

# **Greenwich Peninsula Regeneration Limited**

Directors' report and consolidated  
financial statements

Registered number 6231628

Year ended 31 March 2013

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## **Directors' report**

The directors present their report and consolidated financial statements for the year ended 31 March 2013

### **Principal activities**

Greenwich Peninsula Regeneration Limited (the "Company") is a limited company incorporated and domiciled in the United Kingdom. The address of its registered office is 16 Grosvenor Street, London, W1K 4QF.

The Company was incorporated on 30 April 2007 and changed its name on 3 May 2007 from Shelfco (no3402) Limited. The Company's controlling parties comprise of Knight Dragon Ltd and Quintain Estates and Development Plc.

Its principal activity is the investment in property development vehicles and joint ventures.

### **Business review**

The Company's investment vehicles and joint ventures were involved in the following activities:

- During the year to 31 March 2013, Meridian Delta Limited ("MDL-the company's subsidiary operation") continued in its role as master developer of Greenwich Peninsula. MDL's main roles in the year have been master planning, design development, marketing for sale of certain development plots within the site, and the design and construction of site infrastructure.
- Under the principal agreements with the Greater London Authority ("GLA"), MDL has been granted land management rights to 147 acres (excluding the dome and surrounding areas) of the Peninsula. MDL's principal role is as master-planner for the site. It is also obliged under the various agreements to design, programme and deliver the requisite infrastructure services for the effective and efficient delivery of the project. It is able to manage this infrastructure investment in the land, by drawing down plots for sale or direct development, to coincide with demand.
- In July 2012 Lend Lease Europe Ltd one of the existing joint venture partners sold its interest and Knight Dragon Ltd became the new partner holding a 60% equity and loan stock interest and with a commitment to introduce new loan stock funding.
- During the year the Company has added value to the scheme, securing a Committee resolution to approve the reduction and re-distribution of the affordable housing across the first 2,900 of the 10,000 homes for which we hold permission across the site.
- In September 2012, MDL entered into a conditional site option in respect of plot M0120 towards the southern end of the site. This became unconditional in December 2012 and MDL received £3.6m in total payment. This amount has been reflected in this year's profit and loss account. A student accommodation block comprising 265 units is currently being constructed with completion due in Autumn 2013.
- In March 2013, MDL entered into a plot sale agreement, in respect of plot M0101 towards the southern end of the site. MDL received £4.0m, with the same amount due on practical completion of the building on the plot, and shown as a debtor in the accounts.
- Planning permission has been granted for three plots at the southern end of the Peninsula. These total 223 private and 283 affordable units. Construction is scheduled to commence in Summer 2013.
- An outline planning application for 13.5 acres in Peninsula Quays was submitted on 8 March 2013. This comprises four residential plots and two connector plots that are situated between the four plots and North Greenwich Underground Station. The application comprises 1,683 private dwellings, 8,256 sqm of retail/restaurants and either 38,517 sqm of hotel or 33,943 sqm of offices.

During the year, the Group had a loss of £2,843,900 (2012: £122,990). Net assets of the Group at 31 March 2013 were £67,739,924 (2012: net liabilities £2,502,991).

## **Directors' report (continued)**

### **Basis of preparation**

The directors believe that it remains appropriate to prepare the financial statements on a going concern basis for the reasons set out in note 1.2 in the accounting policies.

### **Financial instruments**

The financial risk management objectives and policies of the Group, together with an analysis of the exposure to such risks, as required under the Companies Act are set out in Note 15 of the Notes to the financial statements.

### **Creditor payment policy**

The Group's policy is to pay suppliers in accordance with terms and conditions agreed when orders are placed. Where payment terms have not been specifically agreed, then the invoices received each calendar month are paid close to the end of the following month. This policy is understood by the purchasing and financing departments. The Group has procedures for dealing promptly with complaints and disputes.

The average number of days it took for the Group to pay its creditors was 17 days (2012: 91 days).

### **Proposed dividend**

The directors do not recommend the payment of a dividend (2012: £nil).

### **Environment**

The Group recognises the importance of its environmental responsibilities, monitors their impact on the environment, and designs and implements policies to reduce any damage that might be caused by their activities.

### **Directors**

The directors, who held office during the period, and up to the date of signing of the financial statements, were as follows:

D Labbad	(resigned 27 July 2012)
R Worthington	(resigned 4 October 2012)
A Wyatt	(resigned 25 May 2012)
R Cable	(resigned 8 June 2012)
S Grist	(resigned 27 July 2012)
M James	
K Heininger	(appointed 27 July 2012)
S Lee	(appointed 27 July 2012)
P Voit	(appointed 27 July 2012)
R Stearn	(appointed 4 October 2012)
R Arnold	(appointed 25 May 2012, resigned 4 October 2012)
M Dickinson	(appointed 8 June 2012, resigned 27 July 2012)

### **Employees**

Neither the company nor any of its subsidiaries employed any staff during either year (2012: nil).

### **Political and charitable donations**

Neither the company nor any of its subsidiaries made any political or charitable donations during the year (2012: £nil).

### **Disclosure of information to auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Auditors**

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the board



**S Odell**  
*Company Secretary*

16 Grosvenor Street  
London  
W1K 4QF  
19 June 2013

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the Directors' Report and the group and parent company financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law they have elected to prepare the group and the parent company financial statements in accordance with IFRSs as adopted by the EU and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of their profit or loss for that period. In preparing each of the group and parent company 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,
- for the group financial statements, state whether they have been prepared in accordance with IFRSs as adopted by the EU,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

## **Independent Auditor's Report to the members of Greenwich Peninsula Regeneration Limited**

We have audited the financial statements of Greenwich Peninsula Regeneration Limited for the year ended 31 March 2013 set out on pages 6 to 26. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2013 and of the group's loss for the year then ended,
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the EU,
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006, and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following:

Under the Companies Act 2006 and under the terms of our engagement we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements and the part of the Directors' Remuneration Report which we were engaged to audit are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



