

**Company Registration No. 5500868**

**Greenhills Property (Borehamwood)  
Limited  
(formerly Scarborough Continental  
Partners UK Limited)**

**Report and Financial Statements**

**Period from incorporation on 6 July 2005 to**

**31 August 2006**

**TUESDAY**



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**Greenhills Property (Borehamwood) Limited**  
**(Formerly Scarborough Continental Partners UK Limited)**

**Report and financial statements 2006**

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**Greenhills Property (Borehamwood) Limited  
(Formerly Scarborough Contiental Partners UK Limited)**

**Report and financial statements 2006**

**Officers and professional advisers**

**Directors**

S Jobburn (appointed 11 July 2006)

S Rhoades (appointed 11 July 2006)

**Secretary**

S Rhoades (appointed 11 July 2006)

**Registered office**

105 Wigmore Street

London

W1U 1QY

**Auditors**

Deloitte & Touche LLP

Chartered Accountants

Reading

# **Greenhills Property (Borehamwood) Limited** **(Formerly Scarborough Continental Partners UK Limited)**

## **Directors' report**

The directors present their first annual report on the affairs of the company, together with the financial statements and auditors' report, for the period from incorporation on 6 July 2005 to 31 August 2006. The directors' report has been prepared in accordance with the special provisions relating to small companies under section 246 (4) of the Companies Act 1985.

### **Principal activity**

The principal activity of the company is property investment.

### **Business review**

The company was incorporated as Scarborough Continental Partners UK Limited on 6 July 2005. On 12 July 2006, the company changed its name to Greenhills Property (Borehamwood) Limited. The profit for the period before taxation was £10,413. The directors do not recommend the payment of a final dividend.

### **Directors and their interests**

The directors who served throughout the period, except as noted, were as follows:

D Brown (appointed 6 July 2005, resigned 7 July 2005)  
T Swan (appointed 6 July 2005, resigned 7 July 2005)  
Europa Director Limited (appointed 7 July 2005, resigned 21 July 2005)  
K McCabe (appointed 21 July 2005, resigned 11 July 2006)  
D Tandy (appointed 21 July 2005, resigned 11 July 2006)  
G More (appointed 21 July 2005, resigned 11 July 2006)  
C Di Ciacca (appointed 21 July 2005, resigned 11 July 2006)  
S Jobburn (appointed 11 July 2006)  
S Rhoades (appointed 11 July 2006)

The directors who held office at 31 August 2006 had the following interests in the shares of the ultimate parent company:

Name of director	31 August 2006		11 July 2006	
	A Shares	B Shares	A Shares	B Shares
S Jobburn	2,450	650	2,450	650
S Rhoades	1,470	390	1,470	390

No director has any interests in the share capital of the company at any time in the period or since the period end.

### **Auditors**

Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

**Greenhills Property (Borehamwood) Limited**  
**(Formerly Scarborough Continental Partners UK Limited)**

**Directors' report**

**Auditors (continued)**

Deloitte & Touche LLP were appointed auditors to the company during the period and have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors  
and signed on behalf of the Board



S Rhoades

Company Secretary

16 May 2007

# **Greenhills Property (Borehamwood) Limited (Formerly Scarborough Continetal Partners UK Limited)**

## **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

United Kingdom 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). The financial statements are required by law to 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 judgments and 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

## **Independent auditors' report to the members of Greenhills Property (Borehamwood) Limited (formerly Scarborough Continental Partners UK Limited)**

We have audited the financial statements of Greenhills Property (Borehamwood) Limited for the period ended 31 August 2006 which comprise the profit and loss account, the balance sheet and the related notes 1 to 14. 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 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**

The directors' responsibilities 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) 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, and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements. In addition, we 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 the directors' report for the above period 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 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 auditors' report to the members of  
Greenhills Property (Borehamwood) Limited (formerly  
Scarborough Continental Partners UK Limited) (continued)**

**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 August 2006 and of its loss for the period from 6 July 2005 to 31 August 2006,
- 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

