

# REGISTRAR'S COPY

COMPANY NUMBER 3300281

## Peer Holdings Limited

Report and Financial Statements

Year Ended

31 July 2008



BDO Stoy Hayward  
Chartered Accountants

# **Peer Holdings Limited**

**Annual report and financial statements for the year ended 31 July 2008**

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## **Directors**

M B Birrane  
P J Smith  
H Dawson  
A P Birrane Rule  
B K Birrane  
S A Birrane

## **Secretary and registered office**

P J Smith, The Peer Suite, The Hop Exchange, 24 Southwark St, London SE1 1TY

## **Company number**

3300281

## **Auditors**

BDO Stoy Hayward LLP, 55 Baker Street, London, W1M 7EU

# Peer Holdings Limited

## Report of the directors for the year ended 31 July 2008

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The directors present their report together with the audited financial statements for the year ended 31 July 2008.

### Results and dividends

The profit and loss account is set out on page 5 and shows the result for the year.

The directors do not recommend the payment of a final dividend (2007 - £Nil).

### Principal activities, review of business and future developments

The company's principal activity was that of property investment and dealing.

### Directors

The directors of the company during the year were:

M B Birrane  
P J Smith  
H Dawson  
A P Birrane Rule  
B K Birrane  
S A Birrane

### Directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 and of the profit or loss of the company for that year. 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; and
- prepare the financial statements 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 to 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.

## Peer Holdings Limited

Report of the directors for the year ended 31 July 2008 (*continued*)

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### Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the board

P.J. Smith.

PJ Smith  
Secretary

30 January 2009

# Peer Holdings Limited

## Independent auditor's report

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### To the shareholders of Peer Holdings Limited

We have audited the financial statements of Peer Holdings Limited for the year ended 31 July 2008 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses, the note of historical cost profits and losses 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).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with those financial statements. We also 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.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

#### *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 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.

# Peer Holdings Limited

## Independent auditor's report (*continued*)

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### *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 July 2008 and of its result 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.



**BDO STOY HAYWARD LLP**  
*Chartered Accountants  
and Registered Auditors*  
London

Date: 9 February 2009

# Peer Holdings Limited

## Profit and loss account for the year ended 31 July 2008

	Note	2008 £	2007 £
Turnover	2	2,739,903	2,525,157
Administrative expenses		705,515	610,706
<b>Operating profit</b>	3	<b>2,034,388</b>	1,914,451
Other interest receivable and similar income	5	16,369	18,407
Interest payable and similar charges	6	(1,709,639)	(1,322,179)
<b>Profit on ordinary activities before taxation</b>		<b>341,118</b>	610,679
Taxation on profit on ordinary activities	7	-	150,000
<b>Profit on ordinary activities after taxation</b>		<b>341,118</b>	460,679

All amounts relate to continuing activities.

The notes on pages 8 to 13 form part of these financial statements.

# Peer Holdings Limited

## Statement of total recognised gains and losses and note of historical cost profits and losses for the year ended 31 July 2008

	2008 £	2007 £
<b>Statement of total recognised gains and losses</b>		
Profit for the financial year	341,118	460,679
Unrealised (deficit)/surplus on revaluation of properties	(4,362,175)	4,050,000
<b>Total recognised gains and losses for the financial year</b>	<b>(4,021,057)</b>	<b>4,510,679</b>
	2008 £	2007 £
<b>Note of historical cost profits and losses</b>		
Reported profit on ordinary activities before taxation	341,118	610,679
<b>Historical cost profit on ordinary activities before taxation</b>	<b>341,118</b>	<b>610,679</b>
<b>Historical cost profit for the year after taxation</b>	<b>341,118</b>	<b>460,679</b>

The notes on pages 8 to 13 form part of these financial statements.



# Peer Holdings Limited

## Balance sheet at 31 July 2008

	Note	2008 £	2008 £	2007 £	2007 £
<b>Fixed assets</b>					
Tangible assets	8		40,320,000		39,520,000
<b>Current assets</b>					
Debtors	9	9,478,456		11,097,278	
Cash at bank and in hand		534,122		566,960	
		<u>10,012,578</u>		<u>11,664,238</u>	
<b>Creditors: amounts falling due within one year</b>	10	43,027,411		19,858,015	
		<u></u>		<u></u>	
<b>Net current liabilities</b>			(33,014,833)		(8,193,777)
			<u></u>		<u></u>
<b>Total assets less current liabilities</b>			7,305,167		31,326,223
			<u></u>		<u></u>
<b>Creditors: amounts falling due after more than one year</b>	11		-		20,000,000
			<u></u>		<u></u>
			7,305,167		11,326,223
			<u></u>		<u></u>
<b>Capital and reserves</b>					
Called up share capital	13		2		2
Revaluation reserve	14		5,102,825		9,465,000
Profit and loss account	14		2,202,340		1,861,221
			<u></u>		<u></u>
<b>Shareholders' funds</b>	15		7,305,167		11,326,223
			<u></u>		<u></u>

The financial statements were approved by the board of directors and authorised for issue on 30 January 2009

*P. J. Smith*

P Smith  
Director

The notes on pages 8 to 13 form part of these financial statements.

# Peer Holdings Limited

## Notes forming part of the financial statements for the year ended 31 July 2008

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### 1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and are in accordance with applicable accounting standards.

The following principal accounting policies have been applied:

#### *Cash flow statement*

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Peer Group plc and the company is included in consolidated financial statements.

#### *Turnover*

Turnover represents gross rents receivable from external tenants. Value added tax is excluded where applicable.