**Sean McCallion (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor  
*Chartered Accountants*  
15 Canada Square  
London  
E14 5GL  
19 June 2013

## Consolidated Statement of Comprehensive Income

*for year ended 31 March 2013*

	<i>Note</i>	<b>2013</b> <b>£</b>	<b>2012</b> <b>£</b>
Revenue		18,738,996	7,752,338
Cost of sales		(17,833,071)	(7,855,957)
<b>Gross profit/(loss)</b>		<b>905,925</b>	<b>(103,619)</b>
Administrative expenses		(1,760,445)	(286,755)
<b>Operating loss</b>	<b>2</b>	<b>(854,520)</b>	<b>(390,374)</b>
Financial income	3	128,586	32,153
Financial expenses	3	(825,103)	-
Gain on sale of subsidiaries		168,912	-
Share of profit of associates and jointly controlled entities using the equity accounting method, net of tax	5	(1,376,751)	(3,483)
<b>Total comprehensive loss for the year before tax</b>		<b>(2,758,876)</b>	<b>(361,704)</b>
Taxation	4	(85,024)	238,714
<b>Loss for the year</b>		<b>(2,843,900)</b>	<b>(122,990)</b>
<b>Attributable to</b>			
Equity holders of the parent		(2,843,900)	(121,286)
Non-controlling interest		-	(1,704)
<b>Total comprehensive loss for the year</b>		<b>(2,843,900)</b>	<b>(122,990)</b>

The amounts recorded in the income statement relate to continuing operations

Notes on pages 10 to 26 form part of financial statements



## Statement of Financial Position at 31 March 2013

	Note	Group 2013 £	2012 £	Company 2013 £	2012 £
<b>Non-current assets</b>					
Investments	5	-	-	23,087,107	203
Investments in equity-accounted investees	5,6	-	1,400,336	-	414,860
Amounts due from related entities	6	-	968,007	185,936,227	126,094,867
Deferred tax assets	7	295,309	416,209	60,189	-
		<u>295,309</u>	<u>2,784,552</u>	<u>209,083,523</u>	<u>126,509,930</u>
<b>Current assets</b>					
Inventories	8	202,181,946	128,219,143	-	-
Trade and other receivables	9	5,704,841	2,204,185	1,302,600	154,076
Cash and cash equivalents	10	18,270,300	1,964,733	15,180,949	199,102
		<u>226,157,087</u>	<u>132,388,061</u>	<u>16,483,549</u>	<u>353,178</u>
<b>Total assets</b>		<u>226,452,396</u>	<u>135,172,613</u>	<u>225,567,072</u>	<u>126,863,108</u>
<b>Current liabilities</b>					
Trade and other payables	12	(4,735,384)	(8,957,560)	(1,816,034)	(179,933)
Provisions	13	(1,658,348)	(1,947,154)	-	-
		<u>(6,393,732)</u>	<u>(10,904,714)</u>	<u>(1,816,034)</u>	<u>(179,933)</u>
<b>Non-current liabilities</b>					
Other interest-bearing loans and borrowings	11	(152,318,740)	(126,770,890)	(152,318,740)	(126,770,890)
<b>Total liabilities</b>		<u>(158,712,472)</u>	<u>(137,675,604)</u>	<u>(154,134,774)</u>	<u>(126,950,823)</u>
<b>Net assets/(liabilities)</b>		<u>67,739,924</u>	<u>(2,502,991)</u>	<u>71,432,298</u>	<u>(87,715)</u>
<b>Equity attributable to equity holders of the parent</b>					
Share capital	14	4,218	2,000	4,218	2,000
Retained earnings		(5,348,891)	(2,455,830)	(1,656,517)	(89,715)
Share premium	1	73,084,597	-	73,084,597	-
		<u>67,739,924</u>	<u>(2,453,830)</u>	<u>71,432,298</u>	<u>(87,715)</u>
<b>Non-controlling interest</b>		-	(49,161)	-	-
<b>Total equity</b>		<u>67,739,924</u>	<u>(2,502,991)</u>	<u>71,432,298</u>	<u>(87,715)</u>

These financial statements were approved by the board of directors on 19 June 2013 and were signed on its behalf by

R Stearn  
Director

S Lee  
Director

Company registered number 6231628  
Notes on pages 10 to 26 form part of financial statements

## Statement of Changes in Equity

*For the year ended 31 March 2013*

### Group

	Share capital £	Retained earnings £	Share Premium £	Total equity £	Minority equity £	Total parent equity £
Balance at 1 April 2011	2,000	(2,382,001)	-	(2,380,001)	47,457	(2,332,544)
<b>Total comprehensive income for the year</b>						
Loss for the year	-	(122,990)	-	(122,990)	1,704	(121,286)
<b>Balance at 31 March 2012</b>	<b>2,000</b>	<b>(2,504,991)</b>	<b>-</b>	<b>(2, 502,991)</b>	<b>49,161</b>	<b>(2,453,830)</b>
Balance at 1 April 2012	2,000	(2,504,991)	-	(2, 502,991)	49,161	(2,453,830)
<b>Total comprehensive income for the year</b>						
Loss for the year	-	(2,843,900)	-	(2,843,900)	-	(2,843,900)
Share capital issued	2,218	-	-	2,218	-	2,218
Share premium	-	-	73,084,597	73,084,597	-	73,084,597
Minority share	-	-	-	-	(49,161)	(49,161)
<b>Balance at 31 March 2013</b>	<b>4,218</b>	<b>(5,348,891)</b>	<b>73,084,597</b>	<b>67,739,924</b>	<b>-</b>	<b>67,739,924</b>

### Company

	Share capital £	Retained earnings £	Share Premium £	Total parent equity £
Balance at 1 April 2011	2,000	(94,859)	-	(92,859)
<b>Total comprehensive income for the year</b>				
Profit for the year	-	5,144	-	5,144
<b>Balance at 31 March 2012</b>	<b>2,000</b>	<b>(89,715)</b>	<b>-</b>	<b>(87,715)</b>
Balance at 1 April 2012	2,000	(89,715)	-	(87,715)
<b>Total comprehensive income for the year</b>				
Loss for the year	-	(1,566,802)	-	(1,566,802)
Share capital issued	2,218	-	-	2,218
Share premium	-	-	73,084,597	73,084,597
<b>Balance at 31 March 2013</b>	<b>4,218</b>	<b>(1,656,517)</b>	<b>73,084,597</b>	<b>71,432,298</b>

