

**Deloitte &
Touche**

Deloitte Touche
Tohmatsu
International



Company Registration No. 2982397

GROVE HOUSE (UK) LIMITED
(formerly Duskhaven Limited)

Report and Financial Statements

31 December 1995



Deloitte & Touche
Stonecutter Court
1 Stonecutter Street
London EC4A 4TR



REPORT AND FINANCIAL STATEMENTS 1995

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REPORT AND FINANCIAL STATEMENTS 1995

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

T Ishiyama
T Yamamoto

SECRETARY

J E Beglin

REGISTERED OFFICE

Grove House
248a Marylebone Road
London NW1 6JZ

AUDITORS

Deloitte & Touche
Chartered Accountants
Stonecutter Court
1 Stonecutter Street
London EC4A 4TR

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the period from 24 October 1994, the date of incorporation, to 31 December 1995.

PRINCIPAL ACTIVITIES

The principal activity of the company is that of property ownership.

REVIEW OF THE BUSINESS

The results for the period are set out in the attached financial statements. The directors are unable to recommend the payment of a dividend.

The company was incorporated on 24 October 1994 under the name of Duskhaven Limited. On 27 January 1995, the company acquired the property known as Grove House, from its Dutch registered fellow subsidiary company, for £4 million. Grove House is principally occupied by Kajima UK operating companies.

On 8 December 1994, the company changed its name to Grove House (UK) Limited.

Movements in fixed assets are set out in note 6 to the financial statements.

DIRECTORS AND THEIR INTERESTS

The current directors of the company are shown on page 1.

Changes to directorships were as follows:

M E Richards	(appointed 24 October 1994, resigned 6 December 1994)
P J Charlton	(appointed 24 October 1994, resigned 6 December 1994)
T Ishiyama	(appointed 6 December 1994)
T Yamamoto	(appointed 6 December 1994)

AUDITORS

Touche Ross & Co. Were appointed by the directors following incorporation.

On 1 February 1996 they changed the name under which they practise to Deloitte & Touche, and accordingly, have signed their report in their new name. Deloitte & Touche 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



J E Beglin

Secretary

28 June 1996

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act. 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.



Chartered Accountants

Deloitte & Touche
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London EC4A 4TR

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AUDITORS' REPORT TO THE MEMBERS OF

GROVE HOUSE (UK) LIMITED (formerly Duskhaven Limited)

We have audited the financial statements on pages 5 to 10 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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 31 December 1995 and of its loss for the period 24 October 1994 to 31 December 1995 and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche
Chartered Accountants and Registered Auditors

28 June 1996

PROFIT AND LOSS ACCOUNT

Period from 24 October 1994 to 31 December 1995

	Note	£
TURNOVER	2	428,388
Administrative expenses		(507,345)
OPERATING LOSS	3	(78,957)
Interest receivable		2,910
Interest payable	4	(80,252)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(156,299)
Tax on loss on ordinary activities	5	-
LOSS FOR THE PERIOD		(156,299)

The company had no other recognised gains or losses during the period.

BALANCE SHEET
31 December 1995

	Note	£
FIXED ASSETS		
Tangible fixed assets	6	<u>3,912,152</u>
CURRENT ASSETS		
Debtors	7	130,010
Cash at bank	8	<u>217,349</u>
		347,359
CREDITORS: amounts falling due within one year	9	<u>(1,615,810)</u>
NET CURRENT LIABILITIES		<u>(1,268,451)</u>
NET ASSETS		<u><u>2,643,701</u></u>
CAPITAL AND RESERVES		
Called up share capital	11	2,800,000
Profit and loss account	12	<u>(156,299)</u>
EQUITY SHAREHOLDERS' FUNDS		<u><u>2,643,701</u></u>

These financial statements were approved by the Board of Directors on 28 June 1996

Signed on behalf of the Board of Directors

T Ishiyama
 Director



NOTES TO THE FINANCIAL STATEMENTS
Period 24 October 1994 to 31 December 1995

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

Fixed assets

Fixed assets are capitalised at cost. In the case of freehold land and buildings revaluations are carried out periodically by the directors, with the revaluation surplus being taken to the revaluation reserve.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimate residual value based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful life, as follows:

Freehold buildings straight line over 20 years

Property improvements	straight line over 4 years
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Deferred taxation

Deferred taxation is provided under the liability method on all timing differences to the extent that it is probable that a liability will crystallise, calculated at the rate at which it is estimated that tax will be payable.

