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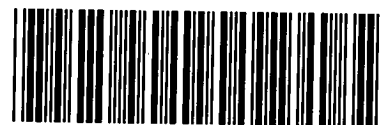
**DEVELOPMENT SECURITIES (PROJECTS) LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 28 FEBRUARY 2014**

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**DEVELOPMENT SECURITIES (PROJECTS) LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

M H Marx  
C J Barwick  
M S Weiner  
M O Shepherd  
J S Hesketh  
D A K Trench  
P R Patenall  
L W Martin  
D P Redstone  
R C McCubbine

**COMPANY SECRETARY**

M O Shepherd

**REGISTERED NUMBER**

02850465

**REGISTERED OFFICE**

Portland House  
Bressenden Place  
London  
SW1E 5DS

**INDEPENDENT AUDITORS**

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

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**DEVELOPMENT SECURITIES (PROJECTS) LIMITED**

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## DEVELOPMENT SECURITIES (PROJECTS) LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2014

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#### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

On 19 December 2013, the company entered in to a joint venture arrangement with Harwell Oxford Partners LLP, to acquire a 50% interest in The Harwell Science and Innovation Campus Limited Partnership, a science and technology park based in Oxfordshire. The company provided a £6,350,000 loan to this partnership.

On 18 November 2013, the company entered in to a joint venture arrangement with Orion Land and Leisure Limited, to acquire a property in long leasehold property in Shepherd's Bush, London.

During the year, the company received interim dividends for the year ended 28 February 2014 totaling £14,614,696, including DS (Sevenoaks) Limited (£7,000,000), DS Property Developments Limited (£1,500,000), Birmingham International Park Limited (£6,114,682) and Globeside Business Park Management Limited (£14).

#### PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the company's strategy are subject to a number of risks, particularly around market and operational risks in the current difficult market conditions. 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.

#### FINANCIAL KEY PERFORMANCE INDICATORS

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.

This report was approved by the board on 26 November 2014 and signed on its behalf.



**M O Shepherd**  
Company secretary

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## **DEVELOPMENT SECURITIES (PROJECTS) LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2014**

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The directors present their report and the financial statements for the year ended 28 February 2014.

#### **RESULTS AND DIVIDENDS**

The profit for the financial year, amounted to £10,686,538 (2013 - £8,749,857).

On 10 February 2014, the directors recommended and paid an interim dividend for the year ended 28 February 2014 of £5.75 per ordinary share at a total cost of £11,500,000 to Development Securities PLC. The directors do not recommend the payment of a final dividend (2013 - £3.00 per ordinary share totalling £6,000,000).

#### **DIRECTORS**

The directors who were in office during the year and up to the date of signing of the financial statements were:

M H Marx  
C J Barwick  
M S Weiner  
M O Shepherd  
J S Hesketh  
D A K Trench  
P R Patenall  
L W Martin  
D P Redstone  
R C McCubbine

#### **QUALIFYING THIRD PARTY INDEMNITY PROVISIONS**

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.

#### **GOING CONCERN**

The directors believe that preparing the financial statements of the going concern basis is appropriate due to the continued financial support of the ultimate parent company Development Securities PLC. The directors have received confirmation that for the foreseeable future, Development Securities PLC intends to support the company such that it can meet its liabilities as they fall due.

#### **DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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**DEVELOPMENT SECURITIES (PROJECTS) LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 28 FEBRUARY 2014**

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**INDEPENDENT AUDITORS**

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 26 November 2014 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'M O Shepherd', is written over a horizontal line.

**M O Shepherd**  
Company secretary

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## **DEVELOPMENT SECURITIES (PROJECTS) LIMITED**

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### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2014**

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The directors are responsible for preparing the Strategic report, 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 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 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;
- 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.

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

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### **Report on the financial statements**

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#### **Our opinion**

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 28 February 2014 and of its profit for the financial 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.

This opinion is to be read in the context of what we say in the remainder of this report.

