COMPANY REGISTRATION NUMBER 4278621

Tricomm Housing (Holdings) Limited

Financial statements

30 September 2015

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Tricomm Housing (Holdings) Limited

Financial statements

Year ended 30 September 2015

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Tricomm Housing (Holdings) Limited

Officers and professional advisers

The board of directors	Mark Greenwood Andrew R Cunningham Nicholas M F Jopling Nick P On
Company secretary	Michael P Windle
Registered office	Citygate St James' Boulevard Newcastle upon Tyne NE1 4JE
Auditor	KPMG LLP Quayside House 110 Quayside Newcastle Upon Tyne NE1 3DX
Bankers	Royal Bank of Scotland 16 Northumberland Street Newcastle upon Tyne NE1 7EL
Solicitors	Bond Dickinson LLP St Ann's Wharf 112 Quayside Newcastle Upon Tyne NE99 1SB

Tricomm Housing (Holdings) Limited

Strategic report

Year ended 30 September 2015

The directors present their strategic report for the year ended 30 September 2015.

Principal activity
The principal activity of the company during the year was that of an investment company. The principal activity of the company's subsidiary company during the year was property investment.

Strategy and business model
Grainger is a specialist residential company. Our objective is to be a leader in the residential market, delivering sustainable long-term returns to our investors and our partners from a combination of sales, rents and fee income. We will achieve this by maintaining our leadership role within the industry, locating and managing our assets to deliver the best returns, balancing the sources of our income through exploiting changing market opportunities and optimising our financial and operational gearing to match market conditions.

Through our business model we deliver strong returns from our reversionary and market rented assets and our residential expertise allows us to supplement these returns by generating management fee income. Our expertise and the scale of our assets and operations enable us to generate sustainable income streams.

Assets:

Market rented assets: we let at market rents and actively manage our assets to drive rental growth. We will grow our market rental business and develop purpose built residential rental assets to hold and manage long term.

Assets under management: we earn fees from our management of residential assets owned by third-parties or within co-investment vehicles. We will use our residential expertise to increase our fee income.

Rents:
Rental income is a key income stream for the group. It is regular and predictable, complementing our sales from trading properties. Rental income is derived from both our reversionary and our market rented portfolios. Our opportunities to increase rent come largely from rent reviews on existing reversionary tenanted assets and renewals and new lets in our market rented portfolio.

Fees:
A key strategic element of Grainger's business is to seek opportunities to generate recurring income. Over the past years we have been successful in increasing fee income from a number of different sources, derived from asset and property management fees from our co-investment vehicles and management contracts.

Review of the business
The company is a subsidiary of Grainger plc. The directors of Grainger plc, the ultimate parent undertaking, manage the group's strategy and risks at a group level, rather than at an individual company level. Similarly the financial and operational performance of the business is assessed at a business unit level. The directors of the company are satisfied with the results for the year ended 30 September 2015.

The company's directors believe that analysis using financial and non-financial measures is not necessary or appropriate to understand the business' development, performance or position.

Principal Risks and Uncertainties
From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. The principal risks and uncertainties of the group, which are specific to the company, include: a deterioration and/or instability of wider global/European economic markets leading to long-term flat or negative growth in the value of assets; a lack of availability of finance for the group to achieve its strategic objectives; a failure to meet current or increased legal or regulatory obligations; a failure to attract, retain and develop our people; a significant failure within or by a key third-party supplier or contractor; a significant Health and Safety incident; a failure of the supporting control environment; and a failure to implement PRS strategy due to failure to acquire assets on acceptable terms and/or failure to integrate PRS assets efficiently in the management platform.

Future developments
The directors expect the performance of the company to continue satisfactorily for the foreseeable future.

By Order of the Board

Mark Greenwood
Director
22 December 2015

Signed by order of the directors

Michael P Windle
Company Secretary

Approved by the directors on 22 December 2015

Tricomm Housing (Holdings) Limited

Directors' report

Year ended 30 September 2015

The directors present their report and the financial statements of the company for the year ended 30 September 2015.

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

Mark Greenwood
Andrew R Cunningham
Nicholas M F Jopling
Nick P On

Directors' responsibilities
The directors are responsible for preparing the Strategic Report, 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 year.

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;
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Auditor
KPMG LLP were appointed as auditor during the year, and are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

By order of the board

Michael P Windle
Company Secretary

Approved by the directors on 22 December 2015

Independent auditor's report to the members of Tricomm Housing (Holdings) Limited

We have audited the financial statements of Tricomm Housing (Holdings) Limited for the year ended 30 September 2015 set out on pages 8 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 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 auditor

As explained more fully in the Directors' Responsibilities Statement, set out on page 4, 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 30 September 2015 and of its result for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

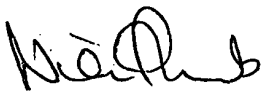
Opinion on other matter prescribed by the Companies Act 2006

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

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.