**Statement of Cash Flows**  
*for year ended 31 March 2013*

	<i>Note</i>	<b>Group 2013 £</b>	<b>2012 £</b>	<b>Company 2013 £</b>	<b>2012 £</b>
<b>Cash flows from operating activities</b>					
(Loss)/profit for the year		<b>(2,843,900)</b>	(122,990)	<b>(1,566,802)</b>	5,144
Adjustments for					
Financial income		<b>(128,586)</b>	(32,153)	<b>(2,031,163)</b>	(3,725,631)
Financial expense		<b>825,103</b>	-	<b>812,870</b>	3,695,881
Share of loss of equity-accounted investees		<b>1,376,751</b>	3,483	<b>1,374,638</b>	-
Taxation		<b>85,024</b>	(238,714)	<b>(70,480)</b>	1,807
Gain on sale of subsidiaries		<b>(168,912)</b>	-	-	-
		<b>(854,520)</b>	(390,374)	<b>(1,480,937)</b>	(22,799)
 (Increase)/decrease in trade and other receivables		<b>(3,470,324)</b>	828,731	<b>(1,148,525)</b>	8,023
(Decrease)/increase in inventories		<b>(2,001,159)</b>	(3,104,945)	-	-
Increase/(decrease) in trade and other payables		<b>725,189</b>	(865,158)	<b>1,636,102</b>	(992,484)
(Decrease)/increase in provisions		<b>(288,807)</b>	189,454	-	-
		<b>(5,035,101)</b>	(2,951,918)	<b>487,577</b>	(984,461)
 Tax received/paid		<b>35,876</b>	(19,062)	<b>10,291</b>	28,193
<b>Net cash from operating activities</b>		<b>(5,853,745)</b>	(3,361,354)	<b>(983,069)</b>	(979,067)
 <b>Cash flows from investing activities</b>					
Interest received		<b>98,255</b>	2,403	-	-
Loans to subsidiaries		-	-	<b>17,047,502</b>	(3,621,316)
Acquisition of subsidiary, net of cash acquired		-	-	<b>(23,143,643)</b>	-
 <b>Net cash from investing activities</b>		<b>98,255</b>	2,403	<b>(6,096,141)</b>	(3,621,316)
 <b>Cash flows from financing activities</b>					
Proceeds from new loan		<b>22,061,057</b>	3,621,316	<b>22,061,057</b>	3,621,319
 <b>Net cash from financing activities</b>		<b>22,061,057</b>	3,621,316	<b>22,061,057</b>	3,621,319
 Net increase/(decrease) in cash and cash equivalents		<b>16,305,567</b>	262,365	<b>14,981,847</b>	(979,064)
Cash and cash equivalents at 1 April		<b>1,964,733</b>	1,702,368	<b>199,102</b>	1,178,166
 <b>Cash and cash equivalents at 31 March</b>		<b>18,270,300</b>	1,964,733	<b>15,180,949</b>	199,102

## **Notes**

*(forming part of the financial statements)*

### **1 Accounting policies**

Greenwich Peninsula Regeneration Limited (the "Company") is a company incorporated and domiciled in the UK

The group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group") and jointly controlled entities. The parent company financial statements present information about the Company as a separate entity and not about its group.

Both the parent company financial statements and the group financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"). On publishing the parent company financial statements here together with the group financial statements, the Company is taking advantage of the exemption in s408 of the Companies Act 2006 not to present its individual income statement and related notes that form a part of these approved financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these consolidated financial statements.

#### **1.1 Measurement convention**

The financial statements are prepared on the historical cost basis.

#### **1.2 Going concern**

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. The Group is dependent for its working capital on funds provided to it by one of its joint venture partners, Knight Dragon Limited. Knight Dragon Limited is obliged to provide necessary funding to a maximum amount of £300 million for the continuing operations of the Group under the "Shareholders Agreement" and "Instrument Constituting Unsecured GPRL Loan Stock", both dated 27 July 2012. In particular the joint venture partners cannot seek repayment until funds become available to do so, unless the "Shareholders Agreement" or "Instrument Constituting Unsecured GPRL Loan Stock" are defaulted. This should enable the Group to continue in operational existence for the foreseeable future by meeting its liabilities when they fall due for payment. As with any company placing reliance on other entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of the approval of these financial statements, they have no reason to believe that it will not do so.

Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result in the basis of preparation being inappropriate.

#### **1.3 Significant judgements, estimates and assumptions**

The preparation of financial statements under IFRS requires the Board to make judgements, estimates and assumptions that affect the application of accounting policies, the reported amounts of assets and liabilities as at the date of the financial statements and the reported amount of revenue and expense during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements that are not readily apparent from other sources. However, the actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The valuation of inventory constitutes the main area of judgement exercised by the Board in respect of the results. Inventory is stated at the lower of cost and net realisable value. In relation to the net realisable value, the Board has relied upon a model to appraise the project. The key assumptions relate to the timing of future income streams, anticipated development costs, residential values, price and cost inflation, the market absorption rate and the discount rate.

Revenue and profit are recognised when services and obligations are fulfilled, when it is probable that the future economic benefits will flow to the entity and these benefits can be measured reliably. In line with note 1.8, £16.9m income from sale of plot M0101, N0201 and M0120 was recognised as revenue. However due to nil profit margin no profit was recognised in relation to the above land sales.

## **Notes (continued)**

### **1 Accounting policies (continued)**

#### **1.4 Basis of consolidation**

##### *Subsidiaries*

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

##### *Jointly controlled entities*

Jointly controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring the venturers' unanimous consent for strategic financial and operating decisions. Jointly controlled entities are accounted for using the equity method (equity accounted investees) and are initially recognised at cost. The consolidated financial statements include the Group's share of the total comprehensive income and equity movements of equity accounted investees, from the date that joint control commences until the date that joint control ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an investee.

