

STANHOPE

**Report and Financial Statements
Stanhope (Croydon) Limited
Registered Number 04612166**

31 March 2009



Stanhope (Croydon) Limited

Registered No: 04612166

Directors

D J Camp
C J W Walford

Secretary

C N Pagan

Auditors

Grant Thornton UK LLP
Grant Thornton House
Melton Street
London
NW1 2EP

Bankers

The Royal Bank of Scotland plc
24 Grosvenor Place
London
SW1X 7HP

Solicitors

Shearman & Sterling LLP
Broadgate West
9 Appold Street
London
EC2A 2AP

Registered office

Norfolk House
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London
SW1Y 4JJ

Stanhope (Croydon) Limited

Registered No: 04612166

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Directors' report

The directors present their report and financial statements for the year ended 31 March 2009.

Results and dividends

The loss for the year amounted to £172,444 (2008: profit of £34,315). The directors do not recommend the payment of any dividends.

Principal activities and review of the business

The principal activity of the company during the year was to hold an investment in Croydon Gateway LLP, a unit trust with a freehold with planning permission for 2m sq. ft. of mixed use development, primarily office and residential.

A competing scheme and compulsory purchase order was dismissed in August 2008.

Financial risk management

The value of the company's investment in the unit trust is subject to the development and market risks of the Croydon Gateway project. Specifically, securing planning consent and agreeing the way forward with the Local Authority are key issues.

Directors

The directors who served the company during the year were as follows:

D J Camp
C J W Walford

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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 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 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 that 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 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.

Directors' report

Directors' responsibilities (continued)

In so far as the directors are aware:

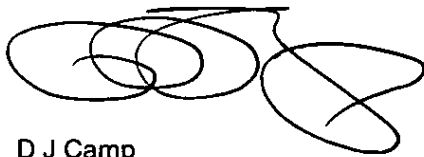
- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with Section 487(2) of the Companies Act 2006 unless the company receives notice under Section 488(1) of the Companies Act 2006.

On behalf of the board



D J Camp
Director

14 July 2009

Independent auditor's report

to the members of Stanhope (Croydon) Limited

We have audited the financial statements of Stanhope (Croydon) Limited for the year ended 31 March 2009 which comprise the principal accounting policies, the profit and loss account, the balance sheet, and notes 1 to 16. These financial statements have been prepared under 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 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' responsibilities for preparing the Annual Report and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, whether they are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, 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 other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

Independent auditor's report
to the members of Stanhope (Croydon) Limited

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its loss for the year ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements for the year ended 31 March 2009.



Grant Thornton UK LLP
Registered Auditor
Chartered Accountants

London

14 July 2009

Profit and loss account

for the year ended 31 March 2009

	Notes	2009 £	2008 £
Turnover	2	-	-
Cost of sales		-	-
		<hr/>	<hr/>
Operating result	3	-	-
Administrative expenses		-	-
Income from investments		31,459	34,315
Provision for investments		(203,903)	-
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation		(172,444)	34,315
Tax on (loss)/profit on ordinary activities	6	-	-
		<hr/>	<hr/>
(Loss)/profit for the year		(172,444)	34,315
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There are no recognised gains or losses attributable to the shareholders for the year ended 31 March 2009, other than as stated above.

All the company's results are derived from continuing activities.

Balance sheet

at 31 March 2009

	Notes	2009 £	2008 £
Fixed assets			
Investments	7	1,614,422	1,715,509
Current assets			
Debtors	8	222,039	190,579
Creditors: amounts falling due within one year	9	-	-
Net current assets		220,039	190,579
Total assets less current liabilities		1,836,461	1,906,088
Creditors: amounts falling due after more than one year	10	(1,818,325)	(1,715,508)
Net assets		18,136	190,580
Capital and reserves			
Called up share capital	11	1	1
Profit and loss account	12	18,135	190,579
Equity shareholders' funds	12	18,136	190,580

These financial statements were approved by the board of directors on 14 July 2009 and were signed on its behalf by:


 D J Camp
 Director

14 July 2009

Notes to the financial statements

at 31 March 2009

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The particular accounting policies are set out below.

