

COMPANY REGISTRATION NUMBER 4450072

**Radial Distribution Asset Management
Limited**

Report and financial statements

For the year ended

31 March 2010

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Radial Distribution Asset Management Limited

Report and financial statements

For the year ended 31 March 2010

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Radial Distribution Asset Management Limited

The directors' report

For the year ended 31 March 2010

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2010

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 asset management in the United Kingdom.

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

Results for the year

The profit after taxation for the year amounted to £110,000 (2009: £322,000 loss) which is deducted from a deficit brought forward of £338,000 leaving a £228,000 deficit to be carried forward. The directors do not recommend the payment of a dividend (2009: £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 directors' report contained in the group's annual report which does not form part of this report.

Risk	Description	Mitigation
Financial risk	General economic downturn	Group limits on debt to assets and interest cover ratios
	Asset management risk	Actively maintaining a broad tenant mix across portfolios adopting a proactive asset management approach to retaining tenants and early planning of potential void situations Regular review and reporting of performance against targets. Monthly and quarterly performance reviews monitor this.
	Liquidity risk	Efficient treasury management and strict credit control to ensure adequate working capital headroom available to meet working capital requirements of the business.

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 directors' report contained in the group's annual report which does not form part of this report.

Future outlook

On 17 May 2010 the company's asset management contract with Radial Distribution Limited was terminated, as a result of the change in ownership of Radial Distribution Limited. A termination fee was received and no further income will be generated from this contract in the future. The directors will look for suitable asset management opportunities.

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 company is in net liabilities and so 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.

Radial Distribution Asset Management Limited

The directors' report (continued)

For the year ended 31 March 2010

Directors

The directors who served the company during the year and up to the date of signing these financial statements were

P C T Warner (Chairman)

M W Keogh

V B Vaghela

M J Stevens

(Resigned 25 June 2009)

R W Game

(Appointed 25 June 2009)

S L Wigzell

(Resigned 1 July 2010)

The directors have the benefit of "qualifying third party indemnity provisions" for the purposes of section 236 of the Companies Act 2006

Statement of 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 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 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,
- 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.

Disclosure of information to auditors

The directors confirm so far as they are aware 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 directors



D J. Lanchester
Company Secretary

Registered office
Nations House
103 Wigmore Street
London
W1U 1AE
Company registration number 4450072

Approved by the directors on 7 December 2010

Radial Distribution Asset Management Limited

Independent auditors' report

For the year ended 31 March 2010

We have audited the financial statements of Radial Distribution Asset Management Limited for the year ended 31 March 2010 which comprise the profit and loss account, 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 statement of directors' responsibilities set out on page 2 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 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.

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 March 2010 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.

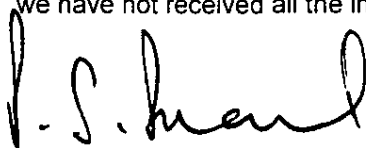
Opinion on other matter prescribed by the Companies Act 2006

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.

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.



Parwinder Purewal (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
7 December 2010

Radial Distribution Asset Management Limited

Profit and loss account

For the year ended 31 March 2010

	Note	2010 £000	2009 £000
Turnover	2	638	254
Operating profit / (loss)	2	145	(451)
Interest receivable and similar income	4	7	3
Profit / (loss) on ordinary activities before taxation		152	(448)
Tax on profit / (loss) on ordinary activities	5	(42)	126
Profit / (loss) for the financial year	10	110	(322)

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/(loss) on ordinary activities before taxation and the profit/(loss) for the financial year and their historical equivalents

Radial Distribution Asset Management Limited

Balance sheet

As at 31 March 2010

	Note	2010 £000	2009 £000
Current assets			
Debtors	6	441	149
Cash at bank and in hand		20	12
		<u>461</u>	<u>161</u>
Creditors: amounts falling due within one year	7	<u>(689)</u>	<u>(499)</u>
Net current liabilities		<u>(228)</u>	<u>(338)</u>
Net liabilities		<u>(228)</u>	<u>(338)</u>
Capital and reserves			
Called-up share capital	9	-	-
Profit and loss account	10	<u>(228)</u>	<u>(338)</u>
Total shareholders' deficit	11	<u>(228)</u>	<u>(338)</u>

These financial statements on pages 4 to 9 were approved by the board of directors on the 7 December 2010 and are signed on their behalf by


M W Keogh
Director


V B Vaghela
Director

Radial Distribution Asset Management Limited

Notes to the financial statements

For the year ended 31 March 2010

1 Accounting policies

Basis of preparation

The accounts have been prepared on the going concern basis, under the historical cost convention, as modified to include the revaluation of certain tangible fixed assets and in accordance with applicable accounting standards in the United Kingdom. Following these standards requires a departure from the requirements of the Companies Act 2006 relating to depreciation of certain land and buildings as explained in the paragraph on depreciation below. 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.

