

Registered number: 03794233

GENERALI SAXON LAND DEVELOPMENT COMPANY LIMITED

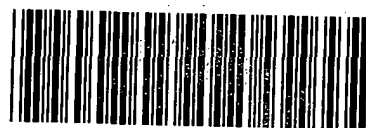
Formerly

Generali Portfolio Management (UK) Limited

REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2014

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GENERALI SAXON LAND DEVELOPMENT COMPANY LIMITED

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GENERALI SAXON LAND DEVELOPMENT COMPANY LIMITED

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

S Spano
A Prince

COMPANY SECRETARY

N Brown

REGISTERED NUMBER

03794233

REGISTERED OFFICE

100 Leman Street
London
E1 8AJ

INDEPENDENT AUDITORS

Ernst & Young LLP
25 Churchill Place
London
E14 5EY

BANKERS

The Royal Bank of Scotland Plc
62/63 Threadneedle Street
London
EC2R 8LA

SOLICITORS

Clifford Chance LLP
10 Upper Bank Street
London
E14 5JJ

GENERALI SAXON LAND DEVELOPMENT COMPANY LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2014

The Directors present their report with the financial statements of the Company for the 9 months ended 31 December 2014.

DIVIDENDS

No final dividends will be distributed for the year ended 31 December 2014 (31 March 2014: £nil). The Directors declared an interim dividend of £1,102,218 during the period (31 March 2014: £nil).

DIRECTORS

The directors who served during the period were:

G Daboni (resigned 11 December 2014)
L Steyn (appointed 9 December 2013, resigned 11 December 2014)
S Spano (appointed 23 April 2014)
A Prince (appointed 23 April 2014)

GOING CONCERN

After making enquiries, the Directors have assessed the going concern by considering forecasts and budgets of the Company. These areas having been reviewed, the Directors have reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the report and financial statements.

DISCLOSURE OF INFORMATION TO THE 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.

GENERALI SAXON LAND DEVELOPMENT COMPANY LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2014**

DIRECTORS' RESPONSIBILITIES STATEMENT

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 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.

AUDITORS

At a meeting of the Directors of the Company held on 13 November 2000 resolutions from the sole member of the Company were received to dispense with the requirements to hold annual general meetings of the Company and to reappoint auditors annually. Our auditors, Ernst & Young LLP, have indicated their willingness to continue in office.

This report was approved by the board on 30 September 2015 and signed on its behalf by:



S Spano
Director

GENERALI SAXON LAND DEVELOPMENT COMPANY LIMITED

**STRATEGIC REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2014**

The Directors present this Strategic Report for the 9 months ended 31 December 2014.

PRINCIPAL ACTIVITIES

On 24 April 2014 the Company changed its name to Generali Saxon Land Development Company Limited and has changed its principal activity to that of property development.

The Company is acting as a developer for the redevelopment of 120 Fenchurch Street, London for Saxon Land B.V. The Company is ultimately a wholly owned subsidiary of Assicurazioni Generali SpA which is incorporated in Italy.

The previous principal activity was the provision of discretionary portfolio management to clients in the United Kingdom.

REVIEW OF BUSINESS

The loss for the period, after taxation, amounted to £223,128 (31 March 2014 – profit £535,120)

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's financial risk management policy seeks to ensure that adequate financial resources are available to meet any liabilities as they fall due.

Liquidity risk

The Company actively manages its costs flow and the availability of funding so as to ensure that all funding needs are met. As part of its overall prudent liquidity management, the Company maintains sufficient levels of cash to meet its working capital requirement.

Credit risk

Credit risks are managed by the application of credit approvals and monitoring procedures.

Business risk and market risk

Market risks are limited to completion of the development on time. The property has been pre-let which has limited the letting market risk.

This report was approved by the board on 30 September 2015 and signed on its behalf by:



S Spano
Director

GENERALI SAXON LAND DEVELOPMENT COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GENERALI SAXON LAND DEVELOPMENT COMPANY LIMITED

We have audited the financial statements of Generali Saxon Land Development Company Limited for the period ended 31 December 2014, which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 19. 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 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 and the Strategic Report to identify material inconsistencies with the audited 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.

