

**REGISTERED NUMBER: 05300985 (England and Wales)**

**REPORT OF THE DIRECTORS AND  
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013  
FOR  
Valad (Oxford Road Reading) Limited**

**TUESDAY**



**A17      12/11/2013      #187**  
**COMPANIES HOUSE**

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for the Year Ended 30 June 2013**

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**Valad (Oxford Road Reading) Limited**

**COMPANY INFORMATION**  
**for the Year Ended 30 June 2013**

|                           |  |
|---------------------------|--|
| <b>DIRECTORS:</b>         | F J Kennedy<br>Valsec Director Limited   |
| <b>SECRETARY</b>          | Valad Secretarial Services Limited   |
| <b>REGISTERED OFFICE:</b> | 1st Floor<br>Unit 16<br>Manor Court Business Park<br>Scarborough<br>North Yorkshire<br>YO11 3TU  |
| <b>REGISTERED NUMBER:</b> | 05300985 (England and Wales)   |
| <b>AUDITORS:</b>          | PricewaterhouseCoopers LLP<br>Chartered Accountants and Statutory Auditors<br>Benson House<br>33 Wellington Street<br>Leeds<br>LS1 4JP |
| <b>BANKERS:</b>           | Bank of Scotland<br>2nd Floor<br>New Uberior House<br>11 Earl Grey Street<br>Edinburgh<br>EH3 9BN                                      |
| <b>SOLICITORS:</b>        | Shepherd and Wedderburn LLP<br>Condor House<br>10 St Paul's Churchyard<br>London<br>EC4M 8AL   |

**Valad (Oxford Road Reading) Limited (Registered number: 05300985)**

**REPORT OF THE DIRECTORS  
for the Year Ended 30 June 2013**

The directors present their annual report and the audited financial statements of the company for the year ended 30 June 2013. This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

**PRINCIPAL ACTIVITY**

The principal activity of the company is property development.

**REVIEW OF BUSINESS**

The company has not traded during the year and the level of activity has remained low since the sale of the company's development in 2006. The results for the year are as the directors expected, and the company is not expected to trade in future years.

The company's result for the year is £nil (2012 result of £nil) and is dealt with as shown on the income statement.

**DIVIDENDS**

The directors have not recommended a dividend (2012 £nil).

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 July 2012 to the date of this report.

F J Kennedy  
Valsec Director Limited

**GOING CONCERN**

Despite the current economic climate we have prepared the financial statements on a going concern basis. The justification for this is disclosed in the accounting policies note under going concern.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The directors of Valad (Europe) plc manage the group's risks at a group level, rather than at an individual business unit level. For this reason, the company's directors believe that a discussion of the company's risks would not be appropriate for an understanding of the development, performance or position of the business of Valad (Oxford Road Reading) Limited. The principal risks and uncertainties of the Valad (Europe) plc group, which include those of the company, are discussed in the Report of the Directors and Financial Statements of Valad (Europe) plc which do not form part of this report.

**KEY PERFORMANCE INDICATORS**

The directors of Valad (Europe) plc manage the group's operations on a divisional basis. For this reason, the company's directors believe that analysis using key performance indicators of the company is not necessary or appropriate for an understanding of the development, performance or position of the business of the company. The development, performance and position of the Valad (Europe) plc group, which includes the company, is discussed in the Report of the Directors and Financial Statements of Valad (Europe) plc, which do not form part of this report.

**FINANCIAL RISK MANAGEMENT**

The company's financial risk management is set out in detail in note 10 to the financial statements.

**REPORT OF THE DIRECTORS**  
**for the Year Ended 30 June 2013**

**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 elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. 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 that the financial statements comply with IFRS,
- 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and 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.

**ON BEHALF OF THE BOARD:**

F J Kennedy Director

Date 10/10/13

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF VALAD (OXFORD ROAD READING) LIMITED**

We have audited the financial statements of Valad (Oxford Road Reading) Limited for the year ended 30 June 2013 on pages five to sixteen. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

### **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 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 Report of the Directors 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 30 June 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

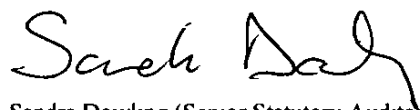
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Directors 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.



