

# **Key Property Investments (Number Six) Limited**

## **Report and Accounts**

30 November 2004

*Registered Number 04331826*



## Key Property Investments (Number Six) Limited

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### Directors' Report

The directors present their report and financial statements for the year ended 30 November 2004.

### Results and Dividends

The retained loss of £3,393,000 (2003: £3,328,000) has been transferred from reserves.

The directors do not recommend the payment of a dividend for the year (2003: £nil).

### Principal Activity

The principal activity of the Company is that of an intermediate holding company.

### Review of the Business

The directors consider that the result and future prospects are satisfactory. No changes are envisaged.

### Directors and their Interests

The directors who have served during the year are:

G Alnafisi  
D K S Bushe  
N S Doyle  
R L Froggatt  
C C A Glossop (resigned 16 August 2004)  
A Al Hamdan (appointed 24 January 2004)  
W A Oliver (appointed 24 January 2004)  
A Al Usaimi

None of the directors had any interests in the share capital of the company.

### Auditors

Ernst & Young LLP have expressed a willingness to remain in office and a resolution to reappoint Ernst & Young LLP will be put forward at the Annual General Meeting.

By order of the board



T P Haywood

Secretary

Date 23 April 2005

### **Statement of Directors' Responsibilities in Relation to the Financial Statements**

Company law requires the directors to prepare accounts 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 of the company 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; and
- 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 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 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.

## **Independent Auditors' Report to the Members of Key Property Investments (Number Six) Limited**

We have audited the company's financial statements for the year ended 30 November 2004 which comprise the Profit and Loss Account, Balance Sheet, Statement of Total Recognised Gains and Losses, Reconciliation of Movements in Shareholders' Funds, Accounting Policies and the related notes 1 to 13. 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 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 within 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 affairs of the company as at 30 November 2004 and of its loss 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  
Birmingham

Date 24 MAY 2005

## Key Property Investments (Number Six) Limited

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### Profit and Loss Account

For the year ended 30 November 2004

	Notes	2004 £'000	2003 £'000
<b>Turnover</b>		-	-
Administrative expenses		-	(19)
Net interest payable	1	(4,851)	(4,731)
<b>Loss on ordinary activities before taxation</b>	2	<u>(4,851)</u>	<u>(4,750)</u>
Taxation on loss on ordinary activities	4	1,458	1,422
<b>Transferred to reserves</b>		<u><b>(3,393)</b></u>	<u><b>(3,328)</b></u>

All activities derive from continuing operations.

A statement of the movement in reserves is shown in note 10.

# Key Property Investments (Number Six) Limited

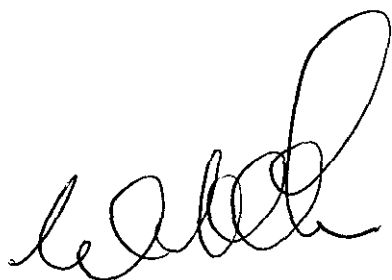
## Balance Sheet

At 30 November 2004

	Notes	2004 £'000	2003 £'000
<b>Fixed assets</b>			
Investments	5	<u>113,786</u>	<u>113,786</u>
<b>Current assets</b>			
Debtors	6	<u>6</u>	<u>-</u>
Cash at bank and in hand		<u>3,316</u>	<u>1,884</u>
		<u>3,322</u>	<u>1,884</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	7	<u>(38,746)</u>	<u>(33,042)</u>
<b>Net current liabilities</b>		<u>(35,424)</u>	<u>(31,158)</u>
<b>Total assets less current liabilities</b>		<u>78,362</u>	<u>82,628</u>
Creditors: amounts falling due after more than one year	8	<u>(85,083)</u>	<u>(85,956)</u>
<b>Net liabilities</b>		<u>(6,721)</u>	<u>(3,328)</u>
<b>Capital and reserves</b>			
Called up share capital	9	<u>-</u>	<u>-</u>
Profit and loss account	10	<u>(6,721)</u>	<u>(3,328)</u>
<b>Equity shareholders' funds</b>		<u>(6,721)</u>	<u>(3,328)</u>

The Report and Accounts were approved by the Board of Directors on 28 April 2005

Signed on behalf of the Board of Directors by



W A Oliver

Director

## Key Property Investments (Number Six) Limited

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### Supplementary Statements

For the year ended 30 November 2004

	2004 £'000	2003 £'000
<b>Statement of Total Recognised Gains and Losses</b>		
Loss for the year	(3,393)	(3,328)
Total recognised gains and losses for the year	<u>(3,393)</u>	<u>(3,328)</u>

	2004 £'000	2003 £'000
<b>Reconciliation of Movements in Shareholders' Funds</b>		
Loss attributable to shareholders	(3,393)	(3,328)
Net deduction from shareholders' funds	<u>(3,393)</u>	<u>(3,328)</u>
Opening shareholders' funds	(3,328)	-
Closing shareholders' funds	<u>(6,721)</u>	<u>(3,328)</u>

## Key Property Investments (Number Six) Limited

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### **Accounting Policies**

The accounts and notes have been prepared in accordance with applicable accounting standards.

