

COMPANY REGISTRATION NUMBER 4600

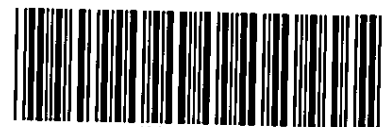
**Cardiff and Provincial Properties
Limited**

Report and financial statements

For the year ended

31 March 2009

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Cardiff and Provincial Properties Limited

Report and financial statements

Year ended 31 March 2009

| Contents | Pages |
|--|----------------|
| The directors' report | 1 to 3 |
| Independent auditors' report | 4 |
| Profit and loss account | 5 |
| Statement of total recognised gains and losses | 6 |
| Note of historical cost profits and losses | 6 |
| Balance sheet | 7 |
| Notes to the financial statements | 8 to 12 |

Cardiff and Provincial Properties Limited

4600

The directors' report

Year ended 31 March 2009

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2009.

Principal activities and business review

The company is a wholly owned subsidiary of Warner Estate Holdings PLC. The principal activity of the company is investment in listed and unlisted companies in the United Kingdom. The directors consider the results for the year to be satisfactory.

Results for the year

The profit after taxation for the year amounted to £569,000 (2008: £198,000 loss) which is added to a surplus brought forward of £2,449,000, and after a transfer of £569,000 to other reserves this leaves £2,449,000 to be carried forward. The directors do not recommend the payment of a dividend (2008: £nil).

Fixed asset investments

The company has an investment in Stonemartin PLC which disposed of all its assets and delisted during the year. Subsequently a return of capital of £1,101,000 was made to the company.

The fair values of units held in unlisted Jersey property unit trusts have been incorporated in the balance sheet as shown in Note 5 and the resultant deficit of £526,000 (2008: £882,000) has been transferred to the revaluation reserve.

Principal risks and uncertainties

The company is a wholly owned subsidiary of Warner Estate Holdings PLC. From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of Warner Estate Holdings PLC and are not managed separately. Accordingly, the principal risks and uncertainties of the Warner Estate Holdings PLC group, which include those of the company, are discussed in the operating and financial review contained in the group's annual report which does not form part of this report.

Key performance indicators

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business. The development, performance and position of the Warner Estate Holdings PLC group, which includes the company, are discussed in the operating and financial review contained in the group's annual report which does not form part of this report.

Future outlook

The directors are confident the current level of performance will be maintained in the future. The company will continue to hold investments in unlisted companies. The company is a wholly owned subsidiary of Warner Estate Holdings PLC and the directors have received confirmation that the parent will continue to provide financial support in the foreseeable future as and when needed. These audited financial statements have been prepared on a going concern basis, which assumes the company will continue to be able to meet its liabilities as and when they fall due, for the foreseeable future. The company has a debtor due from fellow group companies, and there is uncertainty over the ability of the fellow group companies to repay this debtor if the group's ongoing discussions with its lenders for the extension and amendment of current banking facilities on terms appropriate for the current and foreseeable operating environment are unsuccessful. However, if this debtor is not recoverable the company would still have net assets and therefore be able to meet its liabilities as and when they fall due. Therefore, having taken the uncertainty into account, the Directors believe it is appropriate to prepare the accounts on a going concern basis.

Cardiff and Provincial Properties Limited

The directors' report

Year ended 31 March 2009

Directors

The directors who served the company during the year were as follows:

| | |
|--------------------------|-----------------------------|
| P.C.T. Warner (Chairman) | |
| P.W. Collins | (Resigned 28 November 2008) |
| M.W. Keogh | (Appointed 1 December 2008) |
| V.B. Vaghela | |
| M.J. Stevens | (Resigned 25 June 2009) |
| M.D Ovens | (Resigned 27 February 2009) |

R.W. Game was appointed as a director on 25 June 2009.

