

# **Peak Courts Limited**

## **Annual Report**

**For the year ended 31 December 2003**

Registered Number: 04184537



# Peak Courts Limited

Annual Report  
For the year ended 31 December 2003

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**Peak Courts Limited**  
**Directors' Report**  
**For the year ended 31 December 2003**

The directors present their report and the audited financial statements for the year ended 31 December 2003.

**Principal Activities**

The principal activity of the company is that of a limited partner to a limited partnership which is involved in the development and construction of serviced premises. On completion the partnership is a lessor and manager of these premises.

**Review of business and future developments**

Both the level of business and the year end financial position were in line with budgets and expectations. The premises are occupied and the directors expect the company to trade profitably.

**Dividends and transfers to reserves**

The directors do not recommend the payment of a dividend (2002: £Nil). The profit for the financial year of £202 (2002: loss of £885) has been transferred to reserves.

**Directors**

The directors of the company during the period were as follows:

Stephen Robert Cash (resigned 16 July 2003)  
Giles James Frost  
Nicolas Anton Lethbridge (resigned 16 July 2003)  
Stephen Leslie Barter (resigned 7 July 2003)  
Michael Gregory (appointed 17 June 2003)  
Timothy Duncan (appointed 16 July 2003)

None of the directors have any disclosable interests in the shares of the company or any group company.

## **Peak Courts Limited**

### **Statement of Directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2003 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statement comply with the Companies Act 1985. 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**

In accordance with the procedure set out in Regulation 53 of Table A in the Schedule to the Companies Act Regulations 1985 as amended which is incorporated in the articles of association of the Company, the company has dispensed with annual obligation to appoint auditors.

### **By order of the board**



**S Downs**  
**Company Secretary**

## **Independent auditors' report to the members of Peak Courts Limited**

We have audited the company's financial statements for the year ended 31 December 2003 which comprise the profit and loss account, the balance sheet, and related notes 1 to 12. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements with it.

### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company as at 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Ernst & Young LLP*

**Ernst & Young LLP  
Registered Auditor  
London**

*14 August 2005*

**Peak Courts Limited**  
**Profit and loss account**  
**For the year ended 31 December 2003**

	Notes	Year ended 31 December 2003 £	Year ended 31 December 2002 £
<b>Operating profit</b>		-	-
Income from fixed asset investment	3	<u>2,165</u>	<u>(885)</u>
<b>Profit/(loss) on ordinary activities before taxation</b>		2,165	(885)
Tax on profit/(loss) on ordinary activities	4	<u>(1,963)</u>	<u>-</u>
<b>Profit/(loss) for the year</b>	10	<u><u>202</u></u>	<u><u>(885)</u></u>

All results relate to continuing operations.

The company has no recognised gains and losses other than the losses above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit/(loss) on ordinary activities before taxation and the loss for the year and its historical cost equivalents.

**Peak Courts Limited**  
**Balance sheet**  
**at 31 December 2003**

	Notes	31 December 2003 £	31 December 2002 £
<b>Fixed assets</b>			
Investments	5	<u>10</u>	<u>10</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	6	5,777	2
Creditors: amounts falling due within one year	7	<u>-</u>	<u>(1,011)</u>
<b>Net current liabilities</b>		<u>5,777</u>	<u>(1,009)</u>
<b>Total assets less current liabilities</b>		5,787	(999)
<b>Provisions for liabilities and charges</b>	8	<u>(6,584)</u>	<u>-</u>
<b>Net liabilities</b>		<u><u>(797)</u></u>	<u><u>(999)</u></u>
<b>Capital and reserves</b>			
Called up share capital	9	2	2
Profit & loss account	10	<u>(799)</u>	<u>(1,001)</u>
<b>Equity shareholders' deficit</b>	11	<u><u>(797)</u></u>	<u><u>(999)</u></u>

The financial statements on pages 4 to 9 were approved by the board of directors on 24 August 2005 and were signed on its behalf by:

**T Duncan**  
**Director**

**G Frost**  
**Director**

**Peak Courts Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2003**

**1 Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

**Going concern**

The financial statements have been prepared on the going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The directors believe the going concern basis to be appropriate as it has committed banking facilities to cover all projected expenditure during construction and is sufficiently cash generative thereafter to fully repay the debt and other expenses.

**Basis of accounting**

The financial statements have been prepared in accordance with the historical cost convention.

**Consolidated financial statements**

The financial statements contain information about Peak Courts Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Babcock & Brown Properties Limited, a company registered in England and Wales.

**Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

**Investments**

Investments are stated at cost less provision for any impairment in value.

