

Company Registration No. 02368763

Kajima Property Holdings Limited

Report and Financial Statements

31 December 2012



Kajima Property Holdings Limited

Report and financial statements 2012

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Kajima Property Holdings Limited

Report and financial statements 2012

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
2 New Street Square
London
EC4A 3BZ

Kajima Property Holdings Limited

Directors' report

The directors present their annual report on the affairs of Kajima Property Holdings Limited ("the company"), together with the financial statements and auditor's report for the year ended 31 December 2012. 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 not been any significant changes in the company's activities in the year under review and the directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

Going concern

Although the company has net liabilities, and net current liabilities, the directors have received an undertaking from the company's ultimate parent company, Kajima Corporation, 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 £8.80m (2011: loss £2.41m). This profit arose principally on the dissolution of two dormant subsidiaries during the year after writing back the related provisions.

No dividend has been paid in the year (2011: £nil) and the directors recommend that no final dividend be paid (2011: £nil).

The balance sheet on page 7 of the financial statements shows that the net liabilities decreased by £8.80m 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. No 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 auditor is 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 auditor is 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 auditor in accordance with the Companies Act

By Order of the Board



D M Hedge
Secretary

14 June 2013

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,
- 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 Kajima Property Holdings Limited for the year ended 31 December 2012 which comprise the profit and loss account, the balance sheet and the related notes 1 to 10. 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 auditor's 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 auditor

As explained more fully in Directors' Responsibilities Statement, 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.

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 Directors' Report to identify any 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 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 matters prescribed in 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 ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

17 June 2013

Kajima Property Holdings Limited

Profit and loss account

Year ended 31 December 2012

	Note	2012 £'000	2011 £'000
Profit/(loss) arising from dissolution of subsidiary undertakings	7	8,773	(4,573)
Reversal of impairment provision		31	2,163
Operating profit/(loss)	2	<u>8,804</u>	<u>(2,410)</u>
Profit/(loss) on ordinary activities before taxation		<u>8,804</u>	<u>(2,410)</u>
Taxation	3	-	-
Profit/(loss) on ordinary activities after taxation retained for the year	9	<u><u>8,804</u></u>	<u><u>(2,410)</u></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 11 form part of these financial statements

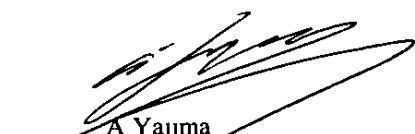
Kajima Property Holdings Limited

Balance sheet

At 31 December 2012

	Note	2012 £'000	2011 £'000
Fixed assets			
Investments	4	<u>30,119</u>	<u>30,088</u>
Current assets			
Debtors	5	<u>20</u>	<u>20</u>
		20	20
Creditors: amounts falling due within one year	6	<u>(50,911)</u>	<u>(50,911)</u>
Net current liabilities		<u>(50,891)</u>	<u>(50,891)</u>
Total assets less current liabilities		<u>(20,772)</u>	<u>(20,803)</u>
Provisions	7	<u>-</u>	<u>(8,773)</u>
Net liabilities		<u>(20,772)</u>	<u>(29,576)</u>
Capital and reserves			
Called up share capital	8	44,007	44,007
Profit and loss account	9	<u>(64,779)</u>	<u>(73,583)</u>
Shareholder's deficit	9	<u>(20,772)</u>	<u>(29,576)</u>

The financial statements of Kajima Property Holdings Limited, registered number 02368763, were approved by the Board of Directors on 14 June 2013 and signed on its behalf by



A Yajima
Director

The notes on pages 8 to 11 form part of these financial statements

Kajima Property Holdings Limited

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

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 ultimate parent company, Kajima Corporation, 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 (2011: £nil).

The audit fee of £2,000 (2011: £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 2012

3. TAXATION

(a) Tax charge for the year

There is no corporation tax charge for the year due to the occurrence of tax losses (2011 £nil)

(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

	2012 £'000	2011 £'000
Profit/(loss) on ordinary activities before tax	8,804	(2,410)
(Profit)/loss on ordinary activities multiplied by the effective rate of UK corporation tax of 24.5% (2011 26.5%)*	(2,157)	639
<i>Effects of</i>		
Profit/(loss) arising from dissolution of subsidiaries not taxable	(1,519)	(650)
Non-taxable impairment credit	3,676	11
Imputed interest under UK-UK transfer pricing	94	34
Losses arising in the year carried forward	(94)	(34)
Current tax charge for the year	-	-

*Blended rates for 2012 and 2011

(c) Deferred taxation

A potential deferred tax asset of £5.5m (2011 £4.5m), all in relation to tax losses, has not been recognised on the basis that it is not expected to have any practical value in the short term.

The standard rate of corporation tax was reduced to 23% on 1 April 2013. The Government has also announced that it intends to reduce the standard rate of corporation tax to 21% on 1 April 2014 and 20% on 1 April 2015, but these reductions had not been enacted in law at the balance sheet date.

4. FIXED ASSET INVESTMENTS

	2012 £'000	2011 £'000
Subsidiary and associated undertakings		
Cost		
At 1 January	36,519	49,519
Disposals	(6,200)	(13,000)
	30,319	36,519
Provision for impairment		
At 1 January	6,431	14,858
Write-back on disposal	(6,200)	(8,382)
Other release	(31)	(45)
At 31 December	200	6,431
Net book value		
At 31 December	30,119	30,088

The adjustment in respect of disposals relates to subsidiaries Kajima UK Development Limited and SKEB Limited which were dissolved during the year.

Kajima Property Holdings Limited

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

4. FIXED ASSET INVESTMENTS (continued)

Subsidiary undertakings are as follows

Subsidiary	Percentage holding	Activity
SKSP Limited ("SKSP")	100%	Property development
Kajima City Developments Limited	0.5%	Property development for investment
Stockley Park Consortium Limited	58.33%	Property development for investment
Stockley Park Arena Limited	58.33%	Dormant
Millbrook Facilities Management Limited	58.33%	Dormant
5 The Square Limited	58.33%	Dormant
Stockley Park Phase 3 Limited	58.33%	Property development for investment
Stockley Park West Limited	58.33%	Dormant
Stockley Park Estate Management Limited	78.75%	Property management

The following dormant subsidiaries were dissolved during the year

Directly held Kajima UK Development Limited and SKEB Limited

Indirectly held Stockley Park Investments Limited and Arena Stockley Limited

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 7). The excess provision is required because the company has guaranteed the debts of its subsidiaries.

5. DEBTORS

	2012 £'000	2011 £'000
Amounts owed by fellow-subsubsidiary undertakings	20	20
	<u>20</u>	<u>20</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £'000	2011 £'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

Kajima Property Holdings Limited

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

7. PROVISIONS

	2012 £'000	2011 £'000
Subsidiary undertakings (Note 4)		
At 1 January	8,773	10,936
Written back to profit and loss account	(8,773)	(2,163)
At 31 December	-	8,773

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. The amount written back to profit and loss account was in respect of the accumulated losses of the company's subsidiaries KUKD Limited of £4.83m and SKEB Limited of £3.94m which were dissolved during the year.

8. CALLED UP SHARE CAPITAL

	2012 £'000	2011 £'000
Allotted, called up and fully paid		
44,007,002 ordinary shares of £1 each	44,007	44,007

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

	Share capital £'000	Profit and loss account £'000	Total £'000
At 1 January 2012	44,007	(73,583)	(29,576)
Profit for the year	-	8,804	8,804
At 31 December 2012	44,007	(64,779)	(20,772)

10. 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.