*Deloitte & Touche LLP*

**Deloitte & Touche LLP**

*Chartered Accountants and Registered Auditors*

London

16 May 2007



**Greenhills Property (Borehamwood) Limited**  
**(Formerly Scarborough Continental Partners UK Limited)**

**Profit and loss account**  
**Period from 6 July 2005 to 31 August 2006**

	Notes	2006 £
Gross rental income	1, 2	583,973
Net rental income		477,221
Administrative expenses		(40,685)
Operating profit		436,536
Profit on sale of investment properties		-
Profit on ordinary activities before interest and taxation	2, 3	436,536
Interest receivable and similar income		18,857
Interest payable and similar charges	5	(444,980)
Profit on ordinary activities before taxation		10,413
Tax on profit on ordinary activities	6	(336,124)
Loss on ordinary activities after taxation		(325,711)
Dividend paid		-
Retained loss for the financial period	12, 13	(325,711)

All profits and losses for the period are from continuing operations derived from acquisitions in the United Kingdom

The company has no recognised gains and losses other than those shown in the profit and loss account. Accordingly, no statement of recognised gains and losses has been presented

**Greenhills Property (Borehamwood) Limited**  
**(Formerly Scarborough Continental Partners UK Limited)**

**Balance sheet**  
**At 31 August 2006**

	Notes	2006 £
<b>Fixed assets</b>		
Investment property	7	-
<b>Current assets</b>		
Debtors	8	18,760,130
<b>Creditors: amounts falling due within one year</b>	9	(17,623,946)
<b>Net current assets</b>		1,136,184
<b>Net assets</b>		1,136,184
<b>Capital and reserves</b>		
Called up share capital	10	1
Profit and loss account	12	1,136,183
<b>Equity shareholder's funds</b>	13	1,136,184

The financial statements were approved by the Board of Directors on 16 May 2007 and signed on its behalf by



S Rhoades

Director

# **Greenhills Property (Borehamwood) Limited (Formerly Scarborough Continetal Partners UK Limited)**

## **Notes to the accounts**

**Period from 6 July 2005 to 31 August 2006**

### **1. Accounting policies**

#### **Accounting convention**

The financial statements are prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable United Kingdom law and accounting standards

The company was incorporated on 6 July 2005. Accordingly these accounts for the period ended 31 August 2006 cover the first period of trading and no prior year comparatives are shown

#### **Cash flow statement**

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 (Revised) not to present a statement of cash flows on the grounds that it fulfils the requirements of being a small company

#### **Revaluation reserve**

Changes in the value of investment properties are recorded in a non-distributable revaluation reserve. On disposal of an investment property the applicable revaluation surplus or deficit is transferred to the profit and loss account by way of transfer between reserves

#### **Investment properties**

Investment properties are revalued annually by external valuers in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual. Surpluses or deficits on individual properties are transferred to the investment revaluation reserve, except that a deficit which is expected to be permanent and which is in excess of any previously recognised surplus over cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account

Depreciation is not provided in respect of freehold investment properties, or in respect of leasehold investment properties where the unexpired term of the lease is more than 20 years. The directors consider that this accounting policy, which represents a departure from the Companies Act 1985, is necessary to provide a true and fair view as required under SSAP 19 "Accounting for investment properties", since the current values of investment properties, and changes in current values, are of prime importance rather than a calculation of systematic annual depreciation

Depreciation is one of the many factors reflected in the annual valuation and the amount which might otherwise be shown for depreciation cannot be separately identified or quantified

#### **Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date

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 that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

**Greenhills Property (Borehamwood) Limited**  
**(Formerly Scarborough Continetal Partners UK Limited)**

**Notes to the accounts**

**Period from 6 July 2005 to 31 August 2006**

**1. Accounting policies (continued)**

**Taxation (continued)**

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

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 substantively enacted by the balance sheet date.

Deferred tax is measured on a non-discounted basis.

**Income recognition**

Rental income, which is stated net of Value Added Tax, comprises rents receivable on investment and trading properties for the period. Appropriate specific provisions are made for uncollectible debts.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable by the tenant as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

Purchases and sales of investment and trading properties are recognised on completion.

**2. Contribution to turnover and profit before taxation**

The principal activity of the company is property investment. All turnover and profit on ordinary activities before taxation arose from activities from within the United Kingdom.

**3. Profit on ordinary activities before interest and taxation**

Profit on ordinary activities before interest and taxation is stated after charging

	<b>2006</b>
	<b>£</b>
Auditors' remuneration	
- audit fees	2,027
- other	1,014
	<u>3,041</u>

Other fees paid to auditors are in respect of tax compliance, structuring and other related services.