The directors have the benefit of "qualifying third party indemnity provisions" for the purposes of sections 309A to 309C of the Companies Act 1985.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

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

Cardiff and Provincial Properties Limited

The directors' report (continued)

Year ended 31 March 2009

Disclosure of information to auditors

The directors confirm that to their knowledge there is no relevant audit information of which the company's auditors are unaware. They also confirm that they have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Signed by order of the Board



D.J. Lanchester
Company Secretary

Registered office:
Nations House
103 Wigmore Street
London
W1U 1AE

26 October 2009

Cardiff and Provincial Properties Limited

Independent auditors' report to the members of Cardiff and Provincial Properties Limited

Year ended 31 March 2009

We have audited the financial statements of Cardiff and Provincial Properties Limited for the year ended 31 March 2009 which comprise the profit and loss account, the statement of total recognised gains and losses, the note of historical cost profits and losses, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

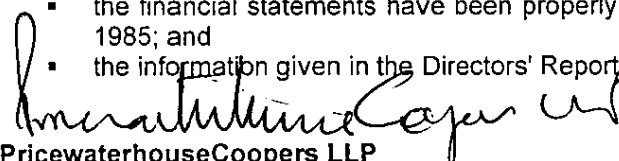
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London, United Kingdom

26 October 2009

Cardiff and Provincial Properties Limited

Profit and loss account

Year ended 31 March 2009

| | Note | 2009 £000 | 2008 £000 |
|---|-----------|--------------|--------------|
| Turnover | 2 | - | - |
| Operating profit | | - | - |
| Return of capital from listed investments | 5 | 1,101 | - |
| Impairment on listed investments | 5 | (532) | - |
| Loss on disposal of investments | 5 | - | (193) |
| Profit/(loss) on ordinary activities before taxation | | 569 | (193) |
| Tax on profit/(loss) on ordinary activities | 4 | - | (5) |
| Profit/(loss) for the financial year | 12 | 569 | (198) |

All of the activities of the company are classed as continuing.

Cardiff and Provincial Properties Limited

Statement of total recognised gains and losses

Year ended 31 March 2009

| | Note | 2009 £000 | 2008 £000 |
|---|------|--------------|----------------|
| Profit/(loss) for the financial year | | 569 | (198) |
| Unrealised losses on revaluation of investments | 12 | (455) | (882) |
| Total gains/(losses) recognised for the year | | <u>114</u> | <u>(1,080)</u> |

Note of historical cost profits and losses

Year ended 31 March 2009

| | | 2009 £000 | 2008 £000 |
|---|----|----------------|--------------|
| Profit/ (loss) on ordinary activities before taxation | | 569 | (193) |
| Realisation of investment property gains of prior period | 11 | (3,368) | - |
| Historical cost profit on ordinary activities before taxation and dividends | | <u>(2,799)</u> | <u>(193)</u> |
| Historical cost profit on ordinary activities after taxation and dividends | | <u>(2,799)</u> | <u>(198)</u> |

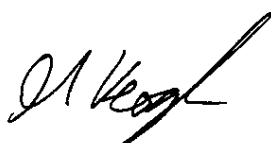
Cardiff and Provincial Properties Limited

Balance sheet


31 March 2009

| | Note | 2009 £000 | 2008 £000 |
|----------------------------------|------|----------------------|----------------------|
| Fixed assets | | | |
| Investments | 5 | <u>298</u> | <u>1,285</u> |
| Current assets | | | |
| Debtors | 6 | 11,922 | 9,742 |
| Cash at bank and in hand | | <u>206</u> | <u>1,285</u> |
| Net current assets | | 12,128 | 11,027 |
| Net assets | | <u>12,426</u> | <u>12,312</u> |
| Capital and reserves | | | |
| Called-up share capital | 10 | 162 | 162 |
| Share premium account | 11 | 401 | 401 |
| Revaluation reserve | 11 | (596) | (3,509) |
| Other capital reserve | 11 | 10,010 | 12,809 |
| Profit and loss account | 11 | <u>2,449</u> | <u>2,449</u> |
| Total shareholders' funds | 12 | <u>12,426</u> | <u>12,312</u> |

These financial statements on page 5 to 12 were approved by the board of directors on the
26 October and are signed on their behalf by:



