

**Radial Distribution Asset Management
Limited**

Report and financial statements

For the year ended

31 March 2009

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Radial Distribution Asset Management Limited

Report and financial statements

Year ended 31 March 2009

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Radial Distribution Asset Management Limited 4456072

The directors' report

Year ended 31 March 2009

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2009. The company was incorporated on the 14 January 2008.

Principal activities and business review

The company is a wholly owned subsidiary within the Group of Warner Estate Holdings PLC, a company incorporated in England and Wales. The company's principal activity is property management in the United Kingdom.

The directors consider the results for the year to be satisfactory.

Results for the year

The loss after taxation for the year amounted to £322,000 (2008: £464,000) which is added to a deficit brought forward of £16,000 leaving a £338,000 deficit to be carried forward. The directors do not recommend the payment of a dividend (2008: £nil).

Principal risks and uncertainties

The company is a wholly owned subsidiary of Warner Estate Holdings PLC. From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of Warner Estate Holdings PLC and are not managed separately. Accordingly, the principal risks and uncertainties of the Warner Estate Holdings PLC group, which include those of the company, are discussed in the operating and financial review contained in the group's annual report which does not form part of this report.

Key performance indicators

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business. The development, performance and position of the Warner Estate Holdings PLC group, which includes the company, are discussed in the operating and financial review contained in the group's annual report which does not form part of this report.

Future outlook

The directors expect the company to continue as a property management company for the foreseeable future. The directors consider that the company has adequate resources to continue in operational existence for the foreseeable future.

These audited financial statements have been prepared on a going concern basis, which assumes the company will continue to be able to meet its liabilities as and when they fall due, for the foreseeable future. The directors have obtained a letter of financial support from the ultimate parent company. The company and its fellow subsidiaries are reliant on the parent company for ongoing financial support. In adopting the going concern basis, the directors have taken into account the ability and resources of the ultimate parent company to provide financial support.

At the time of the approval of these financial statements, the ultimate parent company is in ongoing discussions with its lenders for the extension and amendment of current banking facilities on terms appropriate for the current and foreseeable operating environment. The Directors of the parent company have indicated that material uncertainty exists which may cause significant doubt over the ability of the Group to continue as a going concern. However after taking the uncertainties into account they believe it is still appropriate to prepare their Group accounts on a going concern basis.

Having taken these uncertainties into account, the Directors believe it is still appropriate to prepare the accounts on a going concern basis, as they believe the ultimate parent company will be able to support the company as and when necessary, for the foreseeable future. Accordingly, the audited financial statements do not include the adjustments that would result from a failure to remain a going concern.

Radial Distribution Asset Management Limited

The directors' report

Year ended 31 March 2009

Directors

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

P.C.T. Warner (Chairman)	
P.W. Collins	(Resigned 28 November 2008)
M.W. Keogh	(Appointed 1 December 2008)
V.B. Vaghela	
M.J. Stevens	(Resigned 25 June 2009)
M.D. Ovens	(Resigned 27 February 2009)
S.L. Wigzell	(Appointed 5 March 2009)

R.W. Game was appointed as a director on 25 June 2009.

The directors have the benefit of "qualifying third party indemnity provisions" for the purposes of sections 309A to 309C of the Companies Act 1985.

Statement of directors' responsibilities

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 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;
- 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, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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 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.

Radial Distribution Asset Management Limited

The directors' report (continued)

Year ended 31 March 2009

Disclosure of information to auditors

The directors confirm that to their knowledge there is no relevant audit information of which the company's auditors are unaware. They also confirm that they have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Signed by order of the Board



D.J. Lanchester
Company Secretary

Registered office:
Nations House
103 Wigmore Street
London
W1U 1AE

26 October 2009

Radial Distribution Asset Management Limited

Independent auditors' report to the members of Radial Distribution Asset Management Limited

Year ended 31 March 2009

We have audited the financial statements of Radial Distribution Asset Management Limited for the year ended 31 March 2009 which comprise the profit and loss account, the balance sheet 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). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. In addition we 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.

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 judgments 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.

