

Registered number  
04316344

C.G.I.S. Littlehampton Limited  
(formerly DWSCO 2224 Limited)

Directors' Report and Accounts

30 June 2002



**C.G.I.S. Littlehampton Limited**  
**Report and accounts**  
**Contents**

	<b>Page</b>
Directors' report	1
Statement of directors' responsibilities	2
Independent auditors' report	3 - 4
Profit and loss account	5
Statement of total recognised gains and losses	6
Balance sheet	7
Notes to the accounts	8 - 13

## **C.G.I.S. Littlehampton Limited**

### **Directors' Report**

The directors present their annual report and the audited financial statements for the period ended 30 June 2002.

#### **Incorporation**

The company was incorporated on 5 November 2001 and the name was changed from DWSCO 2224 Limited to C.G.I.S. Littlehampton Limited on 7 December 2001. The company commenced trading on the 8 April 2002.

#### **Principal activities**

The company's principal activity during the period was property investment.

The company owns the beneficial interest in the property but not the legal title which is owned by Hawthorne Road Nominee (No1) Limited and Hawthorne Road Nominee (No2) Limited, which are both subsidiary undertakings.

#### **Results and dividends**

The results for the period and the amount proposed to be transferred to reserves are shown in the profit and loss account on page 4.

The directors do not recommend the payment of a final dividend.

#### **Directors**

The directors who served during the period and their interests in the share capital of the company were as follows:

DWS Directors Limited	Appointed 5 November 2001	Resigned 5 December 2001
M N Steinberg	Appointed 5 December 2001	
T S Cole	Appointed 5 December 2001	
S R Collins	Appointed 5 December 2001	

None of the directors have any interest in the share capital of the company.

The directors' interest in the shares of the ultimate holding company, City & General (Holdings) Limited, are disclosed in the accounts of that company.

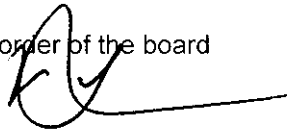
#### **Political and charitable donations**

During the period, the company made no charitable donations and no donations were made to political parties.

#### **Auditors**

In accordance with section 384 of the Companies Act 1985, a resolution to re-appoint KPMP Audit Plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

  
M N Steinberg  
Director

10 Upper Berkeley Street  
London  
W1H 7PE

27 March 2003

**C.G.I.S. Littlehampton Limited**  
**Statement of Directors' Responsibilities**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguarding the assets of the company and to prevent and detect fraud and other irregularities.

The above statement should be read in conjunction with the statement of auditors' responsibilities set out in the audit report on page 3.

KPMG Audit Plc  
8 Salisbury Square  
London EC4Y 8BB  
United Kingdom

**Report of the independent auditors to the member of C.G.I.S. Littlehampton Limited (formerly DWSCO 2224 Limited)**

We have audited the financial statements on pages 5 to 13.

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The directors are responsible for the preparing the directors' report and as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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.

**Basis of audit opinion**

We conducted our audit in accordance with 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.

**Report of the independent auditors to the member of C.G.I.S. Littlehampton  
Limited (formerly DWSCO 2224 Limited)**

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2002 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**KPMG Audit Plc**  
*Chartered Accountants*  
*Registered Auditors*

*28 March 2003*

**C.G.I.S. Littlehampton Limited**  
**Profit and Loss Account**  
**for the period from 5 November 2001 to 30 June 2002**

	<b>Notes</b>	<b>2002 £</b>
<b>Turnover</b>	2	152,785
Cost of sales		(7,680)
<b>Gross profit</b>		145,105
<b>Operating profit</b>		145,105
Interest payable	5	(101,730)
<b>Profit on ordinary activities before taxation</b>		<u>43,375</u>
Tax on profit on ordinary activities	6	-
<b>Retained profit for the period</b>	13	<u>43,375</u>

**Continuing operations**

The company commenced trading during the period, none of the activities were discontinued during the period.

There is no difference between the profit as stated and those prepared on the historic cost basis.

**C.G.I.S. Littlehampton Limited**  
**Statement of total recognised gains and losses**  
**for the period from 5 November 2001 to 30 June 2002**

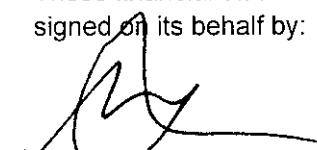
	<b>Notes</b>	<b>2002 £</b>
Profit for the period		43,375
Unrealised surplus on revaluation of properties	7	2,000
Total recognised gains and losses related to the period		<u>45,375</u>