#### *Deferred taxation*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

#### *Investment properties*

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

Although this accounting policy is in accordance with the applicable accounting standard, SSAP19, Accounting for Investment Properties, it is a departure from the general requirement of the Companies Act 1985 for all tangible fixed assets to be depreciated. In the opinion of the directors, compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

# Peer Holdings Limited

Notes forming part of the financial statements for the year ended 31 July 2008 (*continued*)

## 2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

## 3 Operating profit

	2008 £	2007 £
This is arrived at after charging:		
Audit services	6,000	10,000

## 4 Employees

Staff costs (including directors) consist of £Nil (2007 - £Nil)

There were no employees during the year apart from the directors (2007 - None). None of the directors received any remuneration from the company during either year.

## 5 Other interest receivable and similar income

	2008 £	2007 £
Bank deposits	16,369	18,407

## 6 Interest payable and similar charges

	2008 £	2007 £
Bank loans	1,709,639	1,322,179

# Peer Holdings Limited

Notes forming part of the financial statements for the year ended 31 July 2008 (continued)

## 7 Taxation on profit on ordinary activities

	2008 £	2007 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	-	150,000

The tax assessed for the period differs from the standard rate of corporation tax in the UK. The differences are explained below:

	2008 £	2007 £
Profit on ordinary activities before tax	341,118	610,679
Profit on ordinary activities at the standard rate of corporation tax in the UK of 29.33% (2007 - 30%)	100,050	183,204
Effect of:		
Expenses not deductible for tax purposes	14,969	8,114
Group relief	28,940	82,687
Transfer Pricing Adjustment	(143,959)	(124,005)
Current tax charge for period	-	150,000

## 8 Tangible fixed assets

	Investment Property £
<i>Cost or valuation</i>	
At 1 August 2007	39,520,000
Additions	5,162,175
Revaluation	(4,362,175)
At 31 July 2008	40,320,000
At 31 July 2007	39,520,000

The valuations of the investment properties were made as at 31 July 2008 by Mr H Dawson FRICS, a director of the company, on an open market basis. No depreciation is provided in respect of these properties.

On a historical cost basis these would have been included at an original cost of £35,217,175 (2007 - £30,055,000).

# Peer Holdings Limited

Notes forming part of the financial statements for the year ended 31 July 2008 (continued)

## 9 Debtors

	2008 £	2007 £
Trade debtors	-	51,751
Amounts owed by group undertakings	9,468,914	10,998,973
Other debtors	2,785	3,995
Prepayments and accrued income	6,757	42,559
	<u>9,478,456</u>	<u>11,097,278</u>

All amounts shown under debtors fall due for payment within one year.

## 10 Creditors: amounts falling due within one year

	2008 £	2007 £
Bank loans and overdrafts (secured) (see note 11)	24,000,000	500,000
Trade creditors	4,329	20
Amounts owed to group undertakings	18,092,112	18,092,111
Corporation tax	(3,724)	146,276
Other taxation and social security	25,648	38,249
Other creditors	185,701	405,150
Accruals and deferred income	723,345	676,209
	<u>43,027,411</u>	<u>19,858,015</u>

# Peer Holdings Limited

Notes forming part of the financial statements for the year ended 31 July 2008 (continued)

## 11 Creditors: amounts falling due after more than one year

	2008 £	2007 £
Bank loans (secured)	-	20,000,000
	<u>          </u>	<u>          </u>
Maturity of debt:		
	Loans and overdrafts 2008 £	Loans and overdrafts 2007 £
In one year or less, or on demand	24,000,000	500,000
	<u>          </u>	<u>          </u>
In more than one year but not more than two years	-	20,000,000
	<u>          </u>	<u>          </u>

The loan is part of a loan facility totalling £24,000,000 (2007 - £20,500,000) at the year end, made available to the company which is secured by a charge over the investment properties.

The loan is partly repayable by instalments and carries an interest rate averaging 6.0%

The company has entered into a hedging agreement to cap the interest rate on part of the loan being £11,000,000 at 7% (2007 - £11,000,000 at 7%)

## 12 Provisions for liabilities

There is unprovided deferred tax of £1,496,659 (2007 - £2,797,500). This arose on the transfer and revaluation of investment properties and has not been recognised as there is no binding sale agreement.

## 13 Share capital

	2008 £	2007 £
<i>Authorised</i>		
1,000,000 Ordinary shares of £1 each	1,000,000	1,000,000
	<u>          </u>	<u>          </u>
	2008 £	2007 £
<i>Allotted, called up and fully paid</i>		
2 Ordinary shares of £1 each	2	2
	<u>          </u>	<u>          </u>

# Peer Holdings Limited

Notes forming part of the financial statements for the year ended 31 July 2008 (*continued*)

## 14 Reserves

	Revaluation reserve £	Profit and loss account £
At 1 August 2007	9,465,000	1,861,221
Revaluation surplus	(4,362,175)	-
Profit for the year	-	341,119
	<hr/>	<hr/>
At 31 July 2008	<b>5,102,825</b>	<b>2,202,340</b>
	<hr/>	<hr/>

## 15 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Profit for the year	341,119	460,679
Other net recognised gains and losses relating to the year	(4,362,175)	4,050,000
	<hr/>	<hr/>
Net (deductions from)/additions to shareholders' funds	(4,021,056)	4,510,679
Opening shareholders' funds	11,326,223	6,815,544
	<hr/>	<hr/>
Closing shareholders' funds	<b>7,305,167</b>	11,326,223
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## 16 Related party disclosures

### *Related party transactions and balances*

The company is under the control of Peer Group plc, registered in England, which the directors regard as the company's ultimate parent undertaking.

Peer Group plc prepares consolidated financial statements for the group and transactions between group companies are not generally disclosed in the financial statements of the subsidiary companies in accordance with the exemption given under Financial Reporting Standard No.8 'Related Party Disclosures'.

None of the directors or their related parties had any transactions with the company except in the normal course of their duties.