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 March 2009 and of its loss 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.

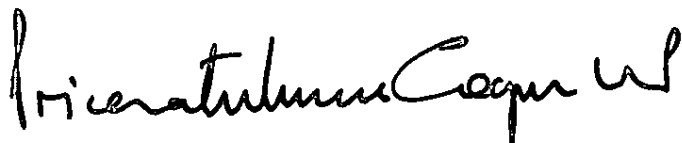
Radial Distribution Asset Management Limited

Independent auditors' report to the members of
Radial Distribution Asset Management Limited

Year ended 31 March 2009

Emphasis of Matter - going concern

In arriving at our audit opinion, which is not qualified, we have considered the adequacy of the disclosures made in the basis of preparation note within the financial statements concerning the company's ability to continue as a going concern. These disclosures indicate that there is a material uncertainty as to whether the parent company is able to support the company which may cast significant doubt about the company's ability to continue as a going concern.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London, United Kingdom

26 October 2009

Radial Distribution Asset Management Limited

Profit and loss account

Year ended 31 March 2009

	Note	2009 £000	2008 £000
Turnover	2	254	423
Operating loss	2	(451)	(562)
Interest receivable and similar income	4	3	14
Loss on ordinary activities before taxation		(448)	(548)
Tax on loss on ordinary activities	5	126	84
Loss for the financial year	10	(322)	(464)

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

There were no other recognised gains or losses in the year.

There is no difference between the profit on ordinary activities after taxation and the retained profit for the year and their historical equivalents.


Radial Distribution Asset Management Limited

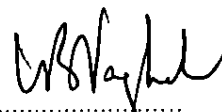
Balance sheet

31 March 2009

	Note	2009 £000	2008 £000
Current assets			
Debtors	6	149	867
Cash at bank and in hand		12	98
		<u>161</u>	<u>965</u>
Creditors: amounts falling due within one year	7	<u>(499)</u>	<u>(981)</u>
Net current liabilities		<u>(338)</u>	<u>(16)</u>
Net liabilities		<u>(338)</u>	<u>(16)</u>
Capital and reserves			
Called-up share capital	9	-	-
Profit and loss account	10	<u>(338)</u>	<u>(16)</u>
Total deficit in shareholders' funds	11	<u>(338)</u>	<u>(16)</u>

These financial statements on pages 6 to 11 were approved by the board of directors on the 26 October 2009 and are signed on their behalf by:


.....
M.W. Keogh


.....
V.B. Vaghela

Radial Distribution Asset Management Limited

Notes to the financial statements

Year ended 31 March 2009

1. Accounting policies

Basis of preparation

The accounts have been prepared on the going concern basis, under the historical cost convention, in accordance with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

These audited financial statements have been prepared on a going concern basis, which assumes the company will continue to be able to meet its liabilities as and when they fall due, for the foreseeable future. The directors have obtained a letter of financial support from the ultimate parent company. The company and its fellow subsidiaries are reliant on the parent company for ongoing financial support. In adopting the going concern basis, the directors have taken into account the ability and resources of the ultimate parent company to provide financial support.

At the time of the approval of these financial statements, the ultimate parent company is in ongoing discussions with its lenders for the extension and amendment of current banking facilities on terms appropriate for the current and foreseeable operating environment. The Directors of the parent company have indicated that material uncertainty exists which may cause significant doubt over the ability of the Group to continue as a going concern. However after taking the uncertainties into account they believe it is still appropriate to prepare their Group accounts on a going concern basis.

Having taken these uncertainties into account, the Directors believe it is still appropriate to prepare the accounts on a going concern basis, as they believe the ultimate parent company will be able to support the company as and when necessary, for the foreseeable future. Accordingly, the audited financial statements do not include the adjustments that would result from a failure to remain a going concern.

Taxation

Current taxation is provided at amounts expected to be paid, or recovered, using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Cash flow statement

The company's ultimate parent company, Warner Estate Holdings PLC, produces consolidated statements which are publicly available. The company is therefore exempt under the terms of the Financial Reporting Standard No. 1, from publishing a cash flow statement.

