

**GREYCOAT CONSTRUCTION LIMITED  
DIRECTORS' REPORT AND ACCOUNTS  
FOR THE PERIOD ENDED 30 JUNE 2005**

**Company No. 1355688 (England & Wales)**



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COMPANIES HOUSE 21/09/2006

# GREYCOAT CONSTRUCTION LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	PA Thornton CN Strickland MA Poole JE Vickery
<b>Secretary</b>	NC Brown
<b>Company Number</b>	1355688
<b>Registered Office</b>	9 Savoy Street London WC2E 7EG
<b>Auditors</b>	Baker Tilly 2 Bloomsbury Street London WC1B 3ST

# GREYCOAT CONSTRUCTION LIMITED

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# **GREYCOAT CONSTRUCTION LIMITED**

## **DIRECTORS' REPORT**

**FOR THE PERIOD ENDED 30 JUNE 2005**

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The directors present their report together with the audited accounts for period from 22 November 2004 to 30 June 2005.

### **Results and Dividends**

*The results for the period are set out in the profit and loss account on page 4.*

The directors are unable to recommend payment of a final dividend (year ended 21 November 2004: £nil).

The retained loss of £39,518 (year ended 21 November 2004: profit £1) will be deducted from reserves.

### **Principal Activities, Review of Business and Future Developments**

The company's principal activity continued to be that of property construction.

The directors consider the state of the company's affairs to be satisfactory.

The company substantially completed the construction of Moor House prior to November 2004 and subsequently novated its obligations under the construction contract. The company has continued to pay residual obligations relating to the construction of Moor House

### **Continuing Financial Support**

A fellow subsidiary undertaking has confirmed that it will continue to support the company for a period until at least one year from the date of approval by the directors of these accounts.

# GREYCOAT CONSTRUCTION LIMITED

## DIRECTORS' REPORT

FOR THE PERIOD ENDED 30 JUNE 2005

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### Directors

The directors who served during the period and subsequent to that date were:

PA Thornton  
CN Strickland  
MA Poole  
JE Vickery

None of the directors had any interest in the share capital of the company during the year. Messrs PA Thornton, CN Strickland and MA Poole are also directors of Greycoat Estates Limited, which was the ultimate parent undertaking at 30 June 2005. Their interests in the share capital of that company and other group undertakings are shown in the published accounts of Greycoat Estates Limited.

### Directors' Responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of the company's affairs and of the profit or loss for that year. In preparing these accounts the directors:

- 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 accounts; and
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditors

During the period, Ernst & Young LLP were replaced as the company's auditor by Baker Tilly.



M A Poole, Director  
14 September 2006

**INDEPENDENT AUDITORS' REPORT TO THE  
MEMBERS OF GREYCOAT CONSTRUCTION LIMITED**

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We have audited the financial statements on pages 4 to 9.

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 applicable law and United Kingdom Accounting Standards 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 United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read 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 Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 June 2005 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



BAKER TILLY  
Registered Auditor  
Chartered Accountants  
2 Bloomsbury Street  
London WC1B 3ST

14 September 2006

**GREYCOAT CONSTRUCTION LIMITED****PROFIT AND LOSS ACCOUNT**

FOR THE PERIOD ENDED 30 JUNE 2005

	Notes	Period ended 30 June 2005 £	Year Ended 21 November 2004 £
<b>Turnover</b>		-	-
Related construction costs (under) provided		(36,842)	(678)
Administrative costs		(4,000)	-
<b>Operating (Loss)</b>	2	<u>(40,842)</u>	<u>(678)</u>
Interest receivable		1,324	679
<b>(Loss)/Profit on Ordinary Activities before Taxation</b>		<u>(39,518)</u>	<u>1</u>
Tax on (Loss)/Profit on Ordinary Activities	4	-	-
<b>Retained (Loss)/Profit for the Financial Period</b>	8	<u>(39,518)</u>	<u>1</u>
<b>Retained (Loss) Brought Forward</b>		(15,285,171)	(15,285,172)
<b>Retained (Loss) Carried Forward</b>		<u>(15,324,689)</u>	<u>(15,285,171)</u>

**Statement of Total Recognised Gains and Losses**

There were no recognised gains or losses for the period ended 30 June 2005 and the year ended 21 November 2004 other than those included in the profit and loss account.

The notes on pages 6 to 9 form part of these accounts.

# GREYCOAT CONSTRUCTION LIMITED

## BALANCE SHEET

AS AT 30 JUNE 2005

	Notes	30 June 2005 £	21 November 2004 £
<b>Current Assets</b>			
Debtors	5	41,005,441	81,042,308
Cash at bank		119,677	740
		<u>41,125,118</u>	<u>81,043,048</u>
<b>Creditors: Amounts Falling Due Within One Year</b>	6	<b>(56,449,707)</b>	<b>(96,328,119)</b>
<b>Total Assets Less Current Liabilities</b>		<b><u>(15,324,589)</u></b>	<b><u>(15,285,071)</u></b>
 <b>Capital and Reserves</b>			
Share capital	7	100	100
Profit and loss account	8	(15,324,689)	(15,285,171)
<b>Equity Shareholder's Funds</b>	9	<b><u>(15,324,589)</u></b>	<b><u>(15,285,071)</u></b>

These accounts were approved by the board on 14 September 2006 and signed on its behalf.



