

Company registration number: 2850465

DEVELOPMENT SECURITIES (PROJECTS) LIMITED

Annual report and financial statements

for the period from 1 January 2011 to 29 February 2012

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DEVELOPMENT SECURITIES (PROJECTS) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 FEBRUARY 2012

CONTENTS

	Page
Officers and professional advisors	1
Directors' report for the period ended 29 February 2012	2
Independent auditors' report to the members of Development Securities (Projects) Limited	5
Profit and loss account for the period ended 29 February 2012	7
Balance sheet as at 29 February 2012	8
Notes to the financial statements for the period ended 29 February 2012	9

DEVELOPMENT SECURITIES (PROJECTS) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 FEBRUARY 2012

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

M H Marx
C J Barwick
G Prothero
M S Weiner
R C McCubbine
W K Kumar
J S Hesketh
D P Enticknap
D A K Trench
P R Patenall
L W Martin
D P Redstone

COMPANY SECRETARY

H M Ratsey

REGISTERED OFFICE

Portland House
Bressenden Place
London
SW1E 5DS

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

DEVELOPMENT SECURITIES (PROJECTS) LIMITED

DIRECTORS' REPORT for the period ended 29 February 2012

The directors present their report and financial statements for the period from 1 January 2011 to 29 February 2012. The comparative results presented are for the year from 1 January 2010 to 31 December 2010. The change in accounting reference date has been made in order to align the reference date of the company with that of its ultimate parent entity.

The company registration number is 02850465.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The company's principal activity during the period and for the foreseeable future is that of a holding company for a group of companies engaged in property development and trading.

On 20 April 2011, the company entered into a partnership with Deadhare Limited, a company incorporated in Great Britain and registered in England and Wales, to acquire a property in Hayes, London. The company provided a £6,000,000 loan to this partnership.

On 11 August 2011, the company entered into an agreement to lend £1,500,000 to Accrue Manchester LP along with Accrue Capital Limited, a company incorporated in Great Britain and registered in England and Wales, to acquire a property in Manchester.

On 20 February 2012, the company received interim dividends for the period ended 29 February 2012 of £500,000 per ordinary share at a total cost of £500,000 from The Royals Business Park Limited, £8,000,000 per ordinary share at a total cost of £8,000,000 from Development Securities (Paddington) Limited, £500,000 per ordinary share at a total cost of £1,000,000 from Birmingham International Park (2000) Limited and £50,000 per ordinary share at a total cost of £5,000,000 from D S Property Developments Limited.

RESULTS AND DIVIDENDS

The company's profit for the financial period is £14,739,621 (31 December 2010: £nil). The company did not trade during the preceding financial year and was dormant. On 21 February 2012, the directors recommended and paid an interim dividend for the period ended 29 February 2012 of £7.625 per ordinary share at a total cost of £15,250,000 to Development Securities PLC. The directors do not recommend the payment of a final dividend (31 December 2010: £nil).

DIRECTORS

The following were directors of the company for the period and up to the date of signing the financial statements:

M H Marx
C J Barwick
G Prothero
M S Weiner
R C McCubbine
W K Kumar
J S Hesketh
D P Enticknap
D A K Trench
P R Patenall
L W Martin
D P Redstone

DEVELOPMENT SECURITIES (PROJECTS) LIMITED

DIRECTORS' REPORT

for the period ended 29 February 2012 (continued)

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The company maintains directors' and officers' liability insurance, which is reviewed annually and is considered to be adequately insured. Such qualifying third party indemnity provisions remain in place at the date of approving the directors' report.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the company's strategy are subject to a number of risks. The company is a member of the Development Securities PLC group of companies. Further discussion of the risks and uncertainties, in the context of the group as a whole, is provided in the group's annual report which does not form part of this report.

KEY PERFORMANCE INDICATORS ("KPIs")

The directors of Development Securities PLC manage the group's operations on a group basis. For this reason, the company's directors believe that an analysis using KPIs for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of the company. The development, performance and position of the group is discussed in the group's annual report which does not form part of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the directors' 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 prepared 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 judgements 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,
- 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.

DEVELOPMENT SECURITIES (PROJECTS) LIMITED

DIRECTORS' REPORT for the period ended 29 February 2012 (continued)

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, who were appointed during the period, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the annual general meeting

Approved by the board of directors
and signed by order of the board



H M Ratsey
Company Secretary
28 November 2012

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DEVELOPMENT SECURITIES (PROJECTS) LIMITED

We have audited the financial statements of Development Securities (Projects) Limited for the period from 1 January 2011 to 29 February 2012 which comprise the profit and loss account, the balance sheet and the related notes. 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).