#### **1.5 Non-derivative financial instruments**

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

##### *Trade and other receivables*

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

##### *Trade and other payables*

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

##### *Interest-bearing borrowings*

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

## **Notes (continued)**

### **1 Accounting policies (continued)**

#### **1.6 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is based on the expenditure incurred in acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition. Inventory includes capitalised interest costs in the year of £3,486,792 (2012: £3,695,881) at a rate of Libor + 2% relating to borrowings. These interest costs are directly attributable to the development assets which are considered qualifying assets under IAS23, 'Interest costs'.

The recoverable amount of the plot is assessed in each financial year and a provision for diminution in value is raised by the Board where cost (including costs to complete) exceeds net realisable value. In determining the recoverable amount, the Board has regard to independent market conditions affecting each plot and the underlying strategy for sale.

Inventories include costs incurred by the Group (including capitalised interest) associated with land sold to third parties. It is held as work in progress until all obligations have been substantively fulfilled by the Company. At which point they will be transferred to the income statement.

Total costs allocated to each site will include those directly attributable to that site as well as costs associated with the entire Greenwich Peninsula (including estimates of future outlays), allocated on a square foot basis.

There is significant judgement involved in the valuation of work in progress, classified under inventories. The directors have implemented the advice of relevant external professional firms in determining the assumptions used for the current sales values and build costs and future sales and cost inflation. The assessment of the valuation is very sensitive to these assumptions.

Taking the above into account and their own assessment of the carrying value of work in progress, the directors believe it to be correctly valued at the lower of cost and net realisable value.

#### **1.7 Provisions**

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

#### **1.8 Revenue**

Revenue is made of two significant parts, described below. Revenue is recognised as and when services and obligations are fulfilled, when it is probable that the future economic benefits will flow to the entity and these benefits can be measured reliably.

##### Revenue from the sale of land options

Revenue from the sale of land options is recognised in the income statement when the significant risks and rewards of ownership, the continual managerial involvement and control have been transferred to the buyer. Where cash has been received in advance of obligations being fulfilled by the Group, these amounts have been presented as deferred income in the statement of financial position. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due and associated costs.

##### Revenue from the provision of management services

Revenue contains amounts, net of Value Added Tax, of management fees in respect of estate management services provided to customers. It is recognised as the services are performed.

## **Notes (continued)**

### **1 Accounting policies (continued)**

#### **1.9 Expenses**

##### *Financing income and expenses*

Financing expenses comprise interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Financing income comprises interest receivable on funds invested and dividend income.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established.

#### **1.10 Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

#### **1.11 Adopted IFRS**

The following new standards, amendments and interpretations, issued by the International Accounting Standards Board (IASB) or the IFRS Interpretations Committee, are effective for the year ended 31 March 2013 and have been applied in preparing these consolidated financial statements.

**IFRS 7, Financial Instruments: Disclosures – Enhanced De-recognition Disclosure Requirements** - The amendment promotes transparency as it requires additional disclosure about financial assets that have been transferred but not derecognized to enable the user of the Group's financial statements to understand the relationship between those assets that have not been derecognized and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognized assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognized assets. The amendment became effective for annual periods beginning on or after 1 July 2011. The amendment affects disclosure only and has no impact on the Fund's financial position or performance.

**Amendment to IAS 1, Presentation of Financial Statements** – the amendment clarifies that disaggregation of changes in each component of equity arising from transactions recognized in other comprehensive income is required to be presented either in the statement of changes in equity or in the notes. The revised standard became effective for annual periods beginning on or after 1 January 2012. The adoption of this amendment did not have a material impact on the Group's consolidated financial statements.

## **Notes (continued)**

### **1 Accounting policies (continued)**

#### **1.12 Standards and Interpretations recently issued but not yet effective**

The following new standards, amendments and interpretations, issued by the IASB or the IFRIC, are not yet effective for the year ended 31 March 2013 and have not been applied in preparing these financial statements

Amendment to IAS 1, Presentation of financial statements, on other comprehensive income (OCI) – This amendment changes the disclosure of items presented in other comprehensive income (OCI) in the statement of comprehensive income and requires entities to separate items presented in OCI into two groups, based on whether or not they may be recycled to profit or loss in the future. Entities that choose to present OCI items before tax will be required to show the amount of tax related to the two groups separately. The Group will apply the amendment to IAS 1 prospectively from 1 April 2014, subject to the European Union endorsement.

Amendment to IAS 12, Income taxes on deferred tax – This amendment introduces an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. As a result of the amendments, SIC 21, 'Income taxes- recovery of revalued non-depreciable assets', would no longer apply to investment properties carried at fair value. The Group will apply the amendment to IAS 12 prospectively from 1 April 2013, subject to the European Union endorsement.

Amendment to IFRS 7, Financial instruments: Disclosures on derecognition – This amendment will promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitisation of financial asset. The Group will apply the amendment to IFRS 7 prospectively from 1 April 2013.

IFRS 10, Consolidated financial statements – This standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements. The standard provides additional guidance to assist in determining control where this is difficult to assess. The Group will apply IFRS 10 prospectively from 1 April 2013, subject to the European Union endorsement.

IFRS 11, Joint arrangements – This standard provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Proportional consolidation of joint ventures is no longer allowed. The Group will apply IFRS 11 prospectively from 1 April 2013, subject to the European Union endorsement.

IFRS 12, Disclosures of interests in other entities – This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The Group will apply IFRS 12 prospectively from 1 April 2013, subject to the European Union endorsement.

IFRS 13, Fair value measurement – This standard aims to replace existing guidance on fair value measurement in different IFRSs with a single definition of fair value, a framework for measuring fair values and disclosures about fair value measurements. The standard applies to assets, liabilities and an entity's own equity instruments that, under other IFRSs, are required or permitted to be measured at fair value or when disclosure of fair value is provided. The Group will apply IFRS 13 prospectively from 1 April 2013, subject to the European Union endorsement.