**Cash flow statement and related party disclosures**

The company is a wholly-owned subsidiary of Babcock & Brown Properties Limited and is therefore included in its consolidated financial statements 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 1 (revised 1996). The Company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Babcock & Brown Properties Limited Group.

**2 Directors' emoluments**

None of the directors received any remuneration in respect of their services to the company during this year or the previous year.



## Peak Courts Limited

### 3 Income from Fixed asset investment

Income from fixed asset investment represents Peak Courts Limited's share of the results of the Derbyshire Courts Limited Partnership for the year.

### 4 Taxation

	31 December 2003	31 December 2002
	£	£
<b>UK Corporation tax</b>		
UK Corporation tax on profits for the year	-	-
Group relief payable/(recoverable)	(4,621)	-
	<u>(4,621)</u>	<u>-</u>
<b>Deferred Tax</b>		
Originating and reversal of timing differences - current year	6,133	-
Originating and reversal of timing differences - prior year	451	-
	<u>6,584</u>	<u>-</u>

#### Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is different from the standard rate of corporation tax in the UK of 30%.

Profit/(loss) on ordinary activities before tax	<u>2,165</u>	<u>(885)</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2002: 30%)	650	(266)
Effect of:		
Permanent differences	863	-
Non-qualifying depreciation		-
Depreciation in excess of capital allowances	(3,522)	-
Unrelieved tax losses carried forward	-	266
Other timing differences	(2,612)	-
	<u>(4,621)</u>	<u>-</u>

#### Factors that may affect future tax charges

The effective tax rate will continue to be affected by the capital allowances claim on qualifying

### 5 Fixed asset investments

	31 December 2003	31 December 2002
	£	£
Investment in partnership	<u>10</u>	<u>10</u>

The company has invested in Derbyshire Courts Limited Partnership through the pledge of £10 to the capital account of the limited partnership which has a total pledged capital of £1,000. The company is entitled to a 1% share of the net income or losses and a 1% share of any capital gains or losses of the limited partnership, and has no control over the operating decisions of the limited partnership.

Derbyshire Courts Limited Partnership is involved in the development and construction of serviced premises. On completion the partnership is a lessor and manager of these premises.

## Peak Courts Limited

### 6 Debtors

	31 December 2003 £	31 December 2002 £
Amount due from group undertaking	1,154	-
Amount due from associated company	4,621	
Called up share capital not paid	2	2
	<u>5,777</u>	<u>2</u>

The amount due from group undertaking comprises an amount of £1,154 (2002: amount due of £1,011) which is due to the Derbyshire Courts Limited Partnership of which the Company is a Limited Partner. This amount comprises unpaid Partnership Capital of £10 and the share of the Partnership profits allocated to the company of £1,164 (2002: loss £1,001). Under the terms of the Limited Partnership, the Company is only liable for the Partnership Capital for which it has subscribed. In the event of a dissolution of the Partnership the maximum liability of the Company is £10 of unpaid Partnership Capital.

### 7 Creditors: amounts falling due within one year

	31 December 2003 £	31 December 2002 £
Amount due to group undertaking	<u>-</u>	<u>1,011</u>

### 8 Provisions for liabilities and charges

#### Deferred tax provision

At 1 January 2003		-
Charge to the profit and loss account		6,133
Adjustment in respect of prior years		451
At 31 December 2003		<u>6,584</u>

The deferred tax consists of:

	31 December 2003 £	31 December 2002 £
Accelerated capital allowances	3,522	-
Other timing differences	5,057	-
Tax losses	(1,995)	-
	<u>6,584</u>	<u>-</u>

### 9 Called up share capital

	31 December 2003 £	31 December 2002 £
<b>Authorised</b>		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Allotted and Called Up</b>		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

### 10 Profit & Loss account

	2003 £	2002 £
At 1 January	(1,001)	(116)
Profit/(loss) for the year	202	(885)
At 31 December	<u>(799)</u>	<u>(1,001)</u>

## Peak Courts Limited

### 11 Reconciliation of movement in shareholders' deficit

	2003 £	2002
At 1 January	(999)	(114)
Profit/(loss) for the year	202	(885)
Closing shareholders' deficit	<u>(797)</u>	<u>(999)</u>

### 12 Controlling Party

The directors regard Babcock & Brown Properties Limited, a company incorporated in England and Wales as the immediate parent company and PFI Holdings Partners LP a limited partnership registered in the United States of America as the ultimate controlling party. Copies of the consolidated financial statements of Babcock & Brown Properties Limited can be obtained from 7th Floor, 1 Fleet Place, London EC4M 7NR.