**C.G.I.S. Littlehampton Limited**  
**Balance Sheet**  
**as at 30 June 2002**

	Notes	2002 £
<b>Fixed assets</b>		
Tangible assets	7	7,400,000
Investments	8	2
		<u>7,400,002</u>
<b>Current assets</b>		
Debtors	9	1
<b>Creditors: amounts falling due within one year</b>	10	(7,354,627)
<b>Net current liabilities</b>		<u>(7,354,626)</u>
<b>Total assets less current liabilities</b>		<u>45,376</u>
<b>Net assets</b>		<u>45,376</u>
<b>Capital and reserves</b>		
Called up share capital	11	1
Revaluation reserve	12	2,000
Profit and loss account	13	43,375
<b>Equity Shareholder's funds</b>	14	<u>45,376</u>

These financial statements were approved by the board of directors on 27 March 2003 and were signed on its behalf by:

  
M N Steinberg  
Director

**C.G.I.S. Littlehampton Limited**  
**Notes to the Accounts**  
**for the period from 5 November 2001 to 30 June 2002**

**1 Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements except as noted below. The company has adopted FRS 18 'Accounting policies' and FRS 19 'Deferred tax' in these financial statements.

***Accounting convention***

The financial statements have been prepared under the historical cost accounting rules, modified to include the revaluation of land and buildings, and in accordance with applicable accounting standards.

***Investment properties***

Investment properties are included in the balance sheet at their open market value at the balance sheet date on the basis of an annual professional valuation. Aggregate surpluses or deficits arising on valuation are transferred to a revaluation reserve. Impairment in the value of properties to below their carrying values are charged directly to the profit and loss account.

Additions to investment properties include only costs of a capital nature and certain refurbishment expenditure. Costs such as interest and other property outgoings are treated as revenue expenditure and written off as incurred.

In accordance with SSAP 19 (as amended) no depreciation or amortisation is provided in respect of freehold and leasehold investment properties. This treatment, as regards certain of the company's investment properties, is a departure from the requirements of Companies Act 1985 concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the Directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is necessary for the accounts to give a true and fair view. Depreciation or amortisation is only one of the factors reflected in annual valuation, and the amount which might otherwise be shown, cannot be separately identified or quantified.

***Group accounts***

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

***Cashflow statement***

The cash flow statement included in the consolidated financial statements of the intermediate holding company, C.G.I.S. Group Limited, complies with the conditions of Financial Reporting Standard No.1 (revised 1996) 'Cash flow statements' (FRS1). The company therefore is exempt under FRS1 from the requirement to prepare a separate cash flow statement.

***Related party transactions***

As the company is a wholly owned subsidiary of C.G.I.S. Group Limited, it has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances which form part of the group (or investees of the group qualifying as related parties).

The consolidated financial statements of C.G.I.S Group Limited, within which this company is included, can be obtained from 10 Upper Berkeley Street, London, W1H 7PE.

**C.G.I.S. Littlehampton Limited**  
**Notes to the Accounts**  
**for the period from 5 November 2001 to 30 June 2002**

***Deferred taxation***

As explained above, the Group has adopted the provisions of accounting standard FRS 19 'Deferred tax'. As a result deferred tax is now provided in respect of all timing differences that have originated but not reversed at the balance sheet date where an event has occurred that results in an obligation to pay more or less tax in the future, except that:

- a. provision is not made in respect of property revaluation surpluses unless an unconditional sales agreement has been signed and rollover relief is not available to cover any gain arising; and
- b. deferred tax assets are recognised only to the extent that it is more likely than not that there will be suitable taxable profits from which the future reversal of the relevant timing differences can be deducted.

Deferred tax is measured on a non discounted basis at the tax rates which apply at the balance sheet date.

**2 Turnover**

Turnover, which is stated net of value added tax, includes rents receivable and the invoiced value of other sales from operations within the United Kingdom.

**3 Staff numbers and costs**

Other than the directors, the company employed no staff during the period. None of the directors received any remuneration.

**4 Auditors' remuneration**

The auditors' remuneration has been borne by its intermediate parent company, C.G.I.S. Group Limited.

**5 Interest payable**

**2002**  
**£**

Other loans

101,730

Interest on intercompany loans is charged annually in arrears at bank base rate plus 2.25%. However, where this would result in a loss arising in the subsidiary company's accounts, the amount of interest charged is constrained to the funds available in that subsidiary company, such that neither a gain or a loss arises in its accounts.

**C.G.I.S. Littlehampton Limited**  
**Notes to the Accounts**  
**for the period from 5 November 2001 to 30 June 2002**

**6 Taxation**

**2002**  
**£**

UK corporation tax at 30%

-

The tax on the profit on ordinary activities has been reduced from the amount that would arise from applying the prevailing corporation tax rate to the company's profit as follows:-

**2002**  
**£**

UK corporation tax at 30% on profits before tax

13,012

Excess of capital allowances over depreciation

(4,933)

Permanently disallowable expenditure

1,152

Tax losses from group companies

(9,231)

-

A potential deferred tax asset arising from industrial buildings allowance has not been recognised in the accounts as the amount would be spread over 25 years and therefore it would not be prudent to recognise any deferred tax asset.

