

PRAMERICA REAL ESTATE INVESTORS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011



Registered number 3809476

PRAMERICA REAL ESTATE INVESTORS LIMITED

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PRAMERICA REAL ESTATE INVESTORS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Directors

P M Barrett
K M Shah
E. B Adler

Company secretary

S J Davies

Registered office

Grand Buildings
Trafalgar Square
1-3 Strand
London
WC2N 5HR

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

PRAMERICA REAL ESTATE INVESTORS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2011 (continued)

The directors present their annual report and the audited financial statements of Pramerica Real Estate Investors Limited (the 'Company') for the year ended 31 December 2011

1. PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Company's principal activity is to hold residual contractual interests resulting from the sale of a subsidiary of the Company in 2004. The Company has already received deferred consideration relating to this disposal and so the Company is effectively dormant.

Financial Risk Management

The Company is not exposed to any significant risks and has adequate financial resources to continue in business for the following twelve months. The main key performance indicator used historically has been profit before tax

2. RESULTS FOR THE YEAR

The financial statements show results for the year as set out below

	2011	2010
	£	£
Turnover	—	—
Profit on ordinary activities before taxation	—	1,757
Tax on profit on ordinary activities	<u>10,079</u>	—
Profit after tax	10,145	1,757
Dividend paid	—	—
Transferred to reserves	<u>10,145</u>	<u>1,757</u>

No interim dividends were paid during the year (2010 £nil). The directors do not recommend the payment of a final dividend (2010 £nil).

3. DIRECTORS

The directors of the Company who were in office during the year and up to the date of signing the financial statements are shown on page 1. The following changes have occurred to the board of directors since 1 January 2011

	<u>Date of appointment</u>	<u>Date of resignation</u>
B S Penalggon	—	31 March 2011
E B Adler	30 March 2011	—

PRAMERICA REAL ESTATE INVESTORS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2011 (continued)

4. DIRECTORS' RESPONSIBILITIES STATEMENT

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 prepared 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 judgments and accounting 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,
- 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.

5. STATEMENT OF DISCLOSURE OF INFORMATION TO INDEPENDENT AUDITORS

So far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware. Each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

PRAMERICA REAL ESTATE INVESTORS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2011 (continued)

6. DIRECTORS INDEMNITY STATEMENT

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company does not have its own directors' and officers' liability insurance but is covered by a scheme run by its ultimate parent, Prudential Financial Inc. which was maintained throughout the financial year in respect of itself and its directors.

Approved by the board of directors
and signed by order of the board



P M Barrett
Director

30 March 2012

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PRAMERICA REAL ESTATE INVESTORS LIMITED**

We have audited the financial statements of Pramerica Real Estate Investors Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Reconciliation of Movements in Shareholders' Funds, the Balance Sheet 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).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3 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 and express an opinion on 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

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. In addition, we read all the financial and non-financial information in the annual report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 December 2011 and of its profit and 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 Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

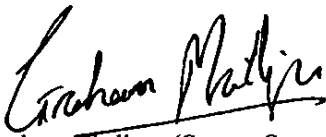
In our opinion the information given in the Report of the Directors' for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PRAMERICA REAL ESTATE INVESTORS LIMITED (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



Graham Phillips (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
30 March 2012

PRAMERICA REAL ESTATE INVESTORS LIMITED

**PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2011**

	Note	2011 £	2010 £
Turnover		-	-
Administrative expenses		<u>-</u>	<u>-</u>
Operating profit	2	-	-
Other operating income	3	<u>-</u>	<u>-</u>
Total operating profit		-	-
Interest receivable and similar income		<u>66</u>	<u>1,757</u>
Profit on ordinary activities before taxation			1,757
Tax on profit on ordinary activities	6	<u>10,079</u>	<u>-</u>
Profit for the financial year		<u>10,145</u>	<u>1,757</u>

All results arise from continuing activities. There are no other recognised gains or losses other than the profit for the financial years as stated above and therefore no separate statement of total recognised gains and losses is presented.

There is no difference between the profit on ordinary activities before taxation and the profit for the financial years as stated above and their historical cost equivalents.

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
for the year ended 31 December 2011**

	2011 £	2010 £
Profit for the financial year	<u>10,145</u>	<u>1,757</u>
Net movement in shareholders' funds		1,757
Opening shareholders' funds at 1 January	<u>9,840,464</u>	<u>9,838,707</u>
Closing shareholders' funds at 31 December	<u>9,850,609</u>	<u>9,840,464</u>

The notes on pages 9 to 13 form part of these financial statements.

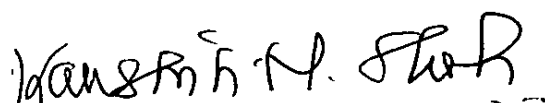
PRAMERICA REAL ESTATE INVESTORS LIMITED

BALANCE SHEET
as at 31 December 2011

	Note	2011 £	2010 £
Current assets			
Debtors	7	9,850,609	9,840,543
Creditors: amounts falling due within one year	8	<u>-</u>	<u>(79)</u>
Net current assets		<u>9,850,609</u>	<u>9,840,464</u>
Net assets		<u>9,850,609</u>	<u>9,840,464</u>
Capital and reserves			
Called up share capital	9	4,689,653	4,689,653
Share premium account	10	4,914,995	4,914,995
Profit and loss account	11	<u>245,961</u>	<u>235,816</u>
Total shareholders' funds		<u>9,850,609</u>	<u>9,840,464</u>

The notes on pages 9 to 15 form part of these financial statements

These financial statements were approved by the board of directors on 30 March 2012 and signed on its behalf by


K M Shah
Director

Registered number 3809476

PRAMERICA REAL ESTATE INVESTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2011

1. ACCOUNTING POLICIES

(a) *Accounting convention*

The financial statements are prepared on the going concern basis, under the historical cost convention, in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The Directors consider that the accounting policies set out below are suitable, have been consistently applied and are supported by reasonable and prudent judgements and estimates.