#### **1.13 Share premium**

In the financial year ending 31 March 2013 the Company issued 1,530,711 new 'A' Shares which raised £49,998,469 and 673,480 new 'A' and 'B' shares which raised £23,086,128.

#### **1.14 Business Combinations**

The group accounts for acquisition of inventories owning vehicles as asset purchases, rather than business combinations under IFRS 3. Should the group acquire a business which would include personnel making strategic decisions in respect of the acquiree's inventories, then IFRS 3 would be applied.



## **Notes (continued)**

### **2 Operating loss includes the following:**

#### **2 a) Expenses and auditor's remuneration**

	<b>Group 2013 £</b>	<b>2012 £</b>	<b>Company 2013 £</b>	<b>2012 £</b>
Amounts paid to the Auditor for audit services	<b>57,750</b>	64,375	<b>4,200</b>	29,288

#### **2b) Staff numbers and costs**

The Company and Group did not directly employ any staff in the year (2012: none)

#### **2c) Directors' remuneration**

The directors did not receive any remuneration from the Company and Group for their services during either year (2012: £nil)

### **3 Finance income and expense**

Recognised in profit or loss

	<b>2013 £</b>	<b>2012 £</b>
Interest income from jointly controlled entities	<b>128,586</b>	32,153
Interest expense from jointly controlled entities	<b>(825,103)</b>	-

### **4 Taxation**

Recognised in the income statement

	<b>2013 £</b>	<b>2012 £</b>
Current tax (credit)/expense	<b>(27,545)</b>	19,062
Deferred tax adjustment	<b>9,069</b>	(246,135)
Origination and reversal of temporary differences	<b>99,347</b>	(33,829)
Reduction in tax rate	<b>12,840</b>	22,188
On acquisition of subsidiary	<b>(8,687)</b>	-
Deferred tax expense/(credit)	<b>112,569</b>	(257,776)
Tax expense/(credit) in income statement (excluding tax on discontinued operation and share of tax of equity accounted investees)	<b>85,024</b>	(238,714)
Share of tax of equity accounted investees	-	(905)
	-	(905)
Total tax expense/(credit)	<b>85,024</b>	(239,619)

## Notes (continued)

### 4 Taxation (continued)

#### Reconciliation of effective tax rate

	2013 £	2012 £
Loss for the year	(2,843,900)	(122,990)
Total tax expense/ (credit) (including tax on discontinued operations and equity accounted investees)	85,024	(238,714)
	<hr/>	<hr/>
Loss excluding taxation	(2,758,876)	(361,704)
	<hr/>	<hr/>
Tax using the UK corporation tax rate of 24 % (2012 26%)	(662,130)	(94,043)
Difference in effective tax rate of equity accounted investees	-	905
Profit on sale of subsidiary	(40,539)	-
Writedown of investments in Joint Venture	330,420	-
Reduction in tax rate on deferred tax balances	12,840	22,189
Current year losses for which no deferred tax asset was recognised	471,596	78,370
Over provided in prior years	(18,476)	(246,135)
On acquisition of subsidiary	(8,687)	-
	<hr/>	<hr/>
Total tax credit (including tax on discontinued operations and equity accounted investees)	85,024	(238,714)
	<hr/>	<hr/>

A reduction in the UK corporation tax rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 March 2013 has been calculated based on the rate of 23% substantively enacted at the balance sheet date.

The March 2013 Budget announced that the rate will further reduce to 20% by 2015 in addition to the planned reduction to 21% by 2014 previously announced in the December 2012 Autumn Statement. It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the company's future current tax charge and reduce the company's deferred tax asset accordingly.

## Notes (continued)

### 5 Investments in subsidiaries and jointly controlled entities:

The Company has the following investments in subsidiaries and jointly controlled entities

	Country of Incorporation	Class of shares held	Amount £	Ownership 2013	Ownership 2012
GPRL Infrastructure Limited	United Kingdom	Ordinary	1	100%	100%
GPRL Overriding Lease Company Limited	United Kingdom	Ordinary	1	100%	100%
Greenwich Peninsula M0114 Limited	United Kingdom	Ordinary	1	100%	100%
Meridian Delta Limited	United Kingdom	Ordinary	200	100%	98%
Peninsula Quays Limited	United Kingdom	Ordinary	1	100%	100%
Quintain Meridian Limited	United Kingdom	Ordinary	23,086,894	100%	0%
GPRL (N0205) Limited	United Kingdom	Ordinary	1	100%	0%
GPRL N0202 Development Company Limited	United Kingdom	Ordinary	1	100%	100%
GPRL N0202 Land Limited	United Kingdom	Ordinary	1	100%	100%
GPRL Peninsula Services Limited	United Kingdom	Ordinary	1	100%	100%
Greenwich Peninsula Residential Development Company Limited	United Kingdom	Ordinary	1	100%	100%
GPRL M0114B Limited	United Kingdom	Ordinary	1	100%	0%
GPRL M0115 Limited	United Kingdom	Ordinary	1	100%	0%
Mode Homes LLP	United Kingdom	Ordinary	1	100%	50%
GPRL M0117 Limited	United Kingdom	Ordinary	1	100%	0%

The Group has the following investments in jointly controlled entities

	Country of Incorporation	Class of shares held	Amount (£)	Ownership 2013	Ownership 2012
Greenwich Peninsula N0206 Limited	United Kingdom	Ordinary	-	50%	50%

Greenwich Peninsula N0206 Limited has a 31 October year end

Mode Homes LLP is now a 100% owned subsidiary (2012: 50%). The additional 50% of the partnership was acquired on 26 March 2013. In the below table 'Summary aggregated financial information on jointly controlled entities – 100 per cent' the 2013 balances exclude Mode Homes LLP as it is no longer jointly controlled.