Sandra Dowling (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Leeds

Date 10<sup>th</sup> October 2013

**Valad (Oxford Road Reading) Limited (Registered number 05300985)**

**INCOME STATEMENT  
for the Year Ended 30 June 2013**

|                                 | Notes | 30 6 13<br>£ | 30 6 12<br>£ |
|---------------------------------|-------|--------------|--------------|
| <b>CONTINUING OPERATIONS</b>    |       |              |              |
| Revenue                         |       | -            | -            |
| <b>PROFIT BEFORE INCOME TAX</b> |       | -            | -            |
| Income tax                      | 3     | -            | -            |
| <b>PROFIT FOR THE YEAR</b>      |       | -            | -            |

The notes form part of these financial statements

**Valad (Oxford Road Reading) Limited (Registered number: 05300985)**

**STATEMENT OF COMPREHENSIVE INCOME**  
**for the Year Ended 30 June 2013**

|                                   | 30 6 13<br>£ | 30 6 12<br>£ |
|-----------------------------------|--------------|--------------|
| <b>PROFIT FOR THE YEAR</b>        | -            | -            |
| <b>OTHER COMPREHENSIVE INCOME</b> | -            | -            |
| <b>TOTAL COMPREHENSIVE INCOME</b> | -            | -            |
| <b>FOR THE YEAR</b>               | -            | -            |

The notes form part of these financial statements



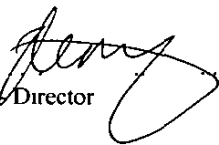
Valad (Oxford Road Reading) Limited (Registered number: 05300985)

**STATEMENT OF FINANCIAL POSITION**  
**30 June 2013**

|                                     | Notes | 30 6 13<br>£         | 30 6 12<br>£         |
|-------------------------------------|-------|----------------------|----------------------|
| <b>ASSETS</b>                       |       |                      |                      |
| <b>CURRENT ASSETS</b>               |       |                      |                      |
| Receivables                         | 4     | <u>75,178</u>        | <u>75,178</u>        |
| <b>TOTAL ASSETS</b>                 |       | <u><u>75,178</u></u> | <u><u>75,178</u></u> |
| <b>EQUITY</b>                       |       |                      |                      |
| <b>SHAREHOLDERS' EQUITY</b>         |       |                      |                      |
| Called up share capital             | 5     | 1                    | 1                    |
| Retained earnings                   | 6     | <u>75,177</u>        | <u>75,177</u>        |
| <b>TOTAL EQUITY</b>                 |       | <u><u>75,178</u></u> | <u><u>75,178</u></u> |
| <b>LIABILITIES</b>                  |       |                      |                      |
| <b>TOTAL LIABILITIES</b>            |       | <u>-</u>             | <u>-</u>             |
| <b>TOTAL EQUITY AND LIABILITIES</b> |       | <u><u>75,178</u></u> | <u><u>75,178</u></u> |

The financial statements on pages 5 to 16 were approved by the Board of Directors on 10 October 2013 and were signed on its behalf by

F J Kennedy Director



The notes form part of these financial statements

**Valad (Oxford Road Reading) Limited (Registered number: 05300985)**

**STATEMENT OF CHANGES IN EQUITY  
for the Year Ended 30 June 2013**

|                         | Called up<br>share<br>capital<br>£ | Retained<br>earnings<br>£ | Total<br>equity<br>£ |
|-------------------------|------------------------------------|---------------------------|----------------------|
| Balance at 1 July 2011  | 1                                  | 75,177                    | 75,178               |
| Changes in equity       |                                    |                           |                      |
| Balance at 30 June 2012 | 1                                  | 75,177                    | 75,178               |
| Changes in equity       |                                    |                           |                      |
| Balance at 30 June 2013 | 1                                  | 75,177                    | 75,178               |

The notes form part of these financial statements

**Valad (Oxford Road Reading) Limited (Registered number: 05300985)**

**STATEMENT OF CASH FLOWS**  
**for the Year Ended 30 June 2013**

|   |   | 30 6 13           | 30 6 12           |
|---|---|-------------------|-------------------|
|   |   | £                 | £                 |
| <b>Cash flows from operating activities</b>           |   |                   |                   |
| Cash generated from operations                        | 1 | -                 | -                 |
|   |   | <u>          </u> | <u>          </u> |
|   |   | <u>          </u> | <u>          </u> |
| <b>Increase in cash and cash equivalents</b>          |   | -                 | -                 |
| <b>Cash and cash equivalents at beginning of year</b> |   | -                 | -                 |
|   |   | <u>          </u> | <u>          </u> |
| <b>Cash and cash equivalents at end of year</b>       |   | <u>          </u> | <u>          </u> |

