

Peer Holdings Limited

Report and Financial Statements

Year Ended

31 July 2009

Company number 3300281

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Peer Holdings Limited

Report and financial statements for the year ended 31 July 2009

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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 LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0AP

Peer Holdings Limited

Report of the directors for the year ended 31 July 2009

The directors present their report together with the audited financial statements for the year ended 31 July 2009

Results and dividends

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

Principal activities, review of business and future developments

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

The directors consider the results to be satisfactory and will seek good investment opportunities in the future

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 directors' 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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 2009 (*continued*)

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

This report has been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

By order of the board



PJ Smith
Secretary

Date 29 January 2010

Peer Holdings Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PEER HOLDINGS LIMITED

We have audited the financial statements of Peer Holdings Limited for the year ended 31 July 2009 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. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. 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

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 July 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Peer Holdings Limited

Independent auditor's report (*continued*)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

BDO LLP

*Nicholas Taylor (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick
United Kingdom
Date 29 January 2010*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Peer Holdings Limited

Profit and loss account for the year ended 31 July 2009

	Note	2009 £	2008 £
Turnover	2	2,856,059	2,739,903
Administrative expenses		879,669	705,515
Operating profit	3	1,976,390	2,034,388
Other interest receivable and similar income	5	10,310	16,369
Interest payable and similar charges	6	(1,151,679)	(1,709,639)
Profit on ordinary activities before taxation		835,021	341,118
Taxation on profit on ordinary activities	7	87,690	-
Profit on ordinary activities after taxation		747,331	341,118

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 2009

	2009 £	2008 £
Statement of total recognised gains and losses		
Profit for the financial year	747,331	341,118
Unrealised deficit on revaluation of properties	(8,370,000)	(4,362,175)
	<hr/>	<hr/>
Total recognised gains and losses for the financial year	(7,622,669)	(4,021,057)
	<hr/>	<hr/>
Note of historical cost profits and losses		
Reported profit on ordinary activities before taxation	835,021	341,118
	<hr/>	<hr/>
Historical cost profit on ordinary activities before taxation	835,021	341,118
	<hr/>	<hr/>
Historical cost profit for the year after taxation	747,331	341,118
	<hr/>	<hr/>

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

Peer Holdings Limited

Balance sheet at 31 July 2009

<i>Company number. 3300281</i>	<i>Note</i>	2009 £	2009 £	2008 £	2008 £
Fixed assets					
Tangible assets	8		31,950,000		40,320,000
Current assets					
Debtors	9	9,645,749		9,478,456	
Cash at bank and in hand		416,666		534,122	
		10,062,415		10,012,578	
Creditors: amounts falling due within one year	10	42,329,917		43,027,411	
Net current liabilities			(32,267,502)		(33,014,833)
Total assets less current liabilities			(317,502)		7,305,167
Capital and reserves					
Called up share capital	12		2		2
Revaluation reserve	13		(3,267,175)		5,102,825
Profit and loss account	13		2,949,671		2,202,340
Shareholders' funds	14		(317,502)		7,305,167

The financial statements were approved by the board of directors and authorised for issue on 29 January 2010

P. J. Smith.

P J 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 2009

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 2006 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

Going Concern

The company made profits in the current year but has net current liabilities at the year end. The directors believe that the Company will continue as a going concern for the next 12 months due to the continuing support of the ultimate parent undertaking, Peer Group plc

Peer Holdings Limited

Notes forming part of the financial statements
for the year ended 31 July 2009 (*continued*)

2 Turnover

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

3 Operating profit

	2009 £	2008 £
This is arrived at after charging		
Audit services	6,000	6,000
	<u>6,000</u>	<u>6,000</u>

4 Employees

Staff costs (including directors) consist of £Nil (2008 - £Nil)

There were no employees during the year apart from the directors (2008 - None) None of the directors received any remuneration from the company during either year

5 Other interest receivable and similar income

	2009 £	2008 £
Bank deposits	10,310	16,369
	<u>10,310</u>	<u>16,369</u>

6 Interest payable and similar charges

	2009 £	2008 £
Bank loans	1,151,679	1,709,639
	<u>1,151,679</u>	<u>1,709,639</u>

Peer Holdings Limited

Notes forming part of the financial statements
for the year ended 31 July 2009 (continued)

7 Taxation on profit on ordinary activities

	2009 £	2008 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	87,690	-

The tax assessed for the period is lower than the standard rate of corporation tax in the UK The differences are explained below

	2009 £	2008 £
Profit on ordinary activities before tax	835,021	341,118
Profit on ordinary activities at the standard rate of corporation tax in the UK of 28% (2008 – 29 33%)	233,806	100,050
Effect of		
Expenses not deductible for tax purposes	4,200	14,969
Group relief	-	28,940
Transfer pricing adjustment	(150,316)	(143,959)
Current tax charge for period	87,690	-

8 Tangible fixed assets

	Investment Property £
<i>Cost or valuation</i>	
At 1 August 2008	40,320,000
Revaluation	(8,370,000)
At 31 July 2009	31,950,000

The valuations of the investment properties were made as at 31 July 2009 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 (2008 - £35,217,175)

Peer Holdings Limited

Notes forming part of the financial statements
for the year ended 31 July 2009 (*continued*)

9 Debtors

	2009 £	2008 £
Trade debtors	112,066	-
Amounts owed by group undertakings	9,500,501	9,468,914
Other debtors	17,055	2,785
Prepayments and accrued income	16,127	6,757
	<u>9,645,749</u>	<u>9,478,456</u>

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

10 Creditors amounts falling due within one year

	2009 £	2008 £
Bank loans and overdrafts (secured)	23,500,000	24,000,000
Trade creditors	7,377	4,329
Amounts owed to group undertakings	18,089,078	18,092,112
Corporation tax	83,966	(3,724)
Other taxation and social security	22,515	25,648
Other creditors	128,047	185,701
Accruals and deferred income	498,934	723,345
	<u>42,329,917</u>	<u>43,027,411</u>

The loan is part of a loan facility totalling £23,500,000 (2008 - £24,000,000) 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%

Peer Holdings Limited

Notes forming part of the financial statements
for the year ended 31 July 2009 (*continued*)

11 Provisions for liabilities

There is unprovided deferred tax asset of £914,809 (2008 – liability of £1,496,659) This arose on the transfer and revaluation of investment properties and has not been recognised as there is no binding sale agreement

12 Share capital

	2009 £	2008 £
<i>Authorised</i>		
1,000,000 Ordinary shares of £1 each	1,000,000	1,000,000
<i>Allotted, called up and fully paid</i>		
2 Ordinary shares of £1 each	2	2

13 Reserves

	Revaluation reserve £	Profit and loss account £
At 1 August 2008	5,102,825	2,202,340
Revaluation deficit	(8,370,000)	-
Profit for the year	-	747,331
At 31 July 2009	(3,267,175)	2,949,671

14 Reconciliation of movements in shareholders' funds

	2009 £	2008 £
Profit for the year	747,331	341,119
Other net recognised gains and losses relating to the year	(8,370,000)	(4,362,175)
Net deductions from shareholders' funds	(7,622,669)	(4,021,056)
Opening shareholders' funds	7,305,167	11,326,223
Closing shareholders' funds	(317,502)	7,305,167

Peer Holdings Limited

Notes forming part of the financial statements
for the year ended 31 July 2009 (*continued*)

15 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