MA Poole  
Director

The notes on pages 6 to 9 form part of these accounts.



# GREYCOAT CONSTRUCTION LIMITED

## NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 30 JUNE 2005

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### 1 **Accounting Policies**

#### **Basis of Accounting**

The accounts have been prepared under the historical cost accounting convention and comply with the Companies Act 1985. The accounts are prepared in accordance with applicable accounting standards.

These accounts have been prepared under the going concern basis, because a fellow subsidiary undertaking has agreed not to demand repayment of amounts owed to it to the extent that the company is unable to repay them for a period until at least one year from the date of approval by the directors of these accounts.

#### **Deferred Taxation**

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the accounts. Deferred tax is not provided on timing differences arising from the revaluation of tangible fixed assets where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

### 2 **Operating Loss**

The operating loss for the period was derived from the company's principal activity which was carried out wholly in the UK.

### 3 **Administrative Expenses**

Messrs PA Thornton, CN Strickland and MA Poole are also directors of Greycoat Estates Limited which was the ultimate parent undertaking at 30 June 2005.

The directors are all paid by a fellow subsidiary undertaking and the auditors also receive their remuneration from a fellow subsidiary undertaking. The directors do not believe that it is practicable to apportion their remuneration between their services to the company and their services to the ultimate parent undertaking and fellow subsidiaries.

# GREYCOAT CONSTRUCTION LIMITED

## NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 30 JUNE 2005

### 4 Taxation

There is no tax charge for the period (year ended 21 November 2004: £nil). There is no provision, or additional potential liability, for deferred taxation in respect of the company. In addition, no deferred taxation asset has been recognised from the utilisation of tax losses in the future due to the uncertainty regarding future activity of the company. The company's surplus tax losses are approximately £28,100,000 (2004: £28,100,000) and the unprovided potential deferred taxation asset is approximately £8,400,000 (2004: £8,400,000).

	Period ended 30 June 2005 £	Year ended 21 November 2004 £
<b>Factors affecting tax charge for the period</b>		
The tax assessed for the period is different from the standard rate of corporation tax in the UK (30%). The differences are explained below:		
(Loss)/profit on ordinary activities before tax	(39,518)	1
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2004: 30%)	(11,855)	-
Losses available for surrender to other group companies	11,855	-
Current tax charge for the period	-	-

### 5 Debtors

	30 June 2005 £	21 November 2004 £
Amounts owed by parent and fellow subsidiary undertakings	41,000,000	81,005,589
Other debtors	5,441	36,719
	<u>41,005,441</u>	<u>81,042,308</u>

**GREYCOAT CONSTRUCTION LIMITED**

## NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 30 JUNE 2005

**6 Creditors: Amounts Falling Due Within One Year**

	<b>30 June 2005</b>	21 November 2004
	£	£
Amounts owed to fellow subsidiary undertakings	56,335,890	96,321,680
Accruals and deferred income	108,124	111
Other creditors	5,693	6,328
	<u>56,449,707</u>	<u>96,328,119</u>

**7 Share Capital**

	<b>30 June 2005</b>	21 November 2004
	£	£
<b>Authorised Equity Shares</b> 1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Allotted Equity Shares</b> 100 Allotted, called up and fully paid ordinary shares of £1 each	<u>100</u>	<u>100</u>

**8 Reserves**

	<b>Profit and Loss Account</b>
	£
At 21 November 2003	(15,285,172)
Retained profit for the year	1
At 21 November 2004	<u>(15,285,171)</u>
Retained loss for the period	(39,518)
<b>At 30 June 2005</b>	<u>(15,324,689)</u>

# GREYCOAT CONSTRUCTION LIMITED

## NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 30 JUNE 2005

### 9 Reconciliation of Equity Shareholder's Funds

	30 June 2005 £	21 November 2004 £
Retained (loss)/profit for the period	(39,518)	1
Decrease /(increase) in equity shareholder's funds	(39,518)	1
Opening equity shareholder's funds	(15,285,071)	(15,285,072)
Closing equity shareholder's funds	(15,324,589)	(15,285,071)

### 10 Immediate and Ultimate Parent Undertaking

In the directors' opinion the company's immediate and ultimate parent company and controlling party at 30 June 2005 was Greycoat Estates Limited, which is incorporated in England and Wales.

### 11 Transactions with Related Parties

During the period, Greycoat Management Limited paid expenses on behalf of the company totalling £32,181. As at 30 June 2005, the company owed Greycoat Management Limited £32,181 (2004: £nil).

As at 30 November 2004, Greycoat Construction Limited owed Moor House Property Development Limited £96,303,739 and Greycoat Tower Limited owed Greycoat Construction Limited £80,000,000. During the period, it was agreed by all three companies that £40,000,000 of the debts would be assigned to the other group company which reduced both debts by £40,000,000. As at 30 June 2005, these debts were £56,303,739 and £40,000,000 respectively.

As at 30 June 2005, Greycoat Estates Limited owed the company £1,000,000 (2004: £1,000,000).

Greycoat Management Limited, Moor House Property Development Limited and Greycoat Tower Limited are all fellow subsidiaries of Greycoat Estates Limited.

Related party transactions have not been disclosed for the comparative period as during that period the majority of the group's subsidiaries were put into liquidation and to provide this information would be impractical.