### **Basis of Preparation**

The accounts have been prepared under the historical cost convention.

The company is dependent upon support from its parent company. This finance and support is available for the foreseeable future and the directors believe that it is therefore appropriate to prepare accounts on a going concern basis.

### **Investment in Subsidiary and Associated Companies**

The investments in subsidiary and associated companies are included in the company's balance sheet at cost.



# Key Property Investments (Number Six) Limited

## Notes to the Accounts

### 1. Net interest payable

	2004 £'000	2003 £'000
Interest payable on bank and other loans and overdrafts	4,897	4,764
Interest receivable	(46)	(33)
Net interest	<u>4,851</u>	<u>4,731</u>

### 2. Loss on ordinary activities before taxation

Auditors' remuneration was borne by a fellow subsidiary undertaking, Key Property Investments (Number One) Limited.

### 3. Employees

None of the directors received any remuneration during the period (2003:£nil).

The company has no employees. The company is operated on a day to day basis by Redman Heenan Properties Ltd, a subsidiary of St Modwen Properties PLC. Under an arms length management agreement Redman Heenan Properties Ltd receive 2% of income received for managing the property portfolio

### 4. Taxation on Loss on ordinary activities

	2004 £'000	2003 £'000
<b>(a) Analysis of charge in period</b>		
<b>Current tax</b>		
Group Relief receivable	(1,455)	(1,422)
Adjustments in respect of previous periods	(3)	-
Total current tax (note (b))	<u>(1,458)</u>	<u>(1,422)</u>
<b>(b) Factors affecting tax charge for period</b>		
Loss on ordinary activities before tax	<u>(4,851)</u>	<u>(4,750)</u>
Loss on ordinary activities at the standard rate of UK Corporation Tax	(1,455)	(1,425)
Adjustments to tax charge in respect of previous periods	(3)	3
	<u>(1,458)</u>	<u>(1,422)</u>

## Key Property Investments (Number Six) Limited

### Notes to the Accounts (continued)

#### 5. Fixed Asset Investments

Shares in subsidiary undertakings at cost £'000

30 November 2003 & 30 November 2004 113,786

Details of the investment in subsidiary undertakings is as follows:

The company holds 100% of the ordinary shares in the following companies, each of which is registered in England & Wales:

<i>Name of Company</i>	<i>Nature of business</i>
Key Property Investments (Number Seven) Limited	Property investment
Key Property Investments (Number Eight) Limited	Property investment & development
Key Property Investments (Number Nine) Limited	Property investment & development
Key Property Investments (Number Ten) Limited	Property investment

#### 6. Debtors

	2004 £'000	2003 £'000
<i>Amounts falling due within one year</i>		
Prepayments and accrued income	<u>6</u>	<u>-</u>

#### 7. Creditors

	2004 £'000	2003 £'000
<i>Amounts falling due within one year</i>		
Amounts due to group undertakings	38,746	32,672
Accruals and deferred income	-	370
	<u>38,746</u>	<u>33,042</u>

# Key Property Investments (Number Six) Limited

## Notes to the Accounts (continued)

### 8. Creditors

	2004 £'000	2003 £'000
<i>Amounts falling due after more than one year</i>		
Bank loan	85,083	85,956
	<u>85,083</u>	<u>85,956</u>

Interest is payable on the loans at 1.25% above LIBOR plus an element to cover Bank of England MCA costs.

Deducted from the loan balance is £417,000 (2003: £544,000) of unamortised debt issue costs. The bank loans are secured by fixed charges over the properties owned by the company's subsidiary undertakings.

### 9. Called up share capital

	2004 £	2003 £
Authorised:		
Ordinary shares of £1 each	<u>1</u>	<u>1</u>
Allotted and fully paid:		
Ordinary shares of £1 each	<u>1</u>	<u>1</u>

### 10. Reserves

	Profit & Loss Account £'000
At 30 November 2003	(3,328)
Retained loss for the year	(3,393)
At 30 November 2004	<u>(6,721)</u>

### 11. Commitments and Contingencies

At 30 November 2004 the company had no contracted capital expenditure (2003: £nil).

**Notes to the Accounts (continued)**

**12. Parent Undertaking and Controlling Parties**

The company's immediate parent undertaking is Key Property Investments Limited, a company incorporated in the United Kingdom and registered in England and Wales. It has included the company in its group accounts, copies of which are available from its registered office: 1<sup>st</sup> Floor, Lyndon House, 58/62 Hagley Road, Edgbaston, Birmingham, B16 8PE.

The company's ultimate controlling parties are St Modwen Properties PLC, a company incorporated in the United Kingdom and registered in England and Wales; and Salhia Real Estate Company k.s.c., a company registered in Kuwait

**13. Related Party Transactions**

As the company is wholly owned by the group, it has taken advantage of the exemption under FRS 8 "Related Party Disclosures" not to disclose transactions with other companies in the group.