(b) *Turnover*

Turnover comprises advisory fees charged to affiliated companies, corporate finance fees and rental income. These are recognised on an accruals basis.

(c) *Cash flow statement*

The Company is exempt from the requirement to prepare a cash flow statement under Financial Reporting Standard Number 1 (Revised 1996) - Cash Flow Statements, as the cash flows of the Company are included in the consolidated cash flow statement of the ultimate parent company, Prudential Financial, Inc.

(d) *Related party transactions*

In accordance with the exemption afforded by paragraph 3(c) of Financial Reporting Standard Number 8 – Related Party Disclosures, certain details of transactions with parent and fellow subsidiary companies are not disclosed, as the Company is a wholly owned subsidiary of a group whose consolidated financial statements are publicly available.

(e) *Fixed asset investments*

Investments are stated at cost less provision for any permanent diminution in value.

(f) *Taxation*

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognized as recoverable and therefore recognized only when, on the basis of all evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax is measured on an undiscounted basis.

PRAMERICA REAL ESTATE INVESTORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011 (continued)**

2 OPERATING PROFIT

The auditors' remuneration in respect of audit services provided to the Company amounts to £2,410 (2010 £2,295) and is borne by the immediate parent company, Pramerica Financial Limited

3 OTHER OPERATING INCOME

The Company had no income during the year (2010 £nil)

4. EMPLOYMENT COSTS

The Company had no employees during the year (2010 none)

5. DIRECTORS' EMOLUMENTS

The directors did not receive any emoluments in the respect of their services to the Company (2010 £nil)

PRAMERICA REAL ESTATE INVESTORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011 (continued)**

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2011 £	2010 £
Current tax		
UK corporation tax on the profit of the financial year	-	-
Adjustment in respect of prior years' tax charge	<u>10,079</u>	<u>-</u>
Tax on profit on ordinary activities	<u>10,079</u>	<u>-</u>

The tax assessed for the period is lower than (2010 lower than) the standard rate of corporation tax in the UK of 26.5% (2010 28%)

	2011 £	2010 £
Profit on ordinary activities before tax	<u>66</u>	<u>1,757</u>
Profit on ordinary activities multiplied by the standard rate in the UK of 26.5% (2010 28%)	17	492
Effects of Group relief received from affiliated companies	<u>-</u>	<u>(492)</u>
Income not subject to taxation	(17)	
Adjustment to prior year tax charge	(10,079)	
Current tax credit for the year	<u>(10,079)</u>	<u>-</u>

There are no deferred tax assets or liabilities in 2011 (2010 £nil) and no deferred tax charge or credit recognised in 2011 (2010 £nil)

PRAMERICA REAL ESTATE INVESTORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011 (continued)**

7. DEBTORS

	2011 £	2010 £
Amounts owed by group undertakings	<u>9,850,609</u>	<u>9,840,543</u>
Amounts owed by group undertakings	<u>9,850,609</u>	<u>9,840,543</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Other creditors	<u>—</u>	<u>79</u>

9. CALLED UP SHARE CAPITAL

	2011	2010
Number of allotted and issued Ordinary shares of £1 each	<u>4,689,653</u>	<u>4,689,653</u>
Allotted, issued and partially paid (25 pence on 50,000 shares)	£50,000	£50,000
Allotted, issued and fully paid	<u>£4,639,653</u>	<u>£4,639,653</u>
Total	<u>£4,689,653</u>	<u>£4,689,653</u>

PRAMERICA REAL ESTATE INVESTORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011 (continued)**

10. SHARE PREMIUM ACCOUNT

	2011	2010
	£	£
At 1 January and 31 December	<u>4,914,995</u>	<u>4,914,995</u>

11. PROFIT AND LOSS ACCOUNT

	2011	2010
	£	£
At 1 January	235,816	234,059
Profit for the financial year	<u>10,145</u>	<u>1,757</u>
At 31 December	<u>245,961</u>	<u>235,816</u>

12. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The Company's ultimate parent company is Prudential Financial, Inc a company established in the United States of America. It is also the parent undertaking of the largest group, which includes the Company, and for which group financial statements are prepared. The parent undertaking of the smallest group which includes the Company and for which group financial statements are prepared is Pramerica Financial Limited a company registered in England and Wales. Copies of the latter's financial statements are available from Companies House, Crown Way, Maundy, Cardiff CF14 3UZ. Copies of the financial statements of Prudential Financial, Inc are available on request from the Company's registered office.

The directors regard Pramerica Financial Limited as the controlling party and Prudential Financial Inc as the ultimate controlling party.