The Group's share of total recognised profit or loss in the above jointly controlled entities for the year ended 31 March 2013 was a loss of £1,376,751 (2012: a loss of £3,483). The Group has provided in full for its investment in Greenwich Peninsula N0206 Limited, the 50/50 JV with Crest Nicholson, resulting in a write down of 1,373,180, which is included in the share of loss in jointly controlled entities above.

Summary aggregated financial information – 100 per cent of assets and liabilities of the jointly controlled entities

	2013 £	2012 £
Current assets	3,032,101	4,984,470
Current liabilities	(2,221,731)	(2,183,799)
Income	23	41
Expenses	-	(7,007)

## Notes (continued)

### 6 Amounts due from related entities

	Group 2013 £	2012 £	Company 2013 £	2012 £
Loan to subsidiaries	-	-	185,936,227	125,126,860
Loan to joint venture – Greenwich Peninsula N0206 Limited	-	968,007	-	968,007
	<u>-</u>	<u>968,007</u>	<u>185,936,227</u>	<u>126,094,867</u>

### 7 Deferred tax assets and liabilities – Group

#### 2013

	Balance brought forward 1 April 2012	Prior year adjustment	Recognised in income	Effect of reduced tax rate	Carried Forward 31 March 2013
Property plant and equipment	2,906	(582)	(126)	(92)	2,106
Tax value of losses carried forward utilised	413,303	(8,487)	(98,865)	(12,748)	293,203
<b>Total</b>	<b>416,209</b>	<b>(9,069)</b>	<b>(98,991)</b>	<b>(12,840)</b>	<b>295,309</b>

#### 2012

	Balance brought forward 1 April 2012	Prior year adjustment	Recognised in income	Effect of reduced tax rate	Carried Forward 31 March 2013
Property plant and equipment	-	-	2,906	-	2,906
Tax value of losses carried forward utilised	158,433	-	254,870	-	413,303
<b>Total</b>	<b>158,433</b>	<b>-</b>	<b>257,776</b>	<b>-</b>	<b>416,209</b>

The company has deferred tax assets of £60,189 (2012 nil)

### 8 Inventories

	Group 2013 £	2012 £	Company 2013 £	2012 £
Work in progress	202,181,946	128,219,143	-	-

Within the 2013 Group work in progress balance is an amount of £75,436,561 brought in from the inclusion of Quintain Meridian Limited to the consolidated group

## Notes (continued)

### 9 Trade and other receivables

	Group 2013 £	2012 £	Company 2013 £	2012 £
<b>Current</b>				
Trade receivables	631,789	360,377	-	42,983
VAT Receivable	-	364,474	501,527	-
Amounts due from related parties current	27,294	-	6,000	-
Other trade receivables	4,254,482	209,624	3,797	-
Prepayments and accrued income	791,276	1,269,710	791,276	111,093
	<u>5,704,841</u>	<u>2,204,185</u>	<u>1,302,600</u>	<u>154,076</u>
Total trade and other receivables	<u>5,704,841</u>	<u>2,204,185</u>	<u>1,302,600</u>	<u>154,076</u>

Trade receivables are non-interest-bearing and are generally on 30 day terms. All trade receivables are current and considered recoverable.

### 10 Cash and cash equivalents

	Group 2013 £	2012 £	Company 2013 £	2012 £
Cash and cash equivalents per balance sheet	18,270,300	1,964,733	15,180,949	199,102
Cash and cash equivalents per cash flow statements	<u>18,270,300</u>	<u>1,964,733</u>	<u>15,180,949</u>	<u>199,102</u>

### 11 Other interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group and Company's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group and Company's exposure to interest rate, see note 15. The repayment parameters for loan repayment are set out in Clause 3 of the Loan Note Instrument dated 27 July 2012 and Clause 16 of the Shareholders' Agreement dated 27 July 2012.

	Group 2013 £	2012 £	Company 2013 £	2012 £
<b>Non-current liabilities</b>				
Loan from shareholders	152,318,740	126,770,890	152,318,740	126,770,890
	<u>152,318,740</u>	<u>126,770,890</u>	<u>152,318,740</u>	<u>126,770,890</u>

## Notes (continued)

### 12 Trade and other payables

	Group 2013 £	2012 £	Company 2013 £	2012 £
<b>Current</b>				
Trade payables	839,449	1,966,908	-	-
Trade payables due to related parties	-	2,123	1,699,896	-
Other trade payables	-	286,810	-	172,433
Loans from related parties	-	500,098	-	-
Non-trade payables and accrued expenses	2,796,837	476,607	116,138	7,500
Deferred income	-	5,725,014	-	-
VAT payable	1,099,098	-	-	-
	<u>4,735,384</u>	<u>8,957,560</u>	<u>1,816,034</u>	<u>179,933</u>

Included within deferred income is an amount of £nil (2012 £5,500,000) relating to the sale of land. The proceeds, and related costs held within work in progress, were deferred until the Group substantially completed infrastructure obligations pertaining to the site.

### 13 Provisions

Group	s106 £	GLA £	Total £
Balance at 1 April 2012	1,757,700	189,454	1,947,154
Provisions utilised during the year	(99,352)	(189,454)	(288,806)
<b>Balance at 31 March 2013</b>	<u>1,658,348</u>	<u>-</u>	<u>1,658,348</u>

The s106 provision relates to development obligations assumed by Meridian Delta Limited, a group company, the provision is expected to be settled within 5 years. The provisions have not been discounted as the effects are not material.