Nick Plumb (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Quayside House
110 Quayside
Newcastle Upon Tyne
NE1 3DX

22 December 2015

Tricomm Housing (Holdings) Limited

Profit and loss account

Year ended 30 September 2015

	Note	2015 £	2014 £
Turnover		–	–
Interest receivable	3	**1,012,000**	1,012,000
Interest payable and similar charges	6	**(1,012,000)**	(1,012,000)
Profit on ordinary activities before taxation		–	–
Tax on profit on ordinary activities		–	–
Profit for the financial year		–	–

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

Statement of total recognised gains and losses
There are no recognised gains or losses other than the profit of £– attributable to the shareholders for the year ended 30 September 2015 (2014 - profit of £–).

The notes on pages 10 to 12 form part of these financial statements.

Tricomm Housing (Holdings) Limited

Balance sheet

30 September 2015

	Note	2015 £	2014 £
Fixed assets			
Investments	4	**9,399,998**	9,399,998
Current assets			
Debtors	5	**435,043**	435,044
Net current assets		**435,043**	435,044
Total assets less current liabilities		**9,835,041**	9,835,042
Creditors: Amounts falling due after more than one year	6	**(9,635,043)**	(9,635,044)
		199,998	199,998
Capital and reserves			
Called-up equity share capital	8	**199,998**	199,998
Shareholders' funds	9	**199,998**	199,998

These accounts were approved by the directors and authorised for issue on 22 December 2015, and are signed on their behalf by:

Mark Greenwood
Director

Company Registration Number: 4278621

The notes on pages 10 to 12 form part of these financial statements.

Tricomm Housing (Holdings) Limited

Notes to the financial statements

Year ended 30 September 2015

1. Accounting policies

Basis of preparation
The financial statements have been prepared under the historical cost convention, and in accordance with applicable UK accounting standards.

The financial statements are prepared on the going concern basis in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom, which have been applied consistently throughout the year.

Cash flow statement
The company is a wholly owned subsidiary of Grainger plc and the cash flows of the company are included in the consolidated cash flow statement of Grainger plc. Consequently, the company is exempt under the terms of FRS 1 from preparing a cash flow statement.

Investments
Fixed asset investments are stated at cost less any provisions for diminution in value.

Group accounts
The financial statements contain information about Tricomm Housing (Holdings) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of the ultimate parent company, Grainger plc, a company registered in in England and Wales.

2. Operating profit

Operating profit is stated after crediting:

	2015	2014
	£	£
Auditor's remuneration		
- audit of these financial statements	**–**	–

Audit fees are statutory audit fees only and are borne by another Group company.

There are no persons holding service contracts with the company. None of the directors received any remuneration from the company during the year, or in the previous year, in respect of their services to the company.

3. Interest receivable

	2015	2014
	£	£
Interest from group undertakings	**1,012,000**	1,012,000

4. Investments

	Total £
Cost	
At 1 October 2014 and 30 September 2015	**199,998**
Loans	
At 1 October 2014 and 30 September 2015	**9,200,000**
Net book value	
At 30 September 2015 and 30 September 2014	**9,399,998**

The company owns 100% of the issued share capital of Tricomm Housing Limited, a property investment company incorporated in England & Wales.

5. Debtors

	2015	2014
	£	£
Amounts owed by group undertakings	**435,043**	435,044

6. Creditors: Amounts falling due after more than one year

	2015	2014
	£	£
Amounts owed to group undertakings	**9,635,043**	9,635,044

Included in amounts owed to group undertakings is a loan of £9,200,000 (2014: £9,200,000). The loan bears interest at 11%, and is repayable in 2028. All other amounts owed to group undertakings are unsecured, bear no interest, and are repayable on demand.

7. Related party transactions

The company has taken advantage of the exemption available under FRS 8 and has not disclosed transactions with companies that are wholly owned members of the Grainger plc group.

8. Share capital

Allotted, called up and fully paid:

	2015		2014	
	No	**£**	No	£
Ordinary "A" shares of £1 each	**66,666**	**66,666**	66,666	66,666
Ordinary "B" shares of £1 each	**66,666**	**66,666**	66,666	66,666
Ordinary "C" shares of £1 each	**66,666**	**66,666**	66,666	66,666
	199,998	**199,998**	199,998	199,998

9. Reconciliation of shareholders' funds and movement on reserves

	Share capital	Profit and loss account	Total share-holders' funds
	£	£	£
Balance brought forward	199,998	–	199,998
Balance brought forward	199,998	–	199,998
Balance carried forward	199,998	–	199,998

10. Ultimate parent undertaking and controlling party

The directors regard Grainger plc, a company registered in England and Wales, as the ultimate parent undertaking and the ultimate controlling party, being the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the Grainger plc consolidated financial statements may be obtained from The Secretary, Grainger plc, Citygate, St James' Boulevard, Newcastle upon Tyne, NE1 4JE.

HI Tricomm Holdings Limited is the immediate controlling party and parent company by virtue of its majority shareholding in the company.