2. TURNOVER

Turnover represents rents and service charges receivable, net of value added tax, and is wholly derived from activities carried out in the United Kingdom.

3. OPERATING LOSS

This is stated after charging/(crediting):

Auditors' remuneration - audit services	6,950
-non-audit services	-

Net rental income	(335,540)
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The company had no employees other than its directors, none of whom received any remuneration for their services as directors of the company during the period.

4. INTEREST PAYABLE

On bank loans wholly repayable within five years	£ 80,252
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5. TAXATION

There is no charge for taxation due to the availability of tax losses in the current period.


NOTES TO THE FINANCIAL STATEMENTS
Period 24 October 1994 to 31 December 1995
6. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Property improve- ments £	Total £
Cost:			
Additions	4,000,000	69,536	4,069,536
At 31 December 1995	4,000,000	69,536	4,069,536
Depreciation:			
Charge for the period	140,000	17,384	157,384
At 31 December 1995	140,000	17,384	157,384
Net book value:			
At 31 December 1995	3,860,000	52,152	3,912,152

7. DEBTORS

	£
Amounts due to fellow subsidiary undertaking	111,000
Other debtors	18,100
Prepayments and accrued income	910
	<u>130,010</u>

8. CASH AT BANK

Cash at bank includes blocked deposits of £50,483 in respect of a tenant's rent deposit and £93,157 relating to a reserve fund.


NOTES TO THE FINANCIAL STATEMENTS
Period 24 October 1994 to 31 December 1995
9. CREDITORS: amount falling due within one year

	£
Bank loan (unsecured)	1,292,900
Amounts due to intermediate parent undertaking	3,027
Amounts due to fellow subsidiary undertakings	16,134
Other creditors	60,366
Accruals and deferred income	243,383
	<u>1,615,810</u>

The bank loan is repayable on 31 August 1996.

10. SHARE CAPITAL

	£
Authorised:	
2,800,000 ordinary shares of £1 each	<u>2,800,000</u>
Allotted, issued and fully paid:	
2,800,000 ordinary shares of £1 each	<u>2,800,000</u>

The company was incorporated on 24 October 1994 with an authorised share capital of 100 ordinary shares of £1 each, of which one subscriber share was issued. On 6 December 1994, the authorised share capital was increased to 2,800,000 ordinary shares of £1 each and a further 2,799,999 shares were issued at par.

11. MOVEMENT ON RESERVES AND RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share capital £	Profit and loss account £	Total share- holders' funds £
Issue of shares	2,800,000	-	2,800,000
Loss for the period	<u>-</u>	<u>(156,299)</u>	<u>(156,299)</u>
At 31 December 1995	<u>2,800,000</u>	<u>(156,299)</u>	<u>2,643,701</u>



NOTES TO THE FINANCIAL STATEMENTS
Period 24 October 1994 to 31 December 1995

12. ULTIMATE PARENT UNDERTAKING

The company's ultimate parent undertaking and parent undertaking of the largest group of which the company is a member and for which group financial statements are prepared is Kajima Corporation, a company incorporated in Japan. Copies of the group financial statements of Kajima Corporation are available from 1-2-7 Moto-Akasaka, Minator-Ku, Tokyo.

The smallest group of which the company is a member and for which group financial statements are prepared is Kajima Europe UK Holding Limited. Copies of the group financial statements are available from Grove House, 248a Marylebone Road, London NW1 6JZ.