### 14 Capital

#### Share capital

	2013 £	2012 £
<i>Allotted, called up and fully paid</i>		
1,000,000 A Ordinary shares of £0.001 each	2,531	1,000
1,000,000 B Ordinary Shares of £0.001 each	1,687	1,000
	<u>4,218</u>	<u>2,000</u>

## Notes (continued)

### 15 Financial instruments

#### 15 (a) Fair values of financial instruments

All instruments recognised on the balance sheet, including those instruments carried at amortised cost, are recognised at amounts that represent a reasonable approximation of fair value

##### *Trade and other receivables*

The fair value of trade and other receivables, excluding construction contract debtors, is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if the effect is material

##### *Trade and other payables*

The fair value of trade and other payables is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if the effect is material

##### *Cash and cash equivalents*

The fair value of cash and cash equivalents is estimated as its carrying amount where the cash is repayable on demand. Where it is not repayable on demand then the fair value is estimated at the present value of future cash flows, discounted at the market rate of interest at the balance sheet date

##### *Interest-bearing borrowings*

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the balance sheet date

#### 15 (b) Credit risk

##### *Financial risk management*

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities

##### **Group**

Credit risk represents the risk that a counterparty will not complete its obligations under a financial instrument resulting in a financial loss to the Company. The Company has exposure to credit risk from all recognised financial assets.

Trade receivables are monitored on a daily and weekly basis to minimise the Group's exposure to credit risk. The ageing of trade receivables at the balance sheet date was

<b>Group</b>	<b>Gross 2013 £</b>	<b>Gross 2012 £</b>
Not past due	523,666	292,472
Past due 0-30 days	2,922	37,701
Past due 31-90 days	1,537	18,165
More than 90 days	103,664	12,039

There was no impairment at balance date (2012: £nil). Management have reviewed the debtors and consider all the debtors recoverable.

Credit risk is also managed by limiting the aggregate exposure to any individual counterparty, taking into account its credit rating. Such counterparty exposures are regularly reviewed and adjusted as necessary. Accordingly, the possibility of material loss arising in the event of non-performance by counterparties is considered unlikely.

The maximum exposure to credit risk at the balance sheet date on financial assets recognised in the balance sheet equals the carrying amount, net of any impairment.

## Notes (continued)

### Company

The Company did not have any sales in the year (2012 £nil) but intends to manage its credit risk by minimising exposure to credit risk and securing guarantees against significant credit risks

### 15 (c) Market risk

#### Financial risk management

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments

#### Effective interest and re-pricing analysis

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the period in which they re-price

### Group

31 March 2013	Effective interest rate %	Total	One year or less	5 + years
		£	£	£
Cash	0.5% - 2.0%	18,270,300	18,270,300	-
Interest-bearing loans and borrowings	2% - 10%	152,318,740	-	152,318,740
		<u>170,589,040</u>	<u>18,270,300</u>	<u>152,318,740</u>
31 March 2012	Effective interest rate %	Total	One year or less	5 + years
		£	£	£
Cash	0.5% - 2.0%	1,964,733	1,964,733	-
Interest-bearing loans and borrowings	2% - 10%	(126,770,890)	-	(126,770,890)
		<u>(124,806,157)</u>	<u>1,964,733</u>	<u>(126,770,890)</u>

### Company

31 March 2013	Effective interest rate %	Total	One year or less	5 + years
		£	£	£
Cash	0.5% - 2.0%	15,180,949	15,180,949	-
Interest-bearing loans and borrowings	2% - 10%	152,318,740	-	152,318,740
		<u>167,499,689</u>	<u>15,180,949</u>	<u>152,318,740</u>
31 March 2012	Effective interest rate %	Total	One year or less	5 + years
		£	£	£
Cash	0.5% - 2.0%	199,102	199,102	-
Interest-bearing loans and borrowings	2% - 10%	(126,770,890)	-	(126,770,890)
		<u>(126,571,788)</u>	<u>199,102</u>	<u>(126,770,890)</u>



## Notes (continued)

### *Sensitivity analysis*

At 31 March 2013, it was estimated that a general increase of one percentage point in interest rates would increase the Group's interest payable before tax by approximately £1,488,896 (2012 £1,238,892) based on the average outstanding balance of interest-bearing liabilities during the period

### **15 (d) Liquidity risk**

#### *Financial risk management*

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due

#### **Group & Company**

The Group's objective is to maintain the efficient use of cash and debt facilities in order to minimise the cost of borrowing to the Group and ensure sufficient availability of credit facilities

Liquidity risk is reduced through prudent cash management which ensures sufficient levels of cash are maintained to meet working capital requirements. It also allows flexibility of liquidity by matching maturity profiles of short term investments with cash flow requirements, and timely review and renewal of credit facilities

The following are the contractual cash flow maturities of financial liabilities as at 31 March 2013, including estimated interest payments and excluding the impact of netting agreements

#### **Group**

As at 31 March 2013	Carrying Amount £	Contractual Cash Flows £	Six Month or Less £	Six to Twelve Months £	One to Two Years £	Two to Five Years £	More than Five Years £
<b>Non Derivative Financial Liabilities</b>							
Trade payables & accrued expenses	4,735,384	4,735,384	4,735,384	-	-	-	-
Provision	1,658,348	1,658,348	1,658,348	-	-	-	-
Interest bearing loans	152,318,740	152,318,740	-	-	-	-	152,318,740
<b>Total</b>	<b>158,712,472</b>	<b>158,712,472</b>	<b>6,393,732</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>152,318,740</b>

As at 31 March 2012	Carrying Amount £	Contractual Cash Flows £	Six Month or Less £	Six to Twelve Months £	One to Two Years £	Two to Five Years £	More than Five Years £
<b>Non Derivative Financial Liabilities</b>							
Trade payables & accrued expenses	8,957,560	8,957,560	8,957,560	-	-	-	-
Provision	1,947,154	1,947,154	1,947,154	-	-	-	-
Interest bearing loans	126,770,890	126,770,890	-	-	-	-	126,770,890
<b>Total</b>	<b>137,675,604</b>	<b>137,675,604</b>	<b>10,904,714</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>126,770,890</b>

## Notes (continued)

### Company

As at 31 March 2013	Carrying Amount £	Contractual Cash Flows £	Six Month or Less £	Six to Twelve Months £	One Two Years £	to Two Five Years £	to More than Five Years £
<b>Non Derivative Financial Liabilities</b>							
Trade payables & accrued expenses	1,816,034	1,816,034	1,816,034	-	-	-	-
Interest bearing loans	152,318,740	152,318,740	-	-	-	-	152,318,740
<b>Total</b>	<b>152,504,774</b>	<b>152,504,774</b>	<b>1,816,034</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>152,318,740</b>