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 2014 and of its loss 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 Strategic report and the Directors' report and the Strategic report for the financial period for which the financial statements are prepared is consistent with the financial statements.

GENERALI SAXON LAND DEVELOPMENT COMPANY LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
GENERALI SAXON LAND DEVELOPMENT COMPANY LIMITED**

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.

Ernst & Young LLP

Denise Larnder (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP
Statutory Auditor
London

Date: *30 September 2015*

GENERALI SAXON LAND DEVELOPMENT COMPANY LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 2014**

	Note	9 months ended 31 December 2014 £	15 months ended 31 March 2014 £
TURNOVER	1, 2	6,880,958	2,197,095
Cost of sales		(6,780,500)	(203,804)
GROSS PROFIT		100,458	1,993,291
Administrative expenses	3	(118,687)	(2,262,796)
Other operating income		-	993,949
OPERATING (LOSS)/PROFIT	4	(18,229)	724,444
Interest receivable and similar income		1,601	2,925
Interest payable and similar charges	7	-	(2,117)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(16,628)	725,252
Tax on (loss)/profit on ordinary activities	8	(206,500)	(190,132)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(223,128)	535,120
PROFIT BROUGHT FORWARD		1,321,548	786,428
Interim dividends	16	(1,102,218)	-
RETAINED (LOSS)/PROFIT CARRIED FORWARD		(3,798)	1,321,548

All amounts included in the 9 months ended 31 December 2014 apart from administrative costs of £14,258 relate to continuing operations whereas all amounts included in the 15 months ended 31 March 2014 relate to the previous portfolio management activities, which were discontinued in that period.

There were no recognised gains and losses for the periods ended 31 December 2014 and 31 March 2014 other than those included in the Profit and loss account.


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

GENERALI SAXON LAND DEVELOPMENT COMPANY LIMITED
REGISTERED NUMBER: 03794233

BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	£	31 December 2014 £	£	31 March 2014 £
CURRENT ASSETS					
Development costs to be recharged	9	6,780,500		-	
Debtors	10	1,240,713		398,231	
Cash at bank		252,649		1,923,214	
		<u>8,273,862</u>		<u>2,321,445</u>	
CREDITIORS: amounts falling due within one year	11	<u>(8,027,660)</u>		<u>(749,897)</u>	
NET CURRENT ASSETS			246,202		1,571,548
NET ASSETS			<u>246,202</u>		<u>1,571,548</u>
CAPITAL AND RESERVES					
Called up share capital	13		250,000		250,000
Profit and loss account	14		(3,798)		1,321,548
			<u>246,202</u>		<u>1,571,548</u>
SHAREHOLDERS' FUNDS	15		<u>246,202</u>		<u>1,571,548</u>

The financial statements were approved and authorised for issue by the board on 30 September 2015 and were signed on its behalf by :


S Spano
Director


A Prince
Director

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

GENERALI SAXON LAND DEVELOPMENT COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS FOR THE
PERIOD ENDED 31 DECEMBER 2014**

1. ACCOUNTING POLICIES**Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Certain corresponding amounts have been reclassified to conform to current year presentation.

Cash flow statement

A cash flow statement has not been included in the financial statements as the Company has taken advantage of the exemption from the requirements of Financial Reporting Standard (FRS) 1 on the grounds that it is a wholly owned subsidiary and that its cash flows are incorporated in the publicly available, consolidated financial statements of its ultimate parent Company (note 19).

Related parties transactions

The Company has taken exemption from disclosure of intra-group transactions as permitted by FRS 8 on the grounds that it is a wholly owned subsidiary and that the financial statements of its ultimate parent Company in which such transactions are consolidated are publicly available (note 19).

Going concern

During the previous period the Directors disposed of the Company's trade and assets. In the current period the Company's name and principal activity has been changed. The Company has entered into a contract where it will carry out the redevelopment of 120 Fenchurch Street, London, for Saxon Land BV, a company within the Assicurazioni Generali SpA group.

As a result the financial statements have been prepared on a going concern basis.