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, set out on page 3, 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 29 February 2012 and of its profit for the period 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 period for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DEVELOPMENT SECURITIES (PROJECTS) LIMITED (continued)

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



Sonia Copeland (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

28 November 2012

DEVELOPMENT SECURITIES (PROJECTS) LIMITED

PROFIT AND LOSS ACCOUNT for the period ended 29 February 2012

	Note	Period from 1 Jan 2011 to 29 Feb 2012 £	Year ended 31 Dec 2010 £
TURNOVER	2	375,000	-
Cost of sales		<u>(22,500)</u>	<u>-</u>
GROSS PROFIT		352,500	-
Administrative expenses		<u>(112,697)</u>	<u>-</u>
OPERATING PROFIT	3	<u>239,803</u>	<u>-</u>
Investment income		14,500,000	-
Loss on disposal of investments		<u>(182)</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		14,739,621	-
Tax on profit on ordinary activities	4	<u>-</u>	<u>-</u>
PFOFIT FOR THE FINANCIAL PERIOD	9	<u>14,739,621</u>	<u>-</u>

All amounts relate to continuing activities

There is no material difference between the profit on ordinary activities before taxation and the profit for the period stated above and their historical cost equivalents

The company has no recognised gains and losses other than those included in the profit and loss account above and therefore no separate statements of total recognised gains and losses is presented

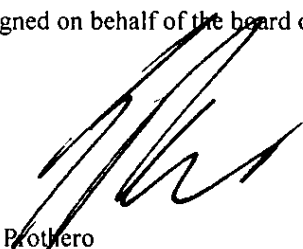
DEVELOPMENT SECURITIES (PROJECTS) LIMITED

BALANCE SHEET as at 29 February 2012

	Note	29 Feb 2012 £	31 Dec 2010 £
FIXED ASSETS			
Investments	5	<u>4,848,597</u>	<u>4,848,765</u>
CURRENT ASSETS			
Debtors	6	50,707,193	43,028,592
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	7	<u>(52,658,881)</u>	<u>(44,470,069)</u>
NET CURRENT LIABILITIES		<u>(1,951,688)</u>	<u>(1,441,477)</u>
NET ASSETS		<u>2,896,909</u>	<u>3,407,288</u>
CAPITAL AND RESERVES			
Called up share capital	8	2,000,000	2,000,000
Profit and loss account	9	<u>896,909</u>	<u>1,407,288</u>
TOTAL SHAREHOLDERS' FUNDS	9	<u>2,896,909</u>	<u>3,407,288</u>

These financial statements on pages 7 to 14 were approved by the board of directors on **28** November 2012

Signed on behalf of the board of directors


G Prothero
Director

DEVELOPMENT SECURITIES (PROJECTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the period ended 29 February 2012

1 ACCOUNTING POLICIES

Basis of preparation

These financial statements are prepared in accordance with the Companies Act 2006, and in accordance with applicable United Kingdom accounting standards and under the historical cost convention. The accounting policies adopted are consistent with the previous year.

Consolidated financial statements

The financial statements present information about the company as an individual undertaking and not as a group. Under the exemption provided by Financial Reporting Standard number 2, consolidated financial statements are not prepared as the company is itself a wholly owned subsidiary of Development Securities PLC, a company registered in England and Wales which prepares consolidated financial statements in which the results of the company and its subsidiaries are included and which are publicly available.

Cash flow statement and related party disclosures

The company is a wholly-owned subsidiary of Development Securities PLC and is included in the consolidated financial statements of Development Securities PLC, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard number 1 "Cash flow statements" (revised 1996). The company is also exempt under the terms of Financial Reporting Standard number 8 "Related party disclosures" from disclosing related party transactions with wholly-owned entities that are part of the Development Securities PLC group.

Turnover

Development management fee income, which excludes value added tax, are recognised as services are provided.

Taxation

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

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 is not provided on timing differences arising from the revaluation of fixed assets where there is no binding contract to dispose of these assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Investments in subsidiaries

The shares in subsidiaries shown in the balance sheet of the company are included at cost less any deficits arising from diminutions in value considered to be permanent, which are charged to the profit and loss account.

DEVELOPMENT SECURITIES (PROJECTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the period ended 29 February 2012 (continued)

2 TURNOVER

	Period from 1 Jan 2011 to 29 Feb 2012 £	Year ended 31 Dec 2010 £
Development management fees	137,500	-
Miscellaneous income	237,500	-
	<u>375,000</u>	<u>-</u>

All turnover is attributable to continuing activities undertaken in the United Kingdom. The miscellaneous income relates to a one-off introduction fee that the company received.

3 OPERATING PROFIT

Auditors' remuneration of £2,500 for the current and preceding period has been borne by Development Securities PLC, the ultimate parent company.

None of the directors received any emoluments in respect of qualifying services provided to the company during the period (31 December 2010: £nil). Directors are remunerated by Development Securities PLC.

The company does not have any employees (31 December 2010: none).