**4. Staff costs**

During the period from incorporation to 31 August 2006 the company had no employees.

The directors of the company received no remuneration for services provided to the company during the period.

**Greenhills Property (Borehamwood) Limited**  
**(Formerly Scarborough Continental Partners UK Limited)**

**Notes to the accounts**

**Period from 6 July 2005 to 31 August 2006**

**5. Interest payable and similar charges**

	2006 £
On bank loans	441,363
Other	3,617
	<u>444,980</u>

**6 Tax on profit on ordinary activities**

The charge for taxation is based on the profit on ordinary activities for the year and comprises

	2006 £
Corporation tax charge at 30%	<u>336,124</u>

Included within the charge for taxation is an amount of £333,000 that arose on the disposal of a property to a non-UK group company on 11 July 2006

After adjusting for the charge to taxation that arose on the intragroup disposal of a property, there is no difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax of 30% to the profit for the period

**7. Investment property**

The movement in the period was as follows

	2006 £
At incorporation	-
Additions	17,538,106
Revaluation surplus	1,461,894
Disposal	<u>(19,000,000)</u>
At end of period	<u>-</u>

On 11 July 2006, the company sold its investment property to a group company for consideration of £19,000,000

**Greenhills Property (Borehamwood) Limited**  
**(Formerly Scarborough Continental Partners UK Limited)**

**Notes to the accounts**

**Period from 6 July 2005 to 31 August 2006**

**8. Debtors**

	<b>2006</b>
	<b>£</b>
Amounts owed by immediate parent company	18,743,365
Other debtors	16,765
	<u>18,760,130</u>

Amounts owed by the immediate parent company are unsecured, interest bearing loans

**9. Creditors: amounts falling due within one year**

	<b>2006</b>
	<b>£</b>
Amounts owed to immediate parent company	17,437,053
Amounts owed to other group companies	112,444
Accruals and deferred income	74,449
	<u>17,623,946</u>

Amounts owed by the immediate parent company are unsecured, interest bearing loans

**10. Called up share capital**

	<b>2006</b>
	<b>£</b>
<b>Authorised:</b>	
1 ordinary share of £1	<u>1</u>
<b>Called up, allotted and fully paid:</b>	
1 ordinary share of £1	<u>1</u>

The consideration paid for the share was £1

**Greenhills Property (Borehamwood) Limited**  
**(Formerly Scarborough Continental Partners UK Limited)**

**Notes to the accounts**

**Period from 6 July 2005 to 31 August 2006**

**11. Revaluation reserve**

	<b>2006</b>
	<b>£</b>
Balance at incorporation	-
Surplus arising on revaluation of investment properties	1,461,894
Transfer of realised investment property surpluses	(1,461,894)
	<u>          </u>
Balance at end of period	<u>          </u> -

**12. Profit and loss account**

	<b>2006</b>
	<b>£</b>
Balance at incorporation	-
Loss for the financial period	(325,711)
Transfer of realised investment property surpluses	1,461,894
	<u>          </u>
Balance at end of period	<u>          </u> 1,136,183

**13. Reconciliation of movements in equity shareholders' funds**

	<b>2006</b>
	<b>£</b>
Loss for the financial period	(325,711)
Shares issued in the period	1
Other recognised profits	1,461,894
	<u>          </u>
Net increase in equity shareholder's funds	1,136,184
Opening equity shareholders' funds	<u>          </u> -
Closing equity shareholders' funds	<u>          </u> 1,136,184

**Greenhills Property (Borehamwood) Limited**  
**(Formerly Scarborough Continetal Partners UK Limited)**

**Notes to the accounts**

**Period from 6 July 2005 to 31 August 2006**

**14. Ultimate parent company**

The immediate parent company of Greenhills Property (Borehamwood) Limited is Greenhills Property No 6 Limited, a company incorporated in Jersey

The smallest group in which the company's results are consolidated is that headed by Greenhills Real Estate Finance Limited. The financial statements of Greenhills Real Estate Finance Limited are not available to the public.

The largest group in which the company's results are consolidated is that headed by Greenhills Real Estate Limited. The financial statements of Greenhills Real Estate Limited are not available to the public. Greenhills Real Estate Limited is both the ultimate parent company and ultimate controlling party.