10,936)</u>
Net liabilities		<u>(27,166)</u>	<u>(27,186)</u>
Capital and reserves			
Called up share capital	9	44,007	44,007
Profit and loss account	10	<u>(71,173)</u>	<u>(71,193)</u>
Shareholder's deficit	10	<u>(27,166)</u>	<u>(27,186)</u>

The financial statements of Kajima Property Holdings Limited, registered number 2368763, were approved by the Board of Directors on 28 June 2011 and signed on its behalf by


A Yajima
Director

The notes on pages 8 to 12 form part of these financial statements

Kajima Property Holdings Limited

Notes to the financial statements For the year ended 31 December 2010

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with applicable United Kingdom law and accounting standards. The accounting policies described below have been applied consistently throughout the year and in the preceding year.

Going concern

The accounts have been prepared on a going concern basis, as discussed in the Director's report on page 2.

The directors have received an undertaking from the company's immediate parent company, Kajima Europe UK Holding Limited, that it will provide or procure adequate finance to enable the company to meet its liabilities as they fall due for at least twelve months from the date of approval of these financial statements.

Group accounts

The company is exempt from the obligation to prepare and deliver group accounts under Section 400 of the Companies Act 2006 as it is itself a subsidiary undertaking of an EU parent and is included in the parent's consolidated accounts. The parent company, Kajima Europe UK Holding Limited ('KEUKH'), a company incorporated in Great Britain, produces consolidated financial statements. Accordingly, these accounts present information about the company as an individual undertaking and not its group.

Cash flow statement

The company has taken advantage of the exemption provided under Financial Reporting Standard 1 (Revised 1996) not to provide a cash flow statement, as it is a wholly-owned subsidiary undertaking.

Investments

Fixed asset investments in subsidiary companies are stated at cost less provision for impairment.

Related party transactions

The company is a wholly-owned subsidiary of the KEUKH group of companies and has taken advantage of the exemption that is conferred by Financial Reporting Standard 8, Related Party Disclosures, that allows it not to disclose transactions with group companies.

Current taxation

Current tax is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

2. OPERATING PROFIT

The company had no employees other than its directors, none of whom received any remuneration for their services as directors of the company during the year (2009: £nil).

The audit fee of £2,000 (2009: £2,000) for the current and preceding years has been borne by a fellow group company.

Kajima Property Holdings Limited

Notes to the financial statements For the year ended 31 December 2010

3. DIVIDEND RECEIVED

The dividend was received from Stockley Park Estate Management Limited

4. TAXATION

(a) Tax charge for the year

There is no corporation tax charge for the year due to the incidence of tax losses

(b) Factors affecting tax charge for the year

The current tax assessed for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below

	2010 £'000	2009 £'000
Profit/(loss) on ordinary activities before tax	20	(275)
(Profit)/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009: 28%)	(5)	77
<i>Effects of</i>		
Non-deductible impairment provision	-	(77)
Non-taxable income	5	-
Imputed interest under UK-UK transfer pricing	41	41
Losses arising in the year carried forward	(41)	(41)
Current tax charge for the year	-	-

(c) Deferred taxation

No provision has been made for deferred tax assets of £1.7m (2009: £1.7m) in respect of depreciation in excess of capital allowances, £1.3m (2009: £1.3m) in respect of revenue losses and £2.1m (2009: £2.1m) in respect of capital losses, as recoverability in the short term is uncertain.

A number of changes to the UK corporation tax system were announced in the June 2010 Budget Statement. The Finance (No 2) Act 2010 included legislation to reduce the mainstream rate of corporation tax from 28% to 27% from 1 April 2011. This has had no impact on the results for the period.

Additional changes were announced in the March 2011 Budget Statement to further reduce the mainstream rate of corporation tax to 26% from 1 April 2011 and thereafter by 1% per annum to 23% by 1 April 2014. The changes had not been substantively enacted at the balance sheet date and therefore are not included in these financial statements.

Kajima Property Holdings Limited

Notes to the financial statements For the year ended 31 December 2010

5. FIXED ASSET INVESTMENTS

	2010 £'000	2009 £'000
Subsidiary and associated undertakings		
Cost		
At 1 January and December	49,519	49,519
Provision for impairment		
At 1 January	14,858	14,583
Charge for the year	-	275
At 31 December	14,858	14,858
Net book value		
At 31 December	34,661	34,661

Subsidiary undertakings are as follows

Subsidiary	Activity
SKEB Limited	Property investment and development
SKLW Limited	Dormant
SKSP Limited	Property development
SKD Limited	Dormant
Kajima UK Development Limited	Property services
Kajima City Developments Limited	Property development for investment
Stockley Park Consortium Limited	Property development for investment
Stockley Park Arena Limited	Dormant
Stockley Park Investments Limited	Property investment
Millbrook Facilities Management Limited	Dormant
Arena Stockley Limited	Dormant
5 The Square Limited	Dormant
Stockley Park Phase 3 Limited	Property development for investment
Stockley Park West Limited	Dormant
Stockley Park Estate Management Limited	Property management

All subsidiary undertakings are registered in Great Britain and are wholly owned, except for the following

- Stockley Park Consortium Limited of which the company owns 58.33% of the issued ordinary share capital and preference shares and 100% of the issued deferred ordinary shares, and
- Stockley Park Estate Management Limited (formerly Stockley Park Haywards Estate Management Limited) of which the company owns 49% of the issued ordinary share capital in the form of 'B' (non-voting) shares, the other 51% comprising 51 'A' (voting) shares being owned by Stockley Park Consortium Limited

In the case of subsidiaries for which the provision exceeds the book value of the investment, the net amount is shown under 'Provisions' (Note 8). The excess provision is required because the company has guaranteed the debts of its subsidiaries.

Kajima Property Holdings Limited

Notes to the financial statements For the year ended 31 December 2010

6. DEBTORS

	2010 £'000	2009 £'000
Amounts owed by fellow-subsiidiary undertakings	20	-
	<u>20</u>	<u>-</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £'000	2009 £'000
Amounts owed to immediate parent undertaking	50,911	50,911
	<u>50,911</u>	<u>50,911</u>

The balance due to the immediate parent undertaking is interest-free and repayable on demand

8 PROVISIONS

	2010 £'000	2009 £'000
Subsidiary undertakings (Note 4)		
At 1 January and 31 December	10,936	10,936
	<u>10,936</u>	<u>10,936</u>

The provision is in respect of an obligation accepted by the company that it will meet the liabilities of its subsidiaries under the respective shareholder's agreements. This provision will be utilised in the event of the subsidiaries requiring support in respect of their liabilities, or in the event of default.

9 CALLED UP SHARE CAPITAL

	2010 £'000	2009 £'000
Allotted, called up and fully paid		
44,007,002 ordinary shares of £1 each	44,007	44,007
	<u>44,007</u>	<u>44,007</u>

10 MOVEMENT ON RESERVES AND RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S DEFICIT

	Share capital £'000	Profit and loss account £'000	Total £'000
At 1 January 2010	44,007	(71,193)	(27,186)
Profit for the year	-	20	20
At 31 December 2010	<u>44,007</u>	<u>(71,173)</u>	<u>(27,166)</u>

Kajima Property Holdings Limited

Notes to the financial statements

For the year ended 31 December 2010

11. ULTIMATE AND IMMEDIATE PARENT COMPANY

The company's ultimate controlling entity, ultimate parent company and parent company 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 3-1 Motoakasaka, 1-chome, Minato-Ku, Tokyo 107-8388.

The company's immediate parent company is Kajima Europe UK Holding Limited, a company incorporated in Great Britain. 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 the registered office.