 M.W. Keogh



 V.B. Vaghela

Cardiff and Provincial Properties Limited

Notes to the financial statements

Year ended 31 March 2009

1. Accounting policies

Basis of preparation

The accounts have been prepared on the going concern basis, under the historical cost convention, as modified to include the revaluation of certain tangible fixed assets and in accordance with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

These audited financial statements have been prepared on a going concern basis, which assumes the company will continue to be able to meet its liabilities as and when they fall due, for the foreseeable future. The company has a debtor due from fellow group companies, and there is uncertainty over the ability of the fellow group companies to repay this debtor if the group's ongoing discussions with its lenders for the extension and amendment of current banking facilities on terms appropriate for the current and foreseeable operating environment are unsuccessful. However, if this debtor is not recoverable the company would still have net assets and therefore be able to meet its liabilities as and when they fall due. Therefore, having taken the uncertainty into account, the Directors believe it is appropriate to prepare the accounts on a going concern basis.

Cash flow statement

The company's ultimate parent company, Warner Estate Holdings PLC, produces consolidated statements which are publicly available. The company is therefore exempt under the terms of the Financial Reporting Standard No. 1, from publishing a cash flow statement.

Turnover

Turnover represents dividend income from shares in listed property companies in the United Kingdom and distribution income from unlisted investments in Jersey property unit trusts. Dividend income is accounted for on declaration of the dividend and distribution income is accounted for on an accruals basis.

Deferred taxation

Deferred tax is provided in respect of all timing differences which have originated but not reversed at the balance sheet date where an event has occurred that results in an obligation to pay more or less tax in the future, except that:

- Provision is not made in respect of property revaluation surpluses; and
- Deferred tax assets are recognised only to the extent that it is more likely than not that there will be suitable taxable profits from which the future reversal of the relevant timing differences can be deducted.

Deferred tax is measured on a non-discounted basis at the tax rates which apply at the balance sheet date.

Realised capital surpluses and deficits

Realised surpluses and deficits of a capital nature are transferred to the other capital reserve.

Cardiff and Provincial Properties Limited

Notes to the financial statements

Year ended 31 March 2009

1. Accounting policies (continued)

Fixed asset investments

Listed fixed asset investments are stated at their bid market quotation on the London Stock Exchange at the balance sheet date.

Unlisted fixed asset investments are stated at their fair values. Fair values are based on the company's share of net assets of the underlying investment at the balance sheet date.

The aggregate surplus or temporary deficit arising on revaluation is transferred to the revaluation reserve and, to the extent that it has not already been previously accounted for against revaluation reserve, any permanent deficit to the profit and loss account.

2. Turnover and operating profit

The audit fee is paid for by the ultimate parent company. The audit fee for this company would be £2,000 (2008: £7,000).

3. Directors' emoluments and employee costs

No emoluments were paid to directors (2008: £nil).

The company did not have any employees in the year (2008: nil).

4. Taxation

(a) Analysis of charge in the year

| | 2009 £000 | 2008 £000 |
|---|--------------|--------------|
| UK Corporation tax: | | |
| Current at 28% (2008: 30%) | - | - |
| Under provision in respect of previous year | - | 5 |
| | <u>-</u> | <u>5</u> |

(b) Reconciliation of current tax charge/ (credit)

| | 2009 £000 | 2008 £000 |
|--|--------------|--------------|
| Profit/(loss) on ordinary activities before taxation | <u>569</u> | <u>(193)</u> |
| Tax on profit / (loss) on ordinary activities at 28% (2008: 30%) | 159 | (58) |
| Accounting (profit)/ loss in excess of chargeable gain | <u>(159)</u> | <u>58</u> |
| | <u>-</u> | <u>-</u> |

The corporation tax rate was reduced from 30% to 28% with effect from 1 April 2008.