Turnover

The turnover in the period to 31 March 2014 represents amounts received for the provision of discretionary portfolio management to clients. The turnover in the period to 31 December 2014 represents amounts rechargeable but not yet invoiced during the period, exclusive of Value Added Tax, together with the fee earned on development costs to be recharged. Amounts rechargeable but not yet invoiced are recognised in the balance sheet as Development costs to be recharged.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

GENERALI SAXON LAND DEVELOPMENT COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS FOR THE
PERIOD ENDED 31 DECEMBER 2014**

1. ACCOUNTING POLICIES (continued)**Pension costs**

The Company offered certain of its employees membership of a defined benefit, group pension scheme, which required contributions to be made to a separately administered fund. This scheme was closed as of the end of 2011.

The Company offers employees membership of a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company. The annual contributions payable are charged to the profit and loss account.

Deferred Taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more tax, except that deferred tax assets are recognised only to the extent that the Directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

2. TURNOVER

The 2015 turnover and profit before tax is attributable to development management fees and development costs to be recharged. The 2014 turnover represents amounts received for the provision of discretionary portfolio management to clients. All turnover arose within the United Kingdom.

GENERALI SAXON LAND DEVELOPMENT COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS FOR THE
PERIOD ENDED 31 DECEMBER 2014**

3. OTHER OPERATING INCOME

	9 months ended 31 December 2014 £	15 months ended 31 March 2014 £
Proceeds from the sale of the investment management business	-	993,949

4. OPERATING (LOSS)/PROFIT

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

	9 months ended 31 December 2014 £	15 months ended 31 March 2014 £
Depreciation of tangible fixed assets:		
- owned by the company	-	5,406
Auditors' remuneration	22,500	40,000
Difference on foreign exchange	-	399
Operating Leases – land and buildings	-	27,594

Brokerage charges of £nil (period ended 31 March 2014: £169,886) were included within cost of sales.

5. PARTICULARS OF EMPLOYEES

Staff costs, including Directors' remuneration, were as follows:

	9 months ended 31 December 2014 £	15 months ended 31 March 2014 £
Wages and salaries	33,333	673,758
Social security costs	4,234	78,401
Other pension costs	1,733	538,462
	<u>39,300</u>	<u>1,290,621</u>

The average monthly number of employees during the period was as follows:

	9 months ended 31 December 2014	15 months ended 31 March 2014
Full time equivalent staff	<u>1</u>	<u>6</u>

GENERALI SAXON LAND DEVELOPMENT COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS FOR
THE PERIOD ENDED 31 DECEMBER 2014**

6. DIRECTORS' REMUNERATION

	9 months ended 31 December 2014 £	15 months ended 31 March 2014 £
Remuneration received	-	270,617

The Directors are remunerated by other Assicurazioni Generali SpA group companies for their services to the group. The Directors received no remuneration in relation to services to the Company from this Company or any other Generali Group company (31 March 2014: £14,583).

7. INTEREST PAYABLE AND SIMILAR CHARGES

	9 months ended 31 December 2014 £	15 months ended 31 March 2014 £
Interest payable on bank borrowing	-	2,117

8. TAXATION

	9 months ended 31 December 2014 £	15 months ended 31 March 2014 £
Analysis of tax charge in the period/year		
Current tax (see note below)		
UK corporation tax charge on profit for the period/year	-	395,519
Adjustments in respect of prior periods	-	(470)
Total current tax	-	395,049
Deferred tax		
Capital gains and losses	206,500	(206,500)
Other	-	1,583
Total deferred tax (see note 12)	206,500	(204,917)
Tax on (loss)/profit on ordinary activities	206,500	190,132

GENERALI SAXON LAND DEVELOPMENT COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2014**

8. TAXATION (continued)

Factors affecting tax charge for the period

The tax assessed for the period is the same as the standard rate of corporation tax in the UK of 20% (31 March 2014 - 23.24%). The differences are explained below:

	9 months ended 31 December 2014 £	15 months ended 31 March 2014 £
(Loss)/Profit on ordinary activities before tax	(16,628)	725,252
(Loss)/Profit on ordinary activities multiplied by standard rate of Corporation tax in the UK of 21.49% (31 March 2014 – 23.24%)	(3,573)	168,548
Effects of:		
Expenses not deductible for tax purposes	-	3,587
Capital allowances for period/year in excess of depreciation	-	(570)
Chargeable gains	-	232,400
Other timing differences	-	(584)
Tax credits	-	(4,757)
Adjustment to tax charge in respect of previous periods	-	(3,575)
Losses carried forward	3,573	-
Current tax charge for the period/year	-	395,049

9. DEVELOPMENT COSTS TO BE RECHARGED

	31 December 2014 £	31 March 2014 £
Additions in the period	6,780,500	-

These amounts were subsequently billed and settled.

GENERALI SAXON LAND DEVELOPMENT COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS FOR THE
PERIOD ENDED 31 DECEMBER 2014**

10. DEBTORS

	31 December 2014 £	31 March 2014 £
Trade debtors	-	91,730
VAT recoverable	1,140,255	-
Other debtors	-	100,001
Prepayments and accrued income	100,458	-
Deferred tax asset (see note 12)	-	206,500
	1,240,713	398,231

11. CREDITORS

Amounts falling due within one year

	31 December 2014 £	31 March 2014 £
Trade creditors	1,086,580	10,350
Amounts owed to group undertakings	5,723,091	201,360
Corporation tax	-	312,509
Other taxation and social security	-	33,790
Other creditors	-	90,663
Accruals and deferred income	1,217,989	101,225
	8,027,660	749,897

12. DEFERRED TAX ASSET

	31 December 2014 £	31 March 2014 £
At beginning of period/year	206,500	1,583
Charged for/(Released during) period/year (P&L)	(206,500)	204,917
	-	206,500
The deferred tax asset is made up as follows:		
Prepaid capital gains tax on contingent assets	-	206,500
	-	206,500

GENERALI SAXON LAND DEVELOPMENT COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS FOR THE
PERIOD ENDED 31 DECEMBER 2014**

13. SHARE CAPITAL

	31 December 2014 £	31 March 2014 £
Allotted, called up and fully paid 250,000 Ordinary Shares shares of £1 each	<u>250,000</u>	<u>250,000</u>

14. MOVEMENT IN RESERVES

	Profit and loss account £
At 31 March 2014	1,321,548
Loss for the financial period	(223,128)
Dividends	(1,102,218)
At 31 December 2014	<u>(3,798)</u>

**15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS'
FUNDS**

	31 December 2014 £	31 March 2014 £
Opening shareholders' funds	1,571,548	1,036,428
(Loss)/Profit for the financial period/year	(223,128)	535,120
Dividends (Note 16)	(1,102,218)	-
Closing shareholders' funds	<u>246,202</u>	<u>1,571,548</u>

GENERALI SAXON LAND DEVELOPMENT COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 31 DECEMBER 2014**

16. DIVIDENDS

	9 months ended 31 December 2014 £	15 months ended 31 March 2014 £
Interim dividends paid on equity capital	1,102,218	-

17. PENSION COMMITMENTS

The Assicurazioni Generali SpA (UK Branch) pension fund in which the Company participated is now closed to new members other than life assurance only members on 1 August 2003 and has now been closed to further funds accruals. The assets of the scheme were held separately from those of the Company and other participating entities in an independently administered fund. In January 2014 a final payment was made by the Company which has no outstanding liabilities to the fund.

18. CONTINGENT LIABILITIES

There is a contingent liability in relation to a profit share agreement that the Company has entered into for the redevelopment of the 120 Fenchurch Street property in London. Given that the development is at an early stage, this obligation cannot be quantified with any certainty at the moment. A provision will be recognised when the obligation which can be measured with sufficient certainty in the future.

19. ULTIMATE PARENT UNDERTAKING

The Company's ultimate parent undertaking and controlling party is Assicurazioni Generali SpA which is incorporated in Italy. Copies of its group financial statements, which include the Company, are available from Piazza Duca degli Abruzzi, Trieste, Italy.