

PRAMERICA REAL ESTATE INVESTORS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013



Registered number 3809476

PRAMERICA REAL ESTATE INVESTORS LIMITED

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PRAMERICA REAL ESTATE INVESTORS LIMITED

OFFICERS AND PROFESSIONAL ADVISORS

Directors

R Amabile
P M Barrett
A H Radkiewicz
K M Shah

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 2013

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 2013

The Report of the Directors has been prepared taking advantage of the small companies exemption in accordance with s415A of the Companies Act 2006 ("the Act")

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

	2013 £	2012 £
Turnover	—	—
Result on ordinary activities before taxation	-	-
Tax on result on ordinary activities	—	—
Result after tax	-	-
Dividend paid	—	—
Transferred to reserves	—	—

No interim dividends were paid during the year (2012: £nil). The directors do not recommend the payment of a final dividend (2012: £nil).

PRAMERICA REAL ESTATE INVESTORS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)

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 2013

	<u>Date of appointment</u>	<u>Date of resignation</u>
E Adler	-	4 March 2013
A H Radkiewicz	29 April 2013	-
R Amabile	29 April 2013	-

4. STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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, 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 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 2013 (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



S J Davies
Secretary
8 April 2014

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

REPORT ON THE FINANCIAL STATEMENTS

Our Opinion

In our opinion the financial statements, defined below

- give a true and fair view of the state of the Company's affairs as at 31 December 2013 and of its result 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

This opinion is to be read in the context of what we say in the remainder of this report

What we have audited

The financial statements, which are prepared by Pramerica Real Estate Investors Limited, comprise

- the Balance Sheet as at 31 December 2013,
- the Profit and Loss Account for the year then ended,
- the Reconciliation of Movements in Shareholders' Funds for the year then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information

The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Generally Accepted Accounting Practice

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)") 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

OPINION ON 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)**

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion

- we have not received all the information and explanations we require for our audit, or
- 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

We have no exceptions to report arising from this responsibility

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies' exemption from preparing a Strategic Report. We have no exceptions to report arising from this responsibility

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the directors

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 ISAs (UK & 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.



Graham Phillips (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
8 April 2014

PRAMERICA REAL ESTATE INVESTORS LIMITED

**PROFIT AND LOSS
for the year ended 31 December 2013**

	Note	2013 £	2012 £
Turnover		-	-
Administrative expenses		<u>-</u>	<u>-</u>
Operating result	2	-	-
Other operating income	3	<u>-</u>	<u>-</u>
Total operating result		-	-
Interest receivable and similar income		<u>-</u>	<u>-</u>
Result on ordinary activities before taxation			
Tax on result on ordinary activities	6	<u>-</u>	<u>-</u>
Result for the financial year		<u>-</u>	<u>-</u>

All results arise from continuing activities. There are no other recognised gains or losses other than the result 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 result on ordinary activities before taxation and the result for the financial years as stated above and their historical cost equivalents.

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
for the year ended 31 December 2013**

	2013 £	2012 £
Result for the financial year	<u>-</u>	<u>-</u>
Net movement in shareholders' funds		
Opening shareholders' funds at 1 January	<u>9,850,609</u>	<u>9,850,609</u>
Closing shareholders' funds at 31 December	<u>9,850,609</u>	<u>9,850,609</u>

The notes on pages 9 to 12 form part of these financial statements.

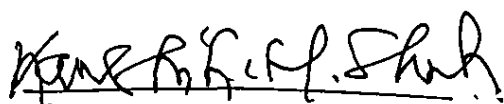
PRAMERICA REAL ESTATE INVESTORS LIMITED

**BALANCE SHEET
as at 31 December 2013**

	Note	2013 £	2012 £
Fixed Asset			
Investment in Subsidiaries	7	1	-
Current assets			
Debtors	8	9,850,609	9,850,609
Creditors: amounts falling due within one year	9	<u>(1)</u>	<u>-</u>
Net current assets		<u>9,850,608</u>	<u>9,850,609</u>
Net assets		<u>9,850,609</u>	<u>9,850,609</u>
Capital and reserves			
Called up share capital	10	4,689,653	4,689,653
Share premium account	11	4,914,995	4,914,995
Profit and loss account	12	<u>245,961</u>	<u>245,961</u>
Total shareholders' funds		<u>9,850,609</u>	<u>9,850,609</u>

The notes on pages 9 to 12 form part of these financial statements

These financial statements were approved by the board of directors on 8 April 2014 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 2013**

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 conform with the United Kingdom Accounting Standards. 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 recognised as recoverable and therefore recognised 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 2013 (continued)**

2 OPERATING PROFIT

The auditors' remuneration in respect of audit services provided to the Company amounts to £2,606 (2012 £2,531) and is borne by the immediate parent company, Pramerica Financial Limited

3 OTHER OPERATING INCOME

The Company had no income during the year (2012 £nil)

4. EMPLOYMENT COSTS

The Company had no employees during the year (2012 none)

5. DIRECTORS' EMOLUMENTS

The directors did not receive any emoluments in the respect of their services to the Company (2012 £nil)

6. TAX ON RESULT ON ORDINARY ACTIVITIES

	2013 £	2012 £
Current tax		
UK corporation tax on the result of the financial year	-	-
Adjustment in respect of prior years' tax charge	<u>-</u>	<u>-</u>
Tax on result on ordinary activities	<u><u>-</u></u>	<u><u>-</u></u>

The tax assessed for the year is the same as (2012 same) the standard rate of corporation tax in the UK of 23 25% (2012 24 5%) The differences are explained below

PRAMERICA REAL ESTATE INVESTORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2013 (continued)**

6. TAX ON RESULT ON ORDINARY ACTIVITIES (continued)

	2013 £	2012 £
Result on ordinary activities before tax	<u>-</u>	<u>-</u>
Result on ordinary activities multiplied by the standard rate in the UK of 23.25% (2012: 24.5%)	-	-
Effects of Group relief received from affiliated companies	<u>-</u>	<u>-</u>
Income not subject to taxation		-
Adjustment in respect of prior years' tax charge	<u>-</u>	<u>-</u>
Current tax credit for the year	<u>-</u>	<u>-</u>

During the year, there were changes in the UK corporation tax rate. The corporation tax rate was 24% until April 2013 and 23% thereafter. Accordingly, the Company's profits for this accounting year are taxed at an effective rate of 23.25%. From April 2014 there will be a reduction in the rate of corporation tax from 23% to 21% and then 20% from April 2015. These changes were substantively enacted on 2 July 2013. The relevant deferred tax balances have therefore been re-measured at 20%. The directors consider that the tax charge in future years will be affected by movements to the corporation tax rate.

7. INVESTMENT IN SUBSIDIARIES

Investment in Pramerica Real Estate Capital V GP	£1
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8. DEBTORS

	2013 £	2012 £
Amounts owed by group undertakings	<u>9,850,609</u>	<u>9,850,609</u>

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

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Amount owed to group undertakings	<u>1</u>	<u>-</u>

PRAMERICA REAL ESTATE INVESTORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2013 (continued)**

10. CALLED UP SHARE CAPITAL

	2013	2012
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>

11. SHARE PREMIUM ACCOUNT

	2013 £	2012 £
At 1 January and 31 December	<u>4,914,995</u>	<u>4,914,995</u>

12. PROFIT AND LOSS ACCOUNT

	2013 £	2012 £
At 1 January	245,961	245,961
Result for the financial year	<u>-</u>	<u>-</u>
At 31 December	<u>245,961</u>	<u>245,961</u>

13. 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.