**7 Tangible fixed assets**

**Freehold  
land and  
buildings  
£**

**Cost**

At 5 November 2001

-

Additions

7,398,000

Surplus on revaluation

2,000

At 30 June 2002

7,400,000

**Net book value**

At 30 June 2002

7,400,000

Freehold land and buildings:

**2002**  
**£**

Historic cost

7,398,000

The company owns the beneficial interest in the property but not the legal title which is owned by Hawthorne Road Nominee (No1) Limited and Hawthorne Road Nominee (No2) Limited, which are both subsidiary undertakings.

The company's property has been valued as at 30 June 2002 by Christopher Wagstaff, ARICS, an employee of the Group using a methodology supported by the Group's independent external valuer, DTZ Debenham Tie Leung.

**C.G.I.S. Littlehampton Limited**  
**Notes to the Accounts**  
**for the period from 5 November 2001 to 30 June 2002**

**8 Investments**

	<b>Investments in subsidiary undertakings £</b>	<b>Total £</b>
<b>Cost</b>		
At 5 November 2001	-	-
Additions	2	2
Disposals	-	-
	<hr/>	<hr/>
At 30 June 2002	2	2

<b>Company</b>	<b>Shares held Class</b>	<b>%</b>
Hawthorne Road Nominee (No1) Limited	Ordinary	100
Hawthorne Road Nominee (No2) Limited	Ordinary	100

All subsidiary companies are registered in England and Wales.

**9 Debtors**

	<b>2002 £</b>
Amounts owed by group undertakings	<hr/> 1
Amounts due after more than one year included in: Amounts owed by group undertakings	<hr/> 1

**10 Creditors: amounts falling due within one year**

	<b>2002 £</b>
Amounts owed to group undertakings	7,157,880
Other taxes and social security costs	11,367
Other creditors	25,407
Accruals and deferred income	159,973
	<hr/> 7,354,627

**C.G.I.S. Littlehampton Limited**  
**Notes to the Accounts**  
**for the period from 5 November 2001 to 30 June 2002**

<b>11 Share capital</b>	<b>2002</b>
	<b>£</b>
Authorised:	
Ordinary shares of £1 each	100

	<b>2002</b>
	<b>£</b>
Allotted, called up and fully paid:	
Ordinary shares of £1 each	1

<b>Movement in share capital</b>	<b>2002</b>
	<b>£</b>
At 5 November 2001	-
Shares issued	1
At 30 June 2002	1

During the period 1 ordinary share of £1 was issued at par and was satisfied through the inter company account.

<b>12 Revaluation reserve</b>	<b>2002</b>
	<b>£</b>
At 5 November 2001	-
Arising on revaluation during the period	2,000
At 30 June 2002	2,000

<b>13 Profit and loss account</b>	<b>2002</b>
	<b>£</b>
At 5 November 2001	-
Retained profit	43,375
At 30 June 2002	43,375

<b>14 Reconciliation of movement in shareholder's funds</b>	<b>2002</b>
	<b>£</b>
At 5 November 2001	-
Profit for the financial period	43,375
Arising on revaluation during the period	2,000
Shares issued	1
At 30 June 2002	45,376

**C.G.I.S. Littlehampton Limited**

**Notes to the Accounts**

**for the period from 5 November 2001 to 30 June 2002**

**15 Ultimate holding company**

The ultimate holding company is City & General (Holdings) Limited, a company incorporated in England and Wales.

The smallest group in which the results of the company were consolidated was headed by C.G.I.S. Group Limited, a company registered in England and Wales.

The registered office of City & General (Holdings) Limited is 10 Upper Berkeley Street, London, W1H 7PE.

**C.G.I.S. Littlehampton Limited**

**Profit and Loss Account**

**for the period from 5 November 2001 to 30 June 2002**

*for the information of the directors only*

	<b>2002</b>
	<b>£</b>
<b>Sales</b>	152,785
Cost of sales	(7,680)
<b>Gross profit</b>	145,105
Administrative expenses	-
<b>Operating profit</b>	145,105
Interest payable	(101,730)
<b>Profit before tax</b>	43,375



**C.G.I.S. Littlehampton Limited**  
**Schedule to the Profit and Loss Account**  
**for the period from 5 November 2001 to 30 June 2002**  
*for the information of the directors only*

	<b>2002</b>
	<b>£</b>
<b>Sales</b>	
Rent receivable	152,785
	<u>152,785</u>
<b>Cost of sales</b>	
Property outgoings	7,680
	<u>7,680</u>