

COMPANY REGISTRATION NUMBER: 4278621

**Tricomm Housing (Holdings) Limited**  
**Financial statements**  
**30 September 2016**



# **Tricomm Housing (Holdings) Limited**

## **Financial statements**

**Year ended 30 September 2016**

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# **Tricomm Housing (Holdings) Limited**

## **Officers and professional advisers**

### **The board of directors**

Nicholas M F Jopling  
Helen C Gordon  
Vanessa K Simms  
Adam McGhin

### **Company secretary**

Adam McGhin

### **Registered office**

Citygate  
St James' Boulevard  
Newcastle upon Tyne  
NE1 4JE

### **Auditor**

KPMG LLP  
Chartered accountant & statutory auditor  
15 Canada Square  
Canary Wharf  
London  
E14 5GL

### **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  
NE1 3DX

# Tricomm Housing (Holdings) Limited

## Strategic report

Year ended 30 September 2016

The directors present their strategic report for the year ended 30 September 2016.

### 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 the UK's leading private landlord, capitalising on the compelling private rented sector ("PRS") market opportunity and delivering improved and sustainable rental asset led shareholder returns. Our strategy is designed to grow rents, simplify and focus the business and build on the operational strength and foundations of over 100 years of renting homes.

Our key areas of focus are to grow our rents, to simplify and focus the business, and to build on our heritage. We will continue to increase and accelerate investment into existing and newly built rental homes; re-allocate development team resources to deliver new PRS stock; and refocus the acquisitions team to improve access and conversion of PRS opportunities. We will concentrate resources on two core assets (PRS and regulated tenancies); reduce overheads by transitioning to a simpler, streamlined structure; prioritise direct investment; and reduce our cost of financing. We will build on our heritage through a continued commitment to our high quality, regulated tenancy portfolio, which delivers excellent total returns and cash generation which supports our PRS growth; and maximise the opportunities from our market leading residential platform by exploiting our existing competitive advantages.

### 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 an operating segment level. The directors of the company are satisfied with the results for the year ended 30 September 2016.

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. As such they have not been included within this report, but are included within the group's annual report.

### 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: weak macroeconomic conditions leading to long-term flat or negative house price inflation; a lack of availability or volatile pricing in respect of debt or equity finance for the group to achieve its strategic objectives; inability to obtain sufficient, diverse or appropriately priced funds to implement the current strategy; a failure to meet current or increased legal or regulatory obligations or anticipate and respond to changes in regulation that creates increased and costly obligations; a failure to attract, develop and retain our people to ensure that we have the right skills in the right place at the right time to deliver our strategy; a significant failure within or by a key third-party supplier or contractor; a significant health and safety incident as a result of inadequate or inappropriately implemented health and safety procedures and controls; weak environment of systems, controls and culture resulting in the failure of mitigants regarding the likelihood and impact of other principal risks; unable to fully implement PRS strategy due to failure to transact and acquire assets on acceptable terms and/or inability to integrate PRS assets efficiently in the management platform; excessive capital allocated to activities which carry development risk; and negative impact of Brexit.

### Future developments

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

# **Tricomm Housing (Holdings) Limited**

**Strategic report** *(continued)*

**Year ended 30 September 2016**

This report was approved by the board of directors on 19 January 2017 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'Adam McGhin', with a small horizontal line at the end.

Adam McGhin  
Company Secretary

# Tricomm Housing (Holdings) Limited

## Directors' report

Year ended 30 September 2016

The directors present their report and the financial statements of the company for the year ended 30 September 2016.

### Principal activities

The principal activity of the company during the year was that of an investment company.

### Directors

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

Nicholas M F Jopling	
Helen C Gordon	(Appointed 31 December 2015)
Vanessa K Simms	(Appointed 11 February 2016)
Adam McGhin	(Appointed 30 September 2016)
Mark Greenwood	(Resigned 22 December 2015)
Andrew R Cunningham	(Resigned 31 December 2015)
Nick P On	(Resigned 30 September 2016)

### Dividends

The directors do not recommend the payment of a dividend (2015: £nil).

### Directors' responsibilities statement

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), including FRS 101 *Reduced Disclosure Framework*. 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 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; 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.

# Tricomm Housing (Holdings) Limited

## Directors' report *(continued)*

Year ended 30 September 2016

### Auditor

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

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

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

This report was approved by the board of directors on 19 January 2017 and signed on behalf of the board by:



Adam McGhin  
Company Secretary

**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 2016 set out on pages 8 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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](http://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 2016 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 matters 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.

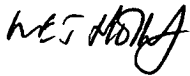


**Independent auditor's report to the members of  
Tricomm Housing (Holdings) Limited (continued)**

**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.



**Bill Holland (Senior Statutory Auditor)**  
**For and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
15 Canada Square  
Canary Wharf  
London  
E14 5GL

January 2017

2 February

# Tricomm Housing (Holdings) Limited

## Statement of comprehensive income

Year ended 30 September 2016

	Note	2016 £	2015 £
Other interest receivable and similar income		1,012,001	1,012,000
Interest payable and similar charges	4	(1,012,001)	(1,012,000)
<b>Result on ordinary activities before taxation</b>		<u>-</u>	<u>-</u>
Tax on profit on ordinary activities		-	-
<b>Result for the financial year and total comprehensive income</b>		<u>-</u>	<u>-</u>

All the activities of the company are from continuing operations.