The notes form part of these financial statements

**Valad (Oxford Road Reading) Limited (Registered number: 05300985)**

**NOTES TO THE STATEMENT OF CASH FLOWS**  
**for the Year Ended 30 June 2013**

**1 RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS**

|                                | 30 6 13 | 30 6 12 |
|--------------------------------|---------|---------|
|                                | £       | £       |
| Profit before income tax       | -       | -       |
| Cash generated from operations | -       | -       |

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the Year Ended 30 June 2013**

**1 ACCOUNTING POLICIES**

**Basis of preparation**

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared in accordance with European Union ("EU") Endorsed International Financial Reporting Standards ("IFRSs"), IFRIC interpretations and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed on page 14.

**New standards and amendments**

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 July 2012:

- IAS 1 'Presentation of financial statements' - Amendment regarding other comprehensive income

New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 July 2012 but not currently relevant to the company (although they may affect the accounting for future transactions and events):

- Amendment to IAS 32, 'Financial instruments: Presentation' is not applicable to the company as no rights issues have been made during the period,

- Amendment to IFRS 7, 'Financial instruments: Disclosures' is not applicable as the company has not transferred the classification of any financial assets during the period, and

- Amendments to IAS 19 'Employee Benefits'

New standards, amendments and interpretations issued but not effective for the financial year beginning 1 July 2012, but not adopted early:

- IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010 and replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. The company is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on or after 1 July 2015, subject to endorsement by the EU,

- IFRS 10, 'Consolidated financial statements', builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The company is yet to assess IFRS 10's full impact and intends to adopt IFRS 10 for the accounting period beginning on 1 July 2014,

- IFRS 11, 'Joint arrangements', amends the definitions of joint arrangements and has reduced the 'types' of joint arrangements to two: joint operations and joint ventures. The existing policy choice of proportionate consolidation for jointly controlled entities has been eliminated with equity accounting being mandatory for participants in joint ventures. Entities that participate in joint operations will follow accounting much like that for joint assets or joint operations today. The company is yet to assess IFRS 11's full impact and intends to adopt IFRS 11 for the accounting period beginning on 1 July 2014,

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 30 June 2013**

**1. ACCOUNTING POLICIES - continued**

- IFRS 12, 'Disclosures of interests in other entities', includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The company is yet to assess IFRS 12's full impact and intends to adopt IFRS 12 for the accounting period beginning on 1 July 2014,

- IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRS and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where it is already required or permitted by other standards within IFRS or US GAAP. The company is yet to assess IFRS 13's full impact and intends to adopt IFRS 13 for the accounting period beginning 1 July 2013,

- Amendment to IAS 12, 'Income taxes', on deferred tax. IAS 12 currently requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether the recovery will be through use or through when the asset is measured using the fair value model in IAS 40, 'Investment property'. This amendment therefore introduces an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. As a result of the amendments, SIC 21, 'Income taxes - recovery of revalued non-depreciable assets', will no longer apply to investment properties carried at fair value. The amendments also incorporate into IAS 12 the remaining guidance previously contained in SIC 21, which is withdrawn, and

- Amendment to IAS 36, 'Impairment of assets'. The amendments to IAS 36 address the disclosure information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. IASB has amended IAS 36 to remove the requirement to disclose the recoverable amount when a cash generating unit (CGU) contains goodwill or indefinite lived intangible assets but there has been no impairment. In addition, there is requirement to disclose the recoverable amount of an asset or CGU when an impairment loss has been recognised or reversed and detailed disclosures of how the fair value less costs of disposal has been measured when an impairment loss has been recognised or reversed.