Cardiff and Provincial Properties Limited

Notes to the financial statements

Year ended 31 March 2009

5. Investments

| | Unlisted Investments | Listed Investments | Total |
|--------------------------|-------------------------|-----------------------|-------------------|
| | £000 | £000 | £000 |
| Cost or valuation | | | |
| At 1 April 2008 | 753 | 532 | 1,285 |
| Additions | - | - | - |
| Impairment | - | (532) | (532) |
| Revaluations | (455) | - | (526) |
| At 31 March 2009 | <u>298</u> | <u>-</u> | <u>227</u> |
| Net book value | | | |
| At 31 March 2009 | <u>298</u> | <u>-</u> | <u>227</u> |
| At 31 March 2008 | <u>753</u> | <u>532</u> | <u>1,285</u> |

The cost of the company's shares in listed investments at 31 March 2009 was £nil (2008: £3,900,000).

Return of capital from listed investments amounted to £1,101,000 (2008: listed investments: £nil).

Disposals of unlisted investments during the year generated net sale proceeds of £nil (2008: unlisted investments: £759,000).

The cost of the company's unlisted investments in Jersey property unit trusts at 31 March 2009 was £750,000 (2008: £750,000). These are incorporated in Jersey.

The cost of the company's unlisted investments at 31 March 2009 was £144,000 (2008: £144,000). These are incorporated in England and Wales.

6. Debtors

| | 2009 £000 | 2008 £000 |
|---|---------------|--------------|
| Amounts owed by ultimate parent company | <u>11,922</u> | <u>9,742</u> |

Amounts owed by the ultimate parent company are unsecured, interest free and have no fixed date of repayment.

7. Deferred taxation

The potential amount of deferred taxation, for which no provision has been made which would arise if the assets held as long-term investments were sold at the values at which they appear in the balance sheet, have been calculated as follows:

| | 2009 £000 | 2008 £000 |
|--------------------------|--------------|--------------|
| Potential deferred asset | <u>187</u> | <u>943</u> |

Cardiff and Provincial Properties Limited

Notes to the financial statements

Year ended 31 March 2009

8. Contingent liabilities

There are cross guarantees between the company and fellow subsidiary undertakings securing, bank overdrafts. These companies' overdrafts at 31 March 2009 amounted to £52,000,000 (2008: £66,584,000).

9. Related party transactions

The company has taken advantage of the exemption available under FRS No. 8. Related Party Disclosures, from disclosing transactions with parent and other group companies.

10. Share capital

Authorised share capital:

| | 2009 £ | 2008 £ |
|---------------------------------------|----------------|----------------|
| 648,000 Ordinary shares of £0.25 each | <u>162,000</u> | <u>162,000</u> |

Allotted, called up and fully paid:

| | No | 2009 £ | No | 2008 £ |
|-------------------------------|----------------|----------------|----------------|----------------|
| Ordinary shares of £0.25 each | <u>648,000</u> | <u>162,000</u> | <u>648,000</u> | <u>162,000</u> |

11. Reserves

| | Share premium account £000 | Revaluation reserve £000 | Other capital reserve £000 | Profit and loss account £000 |
|--|-------------------------------------|--------------------------------|----------------------------------|------------------------------------|
| At 1 April 2008 | 401 | (3,509) | 12,809 | 2,449 |
| Retained profit for the year | - | - | - | 569 |
| Deficit arising on revaluation of investments | - | (455) | - | - |
| Realised on return of capital from listed investments | - | 3,368 | (3,368) | - |
| Transfer from profit and loss account | - | - | 569 | (569) |
| At 31 March 2009 | <u>401</u> | <u>(596)</u> | <u>10,010</u> | <u>2,449</u> |

Cardiff and Provincial Properties Limited

Notes to the financial statements

Year ended 31 March 2009

12. Reconciliation of movements in shareholders' funds

| | 2009 £000 | 2008 £000 |
|---|---------------|---------------|
| Profit/(loss) for the year after taxation | 569 | (198) |
| Other net recognised losses | (455) | (882) |
| Net increase/(decrease) to equity shareholders' funds | 114 | (1,080) |
| Opening equity shareholders' funds | 12,312 | 13,392 |
| Closing equity shareholders' funds | <u>12,426</u> | <u>12,312</u> |

13. Ultimate parent company

The ultimate and immediate parent company is Warner Estate Holdings PLC, which is registered in England and Wales. Copies of the group accounts may be obtained from Warner Estate Holdings PLC, Nations House, 103 Wigmore Street, London, W1U 1AE.