Turnover

Turnover consists of management fees receivable net of value added tax, calculated on an accruals basis.

2. Turnover and operating loss

	2009 £000	2008 £000
Management fees receivable	254	423
Less: administrative expenses	(705)	(985)
Operating loss	(451)	(562)

The company incurs a management fee of which an element relates to the audit fee paid for by the ultimate parent. The audit fee for this company would be £3,000 (2008: £7,000).

Radial Distribution Asset Management Limited

Notes to the financial statements

Year ended 31 March 2009

3. Directors' emoluments and employee costs

No emoluments were paid to directors (2008: £nil).

The company did not have any employees in the year (2008: nil).

4. Interest receivable and similar income

	2009 £000	2008 £000
Bank interest receivable	<u>3</u>	<u>14</u>

5. Taxation

(a) Analysis of credit in the year

	2009 £000	2008 £000
UK Corporation tax credit: Current at 28% (2008: 30%)	<u>(126)</u>	<u>(84)</u>

(b) Reconciliation of current tax credit

	2009 £000	2008 £000
Loss on ordinary activities before taxation	<u>(448)</u>	<u>(548)</u>
Tax on loss on ordinary activities at 28% (2008: 30%)	(126)	(164)
Disallowed expenditure	-	12
Losses carried forward	-	68
	<u>(126)</u>	<u>(84)</u>

The corporation tax rate was reduced from 30% to 28% with effect from 1 April 2008.

6. Debtors

	2009 £000	2008 £000
Trade debtors	65	-
Amounts owed by group companies	-	766
Prepayments and accrued income	-	17
Corporation tax	84	84
	<u>149</u>	<u>867</u>

Amounts owed by group companies are unsecured, interest free and have no fixed date of repayment.

Radial Distribution Asset Management Limited

Notes to the financial statements

Year ended 31 March 2009

7. Creditors: amounts falling due within one year

	2009 £000	2008 £000
Amount owed to ultimate parent company	-	64
Amounts owed to group companies	399	917
Other taxation and social security	8	-
Other creditors	40	-
Accruals and deferred income	52	-
	<u>499</u>	<u>981</u>

It is not the intention of the ultimate parent company or group companies to request repayment of their outstanding balances until such a time as the company has sufficient funds available. Amounts owed to group companies are unsecured, interest free and have no fixed date of repayment.

8. Related party transactions

The Radial Distribution Limited group is 50% owned by the Warner Estate Holdings PLC group. The company had transactions with this related party as follows:

	Transaction amount Year ended 31 March 2009 £000	Transaction amount Year ended 31 March 2008 £000	Balance outstanding At 31 March 2009 £000	Balance outstanding At 31 March 2008 £000
The Radial Distribution Limited Group				
Property management fees receivable	254	423	65	17

The company has taken advantage of the exemption available under FRS No. 8. Related Party Disclosures, from disclosing transactions with parent and other group companies.

9. Share capital

Authorised share capital:

	2009 £	2008 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	No	2009 £	No	2008 £
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

Radial Distribution Asset Management Limited

Notes to the financial statements

Year ended 31 March 2009

10. Reserves

	Profit and loss account £000
At 1 April 2008	(16)
Retained loss for the year	(322)
At 31 March 2009	(338)

11. Reconciliation of movements in shareholders' funds

	2009 £000	2008 £000
Loss for the year after taxation	(322)	(464)
Opening equity shareholders' funds	(16)	448
Closing deficit on equity shareholders' funds	(338)	(16)

12. Contingent liabilities

There are cross guarantees between the company and fellow subsidiary undertakings securing bank overdrafts. These companies' bank overdrafts at 31 March 2009 amounted to £163,000,000 (2008: £nil).

13. Ultimate parent company

The immediate parent company is Warner Estate Asset Management Ltd. The ultimate parent company is Warner Estate Holdings PLC, which is registered in England and Wales. Copies of the group accounts may be obtained from Warner Estate Holdings PLC, Nations House, 103 Wigmore Street, London, W1U 1AE.