There are changes to the following IFRSs and IFRIC interpretations that are not yet effective but are not expected to have a material impact on the company

- IAS 27 (revised 2011) 'Separate financial statements' - effective 1 July 2013

- IAS 28 (revised 2011) 'Associates and joint ventures' - effective 1 July 2013

- Amendment to IFRS 1 'First time adoption' on government grants - effective 1 July 2013

- Amendment to IFRS 7 'Financial instruments: Disclosure' on financial instruments asset and liability offsetting - effective 1 July 2013

- Amendment to IAS 32 'Financial instruments: Presentation' on financial instruments asset and liability offsetting - effective 1 July 2013

- IFRIC 20 'Stripping costs in the production phase of a surface mine' - effective 1 July 2013

**General information**

The company is a limited liability company incorporated and domiciled in England and Wales. The address of its registered office is 1st Floor, Unit 16, Manor Court Business Park, Scarborough, North Yorkshire, YO11 3TU.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 30 June 2013**

**1 ACCOUNTING POLICIES - continued**

**Financial instruments**

The company recognises financial instruments when it becomes party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual right to receive the cash flows expires or it has transferred the financial asset and the economic benefit of the cash flows. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Financial instruments are used to support the company's operations. Interest is charged to the income statement as incurred or earned. Issue costs for instruments subsequently recorded at amortised cost are netted against the fair value of the related debt instruments on initial recognition and are charged to the income statement over the term of the relevant facility.

Financial instruments are recorded initially at fair value. Subsequent measurement depends on the designation of the instrument, as follows:

- a) Financial assets/liabilities held for short term gain, including derivatives other than hedging instruments, are measured at fair value and movements in fair value are credited/charged to the income statement in the year.
- b) Loans and receivables/payables and non-derivative financial assets/liabilities with fixed or determinable payments that are not quoted in an active market are measured at amortised cost. These are included in current assets/liabilities except for instruments that mature after more than 12 months which are included in non-current assets/liabilities.

**Taxation**

**Current Tax**

The expense or credit for current tax is based on the results for the year adjusted for items that are either not subject to taxation or for expenditure which cannot be deducted in computing the tax expense or credit. The tax expense or credit is calculated using taxation rates that have been enacted or substantively enacted at the balance sheet date.

**Deferred Tax**

Deferred tax is recognised using the balance sheet liability method on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. Deferred tax is recognised in respect of all taxable temporary differences, with certain limited exceptions:

- deferred tax is not provided on the initial recognition of an asset or liability in a transaction that does not affect accounting profit or taxable profit and is not a business combination, and
- deferred tax assets are only recognised if it is probable that there will be sufficient profits from which the future reversal of the temporary differences can be deducted. In deciding whether future reversal is probable, the directors review the company's forecasts and make an estimate of the aggregate deferred tax asset that should be recognised. This aggregate deferred tax asset is then allocated into the different categories of deferred tax.

Deferred tax is calculated at the tax rates that are expected to apply in the periods in which temporary differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited to the income statement, except where it applies to items credited or charged to equity, in which case the deferred tax is also dealt with in equity.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 30 June 2013**

**1 ACCOUNTING POLICIES - continued**

**Going concern**

The financial statements have been prepared on the going concern basis. In forming their view as to going concern, the directors have prepared working capital projections for the group for the period to 31 December 2014 based on its trading. The directors have also considered alternative scenarios based on key sensitivities. The projections indicate, taking into account the relatively predictable nature of the group costs, that the group will be able to operate within its existing cash resources, taking into account the key sensitivities.

Taking all the above into consideration, the directors believe that the company will be able to meet its liabilities as they fall due for the foreseeable future and that it is appropriate to prepare the company's financial statements on a going concern basis.

**Receivables**

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within administrative expenses. When a receivable is uncollectible, it is written off against the allowance account for receivables.

Subsequent recoveries of amounts previously written off are credited against administrative expenses in the income statement.

**Cash and cash equivalents**

In the preparation of the company's Statement of Cash Flows, cash and cash equivalents represent short term liquid investments which are readily realisable. Cash which is subject to restrictions, being held to match certain liabilities, is included in cash and cash equivalents in the Statement of Financial Position.

**Ordinary shares**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**Dividend distribution**

Dividend distribution to the company's shareholders is recognised in the financial statements in the year in which the dividends are paid (in the case of interim dividends) or approved by the company's shareholders (in the case of final dividends).

**Critical judgements in applying accounting policies and key sources of estimation uncertainty**

Many of the amounts included in the financial statements involve the use of judgement and/or estimation. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ from the amounts included in the financial statements. Information about such judgements and estimation is contained in the accounting policies and/or the notes to the financial statements.

**2 EMPLOYEES AND DIRECTORS**

The company had no employees during the current or prior year. During the current and prior year the company paid £nil in relation to the remuneration of employees of fellow group companies.