Investments

Fixed asset investments are shown at cost less provision for impairment.

Statement of cash flows

The directors have taken advantage of the exemption available within FRS 1 (revised) and have not produced a statement of cash flows, on the basis that the consolidated financial statements of its ultimate parent company, in which its cash flows are incorporated, are publicly available.

2. Turnover

There was no turnover during the year.

3. Operating result

Auditors' remuneration was borne by the parent undertaking.

4. Staff costs

No staff are employed by the company. Staff who perform administration work for the company are employed and remunerated by Stanhope plc.

5. Directors' emoluments

The directors of the company did not receive any emoluments in respect of their services to the company.

6. Taxation on (loss)/profit on ordinary activities

(a) Tax on (loss)/profit on ordinary activities

	2009 £	2008 £
<i>Current tax</i>		
UK corporation tax at 21% (2008 - 20%) on profits of the period	-	-
Adjustments in respect of previous periods	-	-
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Tax on (loss)/profit on ordinary activities	-	-
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Notes to the financial statements

at 31 March 2009

6. Taxation on (loss)/profit on ordinary activities (continued)

(b) Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 21% (2008 – 20%). The differences are explained below:

	2009 £	2008 £
(Loss)/profit on ordinary activities before taxation	(172,444)	34,315
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2008– 20%)	(36,214)	6,863
Transfer pricing adjustment	(10,680)	(6,863)
Expenses not deductible for tax	42,820	-
Income not taxable	(6,606)	-
Increase/utilisation of losses	10,680	-
Total current tax (note 6(a))	-	-

7. Investments

	£
Cost:	
At 1 April 2008	1,715,509
Additions during the year	102,816
At 31 March 2009	1,818,325
Provision against investments:	
At 1 April 2008	-
Provided during the year	(203,903)
At 31 March 2009	(203,903)
Net book value:	
At 31 March 2009	1,614,422
At 31 March 2008	1,715,509

The investment represents a 2.8% interest in Croydon Gateway LLP (2008: 2.8%). The units had a market value at 31 March 2009 of £1,614,422.

Notes to the financial statements

at 31 March 2009

8. Debtors

	2009 £	2008 £
Amounts owed by parent undertaking	222,039	190,579

9. Creditors

	2009 £	2008 £
Corporation tax	-	-

10. Creditors: amounts falling due after more than one year

	2009 £	2008 £
Amount owed to parent undertaking	1,818,325	1,715,508

11. Share capital

	2009 £	2008 £
<i>Authorised</i>		
Ordinary Shares of £1 each	1	1
<i>Allotted, called up and fully paid</i>		
1 Ordinary Shares of £1 each	1	1

Notes to the financial statements

at 31 March 2009

12. Reconciliation of shareholders' funds and movement on reserves

	<i>Profit and loss account £</i>	<i>Share capital £</i>	<i>Total share- holders' funds £</i>
At 1 April 2007	156,264	1	156,265
Profit for the year	34,315	-	34,315
At 1 April 2008	190,579	1	190,580
Loss for the year	(172,444)	-	(172,444)
At 31 March 2009	18,135	1	18,136

13. Contingent liabilities

The company has no contingent liabilities as at 31 March 2008 or 31 March 2009.

14. Capital commitments

The company has no capital commitments as at 31 March 2008 or 31 March 2009.

15. Related party transactions

The company has taken advantage of the exemption available under FRS 8 not to disclose related party transactions with its parent and fellow subsidiary companies.

16. Ultimate parent company

The company's immediate and ultimate parent undertaking and controlling party is Stanhope Group Holdings Ltd, a company incorporated in the United Kingdom. Copies of group financial statements, which include the company, can be obtained from Norfolk House, 31 St James's Square, London SW1Y 4JJ.