DEVELOPMENT SECURITIES (PROJECTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the period ended 29 February 2012 (continued)

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

Tax charge

There is no tax charge in the current period (31 December 2010 £nil)

The tax assessed for the period is lower than (31 December 2010 equal to) the standard rate of corporation tax in the United Kingdom of 26.5% (31 December 2010 28%). The differences are explained below

Factors affecting the current tax charge for the period

	Period from 1 Jan 2011 to 29 Feb 2012 £	Year ended 31 Dec 2010 £
Profit on ordinary activities before taxation	14,739,621	-
Profit on ordinary activities multiplied by the standard rate in the United Kingdom 26.5% (31 December 2010 28%)	3,906,000	-
Effect of		
Investment income not taxable	(3,842,500)	-
Group relief claimed for nil consideration	(63,500)	-
Current tax charge for the period	-	-

As announced in the March 2011 Budget, the main rate of UK corporation tax was reduced to 26% from 1 April 2011 and 25% from 1 April 2012. The reductions were substantially enacted at the balance sheet date and, therefore, are recognised in these financial statements.

Further reductions to the UK corporation tax rate were announced in the March 2012 Budget. The changes, which are expected to be enacted separately each year, propose to reduce the rate to 24% from 1 April 2012, followed by 1% per annum to 22% by 1 April 2014. The changes had not been substantively enacted at the balance sheet date and, therefore, are not recognised in these financial statements.

DEVELOPMENT SECURITIES (PROJECTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the period ended 29 February 2012 (continued)

5 INVESTMENTS

	Shares in subsidiary undertakings £
At 1 January 2011	4,848,765
Additions	13
Disposals	<u>(181)</u>
At 29 February 2012	<u>4,848,597</u>

The above represents a direct 100% holding in the ordinary shares and voting rights of

	29 Feb 2012 £	31 Dec 2010 £
Development Securities (Greenwich) Limited	100	100
D S Property Developments Limited	174,001	174,001
Elvington Properties Limited	-	180
Development Securities (Curzon Park) Limited	1	1
Birmingham International Park Limited	4,674,480	4,674,480
Birmingham International Park (2000) Limited	2	2
Cornerstatic Limited	-	1
Blue Living (Pincent's Hill) Limited	1	-
Cambourne Business Park Limited	1	-
Capital Business Parks Developments Limited	1	-
Capital Business Parks Frimley Limited	1	-
Capital Business Parks Globeside Limited	1	-
Development Securities (10 St Bride Street) Limited	1	-
Development Securities (Bond Street) Limited	1	-
Development Securities (Hammersmith) Limited	1	-
Development Securities (No 42) Limited	1	-
Development Securities (Paddington) Limited	1	-
Development Securities (Southampton C) Limited	1	-
Development Securities Properties (Wales) Limited	1	-
The Royals Business Park Limited	<u>1</u>	<u>-</u>
	<u>4,848,597</u>	<u>4,848,765</u>

The above companies are engaged in property development and trading and are incorporated in Great Britain and registered in England and Wales

DEVELOPMENT SECURITIES (PROJECTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the period ended 29 February 2012 (continued)

6 DEBTORS

	29 Feb 2012 £	31 Dec 2010 £
Trade debtors	30,000	-
Amounts owed by related parties	7,500,000	-
Amounts owed by group undertakings	43,028,590	43,028,592
Other debtors	148,603	-
	<u>50,707,193</u>	<u>43,028,592</u>

There is neither a set date nor terms for repayment of the outstanding amounts owed by group undertakings and interest is not charged on these balances

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	29 Feb 2012 £	31 Dec 2010 £
VAT payable	6,000	-
Amounts owed to ultimate parent undertaking	52,652,787	44,469,987
Amounts owed to group undertakings	94	82
	<u>52,658,881</u>	<u>44,470,069</u>

The amounts owed to ultimate parent undertaking and amounts owed to group undertakings do not bear interest and there are no fixed terms for their repayment

8 CALLED UP SHARE CAPITAL

	29 Feb 2012 £	31 Dec 2010 £
Authorised:		
2,000,000 Ordinary shares of £1 each	<u>2,000,000</u>	<u>2,000,000</u>
Allotted and fully paid:		
2,000,000 Ordinary shares of £1 each	<u>2,000,000</u>	<u>2,000,000</u>

DEVELOPMENT SECURITIES (PROJECTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the period ended 29 February 2012 (continued)

9 RECONCILIATION OF TOTAL SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Called up share capital £	Profit and loss account £	Total shareholders' funds £
At 1 January 2011	2,000,000	1,407,288	3,407,288
Profit for the financial period	-	14,739,621	14,739,621
Dividends paid	-	(15,250,000)	(15,250,000)
At 29 February 2012	<u>2,000,000</u>	<u>896,909</u>	<u>2,896,909</u>

On 21 February 2012, the directors recommended and paid an interim dividend for the period ended 29 February 2012 of £7 625 per ordinary share at a total cost of £15,250,000 to Development Securities PLC

10 ULTIMATE PARENT UNDERTAKING

The ultimate parent, controlling party and parent company of the smallest and largest group of which Development Securities (Projects) Limited is a member and for which consolidated financial statements are produced is Development Securities PLC, a company incorporated in Great Britain and registered in England and Wales

Copies of the Development Securities PLC annual report and consolidated financial statements can be obtained from Portland House, Bressenden Place, London SW1E 5DS