**Directors' emoluments**

The directors have not been remunerated for services to the company in the current or prior year.



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
for the Year Ended 30 June 2013

**3 INCOME TAX**

**Analysis of tax expense**

No liability to UK corporation tax arose on ordinary activities for the year ended 30 June 2013 nor for the year ended 30 June 2012

**Analysis of the tax expense**

No liability to UK corporation tax arose on activities for the year ended 30 June 2013 nor for the year ended 30 June 2012

**Factors affecting the tax expense**

The tax assessed for the year is the same as (2012 the same as) the standard rate of corporation tax in the UK

The main rate of UK corporation tax was reduced from 24% to 23% with effect from 1 April 2013. A further reduction is proposed to reduce the rate to 21% on 1 April 2014.

**4 RECEIVABLES**

|                                    | 30 6 13       | 30 6 12       |
|------------------------------------|---------------|---------------|
|                                    | £             | £             |
| Current                            |               |               |
| Amounts owed by group undertakings | <u>75,178</u> | <u>75,178</u> |

All amounts due from group undertakings are interest free, carry no security and are repayable on demand

**5 CALLED UP SHARE CAPITAL**

| Allotted, issued and fully paid |          |               | 30 6 13  | 30 6 12  |
|---------------------------------|----------|---------------|----------|----------|
| Number                          | Class    | Nominal value | £        | £        |
| 1                               | Ordinary | £1.00         | <u>1</u> | <u>1</u> |

**6 RESERVES**

|                     | Retained earnings |
|---------------------|-------------------|
|                     | £                 |
| At 1 July 2012      | 75,177            |
| Profit for the year | -                 |
| At 30 June 2013     | <u>75,177</u>     |

**7 FINANCIAL INSTRUMENTS**

The company's principal financial instruments include receivables

|               | 30 6 13    |            | 30 6 12    |            |
|---------------|------------|------------|------------|------------|
|               | Book value | Fair value | Book value | Fair value |
|               | £          | £          | £          | £          |
| <b>Assets</b> |            |            |            |            |
| Receivables   | 75,178     | 75,178     | 75,178     | 75,178     |

In accordance with IAS 39, the company classifies the assets in the analysis above as 'loans and receivables'. At the 2013 and 2012 year ends, the company did not have any 'held to maturity' or 'available for sale' financial assets or 'held for trading' financial assets and liabilities as defined by IAS 39.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 30 June 2013**

**8 ULTIMATE PARENT COMPANY**

The company's immediate parent company is Valad Holdings (UK) plc. The ultimate parent entity and controlling party is Blackstone Real Estate Partners VI LP

Acorn FM Holdings (UK) Limited is the parent of the largest and smallest group for which consolidated financial statements are drawn up of which the company is a member

Copies of Acorn FM Holdings (UK) Limited's consolidated financial statements can be obtained from 40 Berkeley Square, London, United Kingdom, W1J 5AL

**9 RELATED PARTY DISCLOSURES**

**Key management compensation**

Key management are the directors and the company secretary. The remuneration paid or payable to key management for employee services is shown in the financial statements of Valad Management Services Limited, a fellow group company. They received no remuneration in respect of their services to the company (2012 nil)

**Amounts owed by group undertakings**

The funding of Valad (Europe) plc and its subsidiaries ('the group') is controlled centrally. Resources are allocated to different entities within the group according to their needs, which constantly vary due to differing trading patterns, seasonality and other factors.

Amounts owed by group companies at the reporting date are as follows

|                    | 2013   | 2012   |
|--------------------|--------|--------|
| Company            | £      | £      |
| Valad (Europe) plc | 75,178 | 75,178 |

**10 FINANCIAL RISK MANAGEMENT**

The company's activities expose it to a variety of financial risks including liquidity risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance. The company's financial instruments principally comprise receivables and payables that arise directly from its operations. The company has not entered into any derivative transactions during the year.

Risk management is carried out by a central treasury function on a group-wide basis under policies approved by the board of directors. The central treasury function identifies, evaluates and hedges financial risks for the group as a whole. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

**Liquidity risk**

The company is subject to the risk that it will not have sufficient borrowing facilities to fund its existing business and its future plan for growth. The company manages its liquidity requirements with the use of both short and long-term cash flow forecasts.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities.

**Capital risk management**

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to its parent, issue new shares or sell assets to reduce debt.