  

As at 31 March 2012	Carrying Amount £	Contractual Cash Flows £	Six Month or Less £	Six to Twelve Months £	One Two Years £	to Two Five Years £	to More than Five Years £
<b>Non Derivative Financial Liabilities</b>							
Trade payables & accrued expenses	179,933	179,933	179,933	-	-	-	-
Interest bearing loans	126,770,890	126,770,890	-	-	-	-	126,770,890
<b>Total</b>	<b>126,950,823</b>	<b>126,950,823</b>	<b>179,933</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>126,770,890</b>

The directors of the Group and the Company consider the long term loans notes payable in a period greater than 5 years as they relate to loans with the parent entities, who cannot seek repayment until funds become available. Given the profile of the development, they believe this to represent the most likely period of repayment. They have indicated via the statement of support for the Group and Company that they would support the Company for the foreseeable future. See note 12, Going Concern.

### 16 Contingencies and commitments

	Group 2013 £	2012 £	Company 2013 £	2012 £
Transport, construction and other works	<b>2,239,820</b>	1,036,091	-	-

Commitments are disclosed where the obligation for transport, construction and other works relating to the regeneration of Greenwich Peninsula has been triggered by events identified in legal documents.

The company is included in a group registration for VAT purposes and is therefore jointly and severally liable for all other group companies' unpaid debts in this connection. The UK group registration was in a net VAT receivable position at 31 March 2013 of £1,099,098 (2012: £364,474).

## Notes (continued)

### 17 Related parties

#### Group

Management fees charged by the controlling parties

Quintain Estates and Development Limited ("QED") provides staff to MDL, a related entity, under a "Development Management Services Agreement". The total amount charged for resourcing under this agreement by Lend Lease Development (UK) Limited Retail for the year was £464,740 (2012 £524,255). Lend Lease Europe Limited and Lend Lease Development (UK) Limited Retail ceased to be related parties on the 27 July 2012.

Management fees of £17,053 (2012 £100,982) were also charged to GPRL Development Company Limited by Lend Lease Europe Limited. Management fees were fully paid in the year.

During the year, management fees of £1,475,361 (2012 £373,425) were charged to Meridian Delta Limited by Quintain Estates and Development Plc under "Development Management Services Agreement" between Company, MDL and Quintain Estates and Development Plc. Management fees were fully paid in the year.

Knightsbridge Project Management Limited (KPML), a related entity, provides strategic advisory services to the Company for a fee. For the year an amount of £2,341,438 was paid to KPML.

#### Group and Company

##### *Existing loan stock*

In the period ending 31 March 2013 the Company issued £1,501,000 (2012 £3,658,600) of existing loan stock, £598,518 (2012 £1,847,941) of which was to satisfy loan stock interest to Lend Lease Europe Limited. Interest is charged quarterly at 3 month Libor + 2% on all stock balances. As at 27th July 2012 loan stock of £65,484,963 owed to Lend Lease Europe Limited was repaid.

At year end loan stock of £77,496,942 was owed to Knight Dragon Limited and £51,664,628 (2012 £63,385,445) was owed to Quintain Estates and Development Plc. The loan terms as set out in Clause 3 of each Loan Note Instrument dated 27 July 2012 and Clause 16 of the Shareholders' Agreement dated 27 July 2012 state that the Company will procure that, as soon as is practicable following each Land Sale and Net Sale proceeds received by or on behalf of a Development SPV in respect of a Phase proceeds should be used in repaying outstanding loan stock. Knight Dragon Limited and Quintain Estates and Development Plc are the ultimate controlling parties of the Group and Company.

##### *New loan stock*

The Company issued £23,157,170 new loan stock to Knight Dragon Ltd, including £812,869 interest. Interest is charged quarterly at 3 month Libor + 5% on all stock balances as per the Shareholders Agreement. Additional Loan is repayable when the Existing Loan stock balance has been repaid in full.

At year end the company and group fully provided for the interest bearing loan of £968,007 invested in Greenwich Peninsula N0206 Limited, the 50/50 JV with Crest Nicholson. The Group has provided in full for its £968,007 investment. The JV agreement expired on the 21 January 2013 and GPRL has confirmed its wish not to extend or renew the agreement.

During the year, the Company charged interest of £30,365 (2012 £29,750) to Greenwich Peninsula N0206 Limited, a 50% Joint Venture.

Within accrued income is an amount of £141,458 (2012 £111,093) due from Greenwich Peninsula N0206 Limited, a 50% Joint Venture.

**Notes** *(continued)*

**At the year end the Company was owed the following from subsidiaries**

	<b>Company 2013</b>	2012
	<b>£</b>	<b>£</b>
Meridian Delta Limited	125,246,827	120,560,940
Quintain Meridian Limited	54,599,030	-
Peninsula Quays Limited	3,561,920	3,561,920
Greenwich Peninsula M0114 Limited	927,432	1,004,000
GPRL (N0205) Limited	1,601,018	-
	<u><b>185,936,227</b></u>	<u><b>125,126,860</b></u>

**At the year end the Company had the following amounts due to subsidiaries**

	<b>Company 2013</b>	2012
	<b>£</b>	<b>£</b>
Meridian Delta Limited	(1,412,265)	-
GPRL (N0205) Limited	(266,836)	-
GPRL Peninsula Services Limited	(20,795)	-
	<u><b>(1,699,896)</b></u>	<u><b>-</b></u>

**18 Subsequent events**

There have been no significant post balance sheet events (2012 none)

**19 Ultimate parent company and parent company of larger group**

The ultimate owners are Knight Dragon Limited and Quintain Estates and Development plc ('Quintain') Knight Dragon Limited is incorporated and registered in Hong Kong under company number 1745822 and its financial statements are available from 31/F, New World Tower, 16-18 Queen's Road, Central Hong Kong, SAR. Quintain is incorporated in the United Kingdom and its financial statements are available from 16 Grosvenor Street, London W1K 4QF.