

Notes forming part of the Company financial statements

i Accounting policies

Accounting convention

The Company financial statements are prepared under UK GAAP and the historical cost convention as modified by the revaluation of investments in subsidiary undertakings. The Company has prepared its financial statements on a going concern basis, see page 90.

Subsidiary undertakings and joint ventures

Shares in subsidiary undertakings are carried at amounts equal to their original cost and any subsequent movement in the revaluation reserve of those subsidiaries, thus reflecting in the Company's balance sheet the surplus arising from the revaluation and the sale of investments and investment properties of those subsidiaries, limited to the value of the Group balance sheet.

Accounting policies for share-based payments, deferred tax and financial instruments are the same as those of the Group and are set out on pages 62 to 64.

ii Profit attributable to members of the parent undertaking

As permitted by section 408 Companies Act 2006, the Company has not presented its own profit and loss account. The loss dealt with in the accounts of the Company was £9.8 million (2010: profit of £214.7 million). The employees of the Company are the directors and the company secretary. Full disclosure of the directors remuneration can be found on pages 102 to 112.

iii Fixed asset investments

	Investment in joint ventures £m	Shares in subsidiary undertakings £m	Loans to subsidiary undertakings £m	Total £m
At 1 April 2010	80.7	1,143.4	350.7	1,574.8
Additions	–	19.0	–	19.0
Surplus on revaluation	27.6	244.1	–	271.7
At 31 March 2011	108.3	1,406.5	350.7	1,865.5

Shares in subsidiary undertakings and joint ventures are carried at directors' valuation. The historical cost of the shares in subsidiary undertakings and joint ventures at 31 March 2011 was £887.5 million (2010: £868.5 million).

Were the Company to sell its fixed asset investments, an estimated charge of £163.1 million (2010: £99.6 million) would arise. However, the Company has no intention of selling any of its investments in the foreseeable future.

The Company owns, directly or through subsidiary undertakings, all of the ordinary issued share capital of the following principal subsidiary undertakings, all of which are incorporated in England and operate in the United Kingdom:

	Principal activity		Principal activity
B & H S Management Limited	Property management	G.P.E. (St. Thomas Street) Limited	Property investment
Collin Estates Limited	Property investment	Ilex Limited	Property investment
Courtana Investments Limited	Property investment	J.L.P. Investment Company Limited	Property investment
G.P.E. (Bermondsey Street) Limited	Property investment	Knighton Estates Limited	Property investment
G.P.E. (Hanover Square) Limited*	Property investment	Pontsarn Investments Limited	Property investment
G.P.E. (New Bond Street) LLP†	Property investment	Portman Square Properties Limited	Property investment

* Held by a subsidiary undertaking.

† The Company owns, through a subsidiary undertaking, 100% of the partnership capital of G.P.E. (New Bond Street) LLP which is registered in England and operates in the United Kingdom.

iv Debtors

	2011 £m	2010 £m
Amounts owed by subsidiary undertakings	192.1	122.7
Amounts owed by joint ventures	62.1	7.4
Corporation tax	0.7	0.7
Other debtors	0.1	0.1
Prepayments and accrued income	0.1	15.0
Derivatives	2.7	1.1
	257.8	147.0

v Creditors: amounts falling due within one year

	2011 £m	2010 £m
Amounts owed to subsidiary undertakings	527.5	490.7
Amounts owed to joint ventures	124.8	118.8
Other taxes and social security costs	0.1	0.5
Other creditors	2.9	0.9
Accruals	4.9	2.1
	660.2	613.0

vi Reserves

	Other reserves					
	Capital redemption reserve £m	Acquisition reserve £m	Total £m	Hedging reserve £m	Revaluation reserve £m	Profit and loss account £m
1 April 2010	16.4	8.6	25.0	(4.6)	337.4	262.0
Surplus on revaluation of fixed asset investments	-	-	-	-	271.7	-
Loss for the year	-	-	-	-	-	(9.8)
Dividends	-	-	-	-	-	(25.2)
Transfer to investment in own shares	-	-	-	-	-	(0.1)
Charge on 2010 cancellation of derivatives	-	-	-	3.1	-	-
At 31 March 2011	16.4	8.6	25.0	(1.5)	609.1	226.9