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#### **What we have audited**

The financial statements, set out on pages 7 to 16, which are prepared by Development Securities (Projects) Limited, comprise:

- the balance sheet as at 28 February 2014;
- the profit and loss account for the financial year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation comprises applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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#### **What an audit of financial statements involves**

We conducted our audit in accordance with International Standards on Auditing (UK & Ireland) ("ISAs (UK & Ireland)"). 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 Strategic report, Directors' report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.



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

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### **Other matters on which we are required to report by exception**

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#### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

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#### **Directors' remuneration**

Under the Companies Act 2006 we are required to report if, in our opinion, certain disclosures of directors' remuneration specified by law have not been made. We have no exceptions to report arising from this responsibility.

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### **Responsibilities for the financial statements and the audit**

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#### **Our responsibilities and those of the directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 ISAs (UK & 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.



Julian Jenkins (Senior Statutory Auditor)  
for and on behalf of PRICEWATERHOUSECOOPERS LLP  
Chartered Accountants and Statutory Auditors  
1 Embankment Place  
London  
WC2N 6RH

26 November 2014

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**DEVELOPMENT SECURITIES (PROJECTS) LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 28 FEBRUARY 2014**

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	Note	2014 £	2013 £
<b>TURNOVER</b>	2	<b>376,900</b>	321,752
Cost of sales		-	(30,000)
		<hr/>	<hr/>
<b>GROSS PROFIT</b>		<b>376,900</b>	291,752
Administrative expenses		(2,630,445)	(13)
Other operating income	3	336,091	-
		<hr/>	<hr/>
<b>OPERATING (LOSS)/PROFIT</b>	4	<b>(1,917,454)</b>	291,739
Income from fixed asset investments	6	14,614,696	6,000,000
Interest receivable and similar income	10	2,663,776	2,458,118
Amounts written off investments	8	(4,674,480)	-
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>10,686,538</b>	8,749,857
Tax on profit on ordinary activities	7	-	-
		<hr/>	<hr/>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	13	<b>10,686,538</b>	8,749,857
		<hr/>	<hr/>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the financial year stated above and their historical cost equivalents.


The notes on pages 9 to 16 form part of these financial statements.

**DEVELOPMENT SECURITIES (PROJECTS) LIMITED**  
**REGISTERED NUMBER: 02850465**

**BALANCE SHEET**  
**AS AT 28 FEBRUARY 2014**

	Note	£	2014 £	£	2013 £
<b>FIXED ASSETS</b>					
Investments	8		8,658,525		4,848,597
<b>CURRENT ASSETS</b>					
Work in progress	9	1,072,760		-	
Debtors	10	21,114,558		16,675,942	
		<u>22,187,318</u>		<u>16,675,942</u>	
<b>CREDITORS:</b> amounts falling due within one year	11	<u>(26,012,539)</u>		<u>(15,877,773)</u>	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			<u>(3,825,221)</u>		<u>798,169</u>
<b>NET ASSETS</b>			<u>4,833,304</u>		<u>5,646,766</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	12		2,000,000		2,000,000
Profit and loss account	13		<u>2,833,304</u>		<u>3,646,766</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>	14		<u>4,833,304</u>		<u>5,646,766</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 November 2014.

  
**M H Marx**  
 Director

The notes on pages 9 to 16 form part of these financial statements.

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## DEVELOPMENT SECURITIES (PROJECTS) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2014

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#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

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

##### 1.2 Going concern

The directors believe that preparing the financial statements of the going concern basis is appropriate due to the continued financial support of the ultimate parent company Development Securities PLC. The directors have received confirmation that for the foreseeable future, Development Securities PLC intends to support the company such that it can meet its liabilities as they fall due.

##### 1.3 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.

##### 1.4 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.

##### 1.5 Turnover

Turnover comprises development management fee income, asset management fee income and project management fee income, which excludes value added tax, are recognised as services are provided. Turnover includes proceeds on the sale trading property when the risks and rewards of ownership have been transferred to the purchaser. Full provision is made for all known or expected losses on completing a development once such losses are foreseen.