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. The tax group relief accounting policy changed during the year. Group relief profits or losses are recognised as a tax credit or charge on the Profit and Loss Account with a corresponding intercompany creditor or debtor.

Cash flow statement

The company's ultimate parent company, Warner Estate Holdings PLC, produces consolidated financial 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.

Administrative expenses

Administrative expenses include salaries, head office running costs, legal, accounting, auditing, tax and other fees. They are recognised as expense in profit or loss account in the period in which they are incurred on an accruals basis.

2. Turnover and operating profit / (loss)

	2010 £000	2009 £000
Management fees receivable	638	254
Less: administrative expenses	(493)	(705)
Operating profit / (loss)	145	(451)

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 (2009: £3,000).

Radial Distribution Asset Management Limited

Notes to the financial statements

For the year ended 31 March 2010

3 Directors' emoluments and employee costs

The directors did not receive any emoluments in respect of their services to the company (2009 £nil)

The directors did not receive any compensation for loss of office (2009 £nil)

The company did not have any employees in the year (2009 none)

4. Interest receivable and similar income

	2010 £000	2009 £000
Bank interest receivable	<u>7</u>	<u>3</u>

5. Tax on profit / (loss) on ordinary activities

(a) Analysis of charge / (credit) in the year

	2010 £000	2009 £000
UK Corporation tax charge / (credit)		
Current at 28%	<u>42</u>	<u>(126)</u>

(b) Reconciliation of current tax charge / (credit)

	2010 £000	2009 £000
Profit / (loss) on ordinary activities before taxation	<u>152</u>	<u>(448)</u>
Tax on profit / (loss) on ordinary activities at 28%	<u>42</u>	<u>(126)</u>

6 Debtors

	2010 £000	2009 £000
Trade debtors	145	65
Corporation tax	-	84
Prepayments and accrued income	<u>296</u>	<u>-</u>
	<u>441</u>	<u>149</u>

Radial Distribution Asset Management Limited

Notes to the financial statements

For the year ended 31 March 2010

7. Creditors: amounts falling due within one year

	2010 £000	2009 £000
Amounts owed to group companies	1	399
Taxation and social security	21	8
Other creditors	-	40
Accruals and deferred income	667	52
	<u>689</u>	<u>499</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.

Accruals and deferred income includes an amount of £453,000 due to a fellow group company. At year end, no invoice had been raised and accordingly the amount is not reflected in the intercompany balance.

8. Related party transactions

The Radial Distribution Limited group was 50% owned by the Warner Estate Holdings PLC group at 31 March 2010 and was subsequently sold. The company had transactions with this related party as follows:

	Transaction amount Year ended 31 March 2010 £000	Transaction amount Year ended 31 March 2009 £000	Balance outstanding At 31 March 2010 £000	Balance outstanding At 31 March 2009 £000
The Radial Distribution Limited Group				
Property management fees receivable	638	254	145	65

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. Called up share capital

Authorised share capital:

	2010 £	2009 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted and fully paid.

	No	2010 £	No	2009 £
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

For the year ended 31 March 2010

10. Reserves

	Profit and loss account £000
At 1 April 2009	(338)
Profit for the financial year	110
At 31 March 2010	(228)

11. Reconciliation of movements in shareholders' deficit

	2010 £000	2009 £000
Profit / (loss) for the financial year	110	(322)
Opening shareholders' deficit	(338)	(16)
Closing shareholders' deficit	<u>(228)</u>	<u>(338)</u>

12. Contingent liabilities

There are cross guarantees between the company and fellow subsidiary undertakings securing bank overdrafts. These companies' bank overdrafts at 31 March 2010 amounted to £114,000,000 (2009 £163,000,000)

13. Ultimate parent company

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