##### 1.6 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.

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## DEVELOPMENT SECURITIES (PROJECTS) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2014

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.7 Work in progress

Work in progress, comprising developments, is carried as inventory and stated at the lower of cost and estimated net realisable value. Cost also includes directly attributable expenditure. No element of overhead is included in cost, since it is not practical to identify overhead amounts in respect of particular assets. Where directors consider that the costs are not recoverable from the proposed scheme, the project or site is written down to its net realisable value, with the write-down taken to the profit and loss account. Net realisable value is calculated as the estimated realisable value of the project or site, based upon our current plans, less all further costs to be incurred in making the sale.

##### 1.8 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.

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

##### 1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

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**DEVELOPMENT SECURITIES (PROJECTS) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2014**

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**2. TURNOVER**

An analysis of turnover by class of business is as follows:

	2014 £	2013 £
Development management fees	150,000	150,000
Asset management fees	135,417	171,752
Project management fees	91,483	-
	<u>376,900</u>	<u>321,752</u>

All turnover arose within the United Kingdom.

**3. OTHER OPERATING INCOME**

	2014 £	2013 £
Compensation received from termination of development contract	<u>336,091</u>	<u>-</u>

**4. OPERATING (LOSS)/PROFIT**

Auditors' remuneration of £2,500 (2013 - £2,500) has been borne by Development Securities PLC, the ultimate parent company.

The operating (loss)/profit is stated after charging:

	2014 £	2013 £
Difference on foreign exchange	<u>(5,358)</u>	<u>-</u>

**5. STAFF COSTS**

The company has no employees other than the directors (2013 - none). Their remuneration, including pension costs, is not borne directly by the company but by Development Securities PLC. The entity has been recharged its share of overhead expenses totalling £2,436,044 (2013: £NIL). This includes directors' costs. However, the amount is not easily identifiable.

**6. INCOME FROM OTHER FIXED ASSET INVESTMENTS**

	2014 £	2013 £
Investment income	<u>14,614,696</u>	<u>6,000,000</u>

Investment income relates to dividends received from subsidiary undertakings during the year.

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**DEVELOPMENT SECURITIES (PROJECTS) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2014**

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**7. TAX ON PROFIT ON ORDINARY ACTIVITIES**

There is no tax charge in the current year (2013 - £NIL).

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 23.1% (2013 - 24.2%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>10,686,538</u>	<u>8,749,857</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.1% (2013 - 24.2%)	2,468,590	2,117,465
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,079,805	-
Non-taxable investment income	(3,375,995)	(1,452,000)
Group relief claimed for nil consideration	(172,400)	(665,465)
	<u>-</u>	<u>-</u>
<b>Current tax charge for the year (see note above)</b>	<u>-</u>	<u>-</u>

**Factors that may affect future tax charges**

During the year, as a result of the changes in the UK corporation tax rate to 21% from 1 April 2014 and to 20% from 1 April 2015, which were substantially enacted on 2 July 2013, these have been recognised in the preparation of the financial statements.

**8. FIXED ASSET INVESTMENTS**

	Investments in subsidiary companies £	Investments in associates £	Loans to related parties £	Total £
<b>Cost or valuation</b>				
At 1 March 2013	4,848,587	10	-	4,848,597
Additions	2,134,208	200	6,350,000	8,484,408
Impairment	(4,674,480)	-	-	(4,674,480)
At 28 February 2014	<u>2,308,315</u>	<u>210</u>	<u>6,350,000</u>	<u>8,658,525</u>
<b>Net book value</b>				
At 28 February 2014	<u>2,308,315</u>	<u>210</u>	<u>6,350,000</u>	<u>8,658,525</u>
At 28 February 2013	<u>4,848,587</u>	<u>10</u>	<u>-</u>	<u>4,848,597</u>

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**DEVELOPMENT SECURITIES (PROJECTS) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2014**

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**8. FIXED ASSET INVESTMENTS (continued)**

Investments in subsidiaries above represents a direct 100% holding in the ordinary shares and voting rights. Investments in associated undertakings are separately identified below:

	28 Feb 2014	29 Feb 2013
	£	£
Development Securities (Greenwich) Limited	100	100
D S Property Developments Limited	174,001	174,001
Development Securities (Curzon Park) Limited	1	1
Birmingham International Park (2000) Limited	2	2
Birmingham International Park Limited	-	4,674,480
Blue Living (Pincents Hill) Limited	1	1
Cambourne Business Park Limited	1	1
Capital Business Parks Frimley Limited	1	1
Capital Business Parks Development Limited	-	1
Capital Business Parks Globeside Limited	1	1
Development Securities (10 St Bride Street) Limited	1	1
Development Securities (Bond Street) Limited	1	1
Development Securities (Hammersmith) Limited	1	1
Development Securities (No.42) Limited	1	1
Development Securities (Paddington) Limited	1	1
Development Securities (Southampton C) Limited	1	1
K&E (South Woodham Ferrers) Limited	1	1
The Royals Business Park Limited	1	1
Development Securities Projects (Dublin) Ltd	1	-
Percy Place DS (Ireland) Limited	2,134,098	-
Accrue Manchester LP (50%)	10	-
Harwell Oxford Development Limited (50%)	50	-
Harwell Oxford Development (GP) Limited (50%)	50	-
Harwell Oxford Development Limited (50%)	50	-
OSB (Holdco 1) Limited (50%)	50	-
Purplexed LLP (50%)	100	-
<b>Total</b>	<b>2,308,525</b>	<b>4,848,597</b>

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

During the year, the Company has written off its investment in Birmingham International Park Limited amounting to £4,674,480 following the liquidation of this subsidiary undertaking.

The directors believe that the carrying value of the investments is supported by their underlying net assets.



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**DEVELOPMENT SECURITIES (PROJECTS) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2014**

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**9. WORK IN PROGRESS**

	2014 £
<b>At cost:</b>	
Additions and at 28 February 2014	<b>1,072,760</b>

**10. DEBTORS**

	2014 £	2013 £
Trade debtors	165,000	30,000
Amounts owed by group undertakings	3,845,553	3,499,999
Amounts owed by related parties	16,809,019	12,958,128
VAT repayable	75,959	-
Other debtors	199,156	166,982
Prepayments and accrued income	19,871	20,833
	<b>21,114,558</b>	<b>16,675,942</b>

Included within amounts owed by related parties are funding arrangements entered into by the entity with joint venture partners. Interest earned during the year amounted to £2,663,776 (2013 - £2,458,118).

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.

**11. CREDITORS:**

**Amounts falling due within one year**

	2014 £	2013 £
Amounts owed to group undertakings	25,890,195	15,847,182
VAT payable	-	22,247
Other creditors	11	11
Accruals and deferred income	122,333	8,333
	<b>26,012,539</b>	<b>15,877,773</b>

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

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**DEVELOPMENT SECURITIES (PROJECTS) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2014**

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**12. CALLED UP SHARE CAPITAL**

	2014 £	2013 £
<b>Allotted, called up and fully paid</b>		
2,000,000 (2013: 2,000,000) Ordinary shares of £1 each	<u>2,000,000</u>	<u>2,000,000</u>

**13. RESERVES**

	Profit and loss account £
At 1 March 2013	3,646,766
Profit for the financial year	10,686,538
Dividends (Note 14)	<u>(11,500,000)</u>
At 28 February 2014	<u>2,833,304</u>

**14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2014 £	2013 £
Opening shareholders' funds	5,646,766	2,896,909
Profit for the financial year	10,686,538	8,749,857
Dividends (Note 15)	<u>(11,500,000)</u>	<u>(6,000,000)</u>
Closing shareholders' funds	<u>4,833,304</u>	<u>5,646,766</u>

**15. DIVIDENDS**

	2014 £	2013 £
Dividends paid on equity capital	<u>11,500,000</u>	<u>6,000,000</u>

On 10 February 2014 the directors recommended and paid an interim dividend for the year ended 28 February 2014 of £5.75 per ordinary share at a total cost of £11,500,000 to Development Securities PLC.

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**DEVELOPMENT SECURITIES (PROJECTS) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2014**

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**16. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

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.