The notes on pages 11 to 14 form part of these financial statements.

# Tricomm Housing (Holdings) Limited

## Statement of financial position

30 September 2016

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Investments	5	9,399,998	9,399,998
<b>Current assets</b>			
Debtors	6	437,818	435,043
<b>Net current assets</b>		437,818	435,043
<b>Total assets less current liabilities</b>		9,837,816	9,835,041
<b>Creditors: amounts falling due after more than one year</b>	7	(9,637,818)	(9,635,043)
<b>Net assets</b>		<u>199,998</u>	<u>199,998</u>
<b>Capital and reserves</b>			
Called up share capital	8	199,998	199,998
<b>Shareholders' funds</b>		<u>199,998</u>	<u>199,998</u>

These financial statements were approved by the board of directors and authorised for issue on 13 January 2017, and are signed on behalf of the board by:



Adam McGhin  
Director

Company registration number: 4278621

The notes on pages 11 to 14 form part of these financial statements.

# Tricomm Housing (Holdings) Limited

## Statement of changes in equity

Year ended 30 September 2016

	Called up share capital £	Profit and loss account £	Total £
<b>At 1 October 2014</b>	199,998	–	199,998
Profit for the year	–	–	–
<b>At 30 September 2015</b>	199,998	–	<b>199,998</b>
Profit for the year	–	–	–
<b>At 30 September 2016</b>	<u>199,998</u>	<u>–</u>	<u><b>199,998</b></u>

The notes on pages 11 to 14 form part of these financial statements.

# Tricomm Housing (Holdings) Limited

## Notes to the financial statements

Year ended 30 September 2016

### 1. Statement of compliance

The financial statements of Tricomm Housing (Holdings) Limited ("the Company") for the year ended 30 September 2016 were authorised for issue by the board of directors on 19 January 2017 and the statement of financial position was signed on the board's behalf by Adam McGhin.

These financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

The entity is a limited company incorporated and domiciled in the UK. The registered office is:

Citygate  
St James' Boulevard  
Newcastle Upon Tyne  
NE1 4JE

The Company's ultimate parent undertaking, Grainger plc, includes the Company in its consolidated financial statements. The consolidated financial statements of Grainger plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Citygate, St James' Boulevard, Newcastle upon Tyne, NE1 4JE.

### 2. 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.

#### Transition to FRS 101

The entity transitioned from previous UK GAAP to FRS 101 as at 1 October 2014. Details of how FRS 101 has affected the reported financial position and financial performance is given in note 12.

#### Disclosure exemptions

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- (a) Cash flow statement and related notes;
- (b) Comparative period reconciliations for share capital;
- (c) Disclosures in respect of transactions with wholly owned subsidiaries;
- (d) Disclosures in respect of capital management;
- (e) The effects of new but not yet effective IFRSs;
- (f) Disclosures in respect of the compensation of key management personnel.

As the consolidated financial statements of Grainger plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instruments: Disclosures.

# Tricomm Housing (Holdings) Limited

## Notes to the financial statements (continued)

Year ended 30 September 2016

### 2. Accounting policies (continued)

#### Investments

Fixed asset investments are stated at cost less any provisions for diminution in value. An impairment loss is recognised for the amount by which the carrying value of the investment exceeds its recoverable amount.

#### 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 England and Wales.

#### Non-derivative financial instruments

Non-derivative financial instruments comprise loans and borrowings.

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

#### Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make significant judgements, estimates and assumptions that affect the amounts reported. The directors have considered whether there are any such sources of estimation or critical accounting judgements in preparing the financial statements and do not consider there to be any for the purposes of disclosure.

### 3. Operating profit

Audit fees of £2,000 (2015: £1,400) 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.

### 4. Interest payable and similar charges

	2016 £	2015 £
Other interest payable and similar charges	<u>1,012,001</u>	<u>1,012,000</u>

# Tricomm Housing (Holdings) Limited

## Notes to the financial statements (continued)

Year ended 30 September 2016

### 5. Investments

	Shares in group undertakings £	Loans to group undertakings £	Total £
<b>Cost</b>			
At 1 Oct 2015 and 30 Sep 2016	<u>199,998</u>	<u>9,200,000</u>	<u>9,399,998</u>
<b>Impairment</b>			
At 1 Oct 2015 and 30 Sep 2016	<u>—</u>	<u>—</u>	<u>—</u>
<b>Carrying amount</b>			
At 1 Oct 2015 and 30 Sep 2016	<u>199,998</u>	<u>9,200,000</u>	<u>9,399,998</u>

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

### 6. Debtors

	2016 £	2015 £
Amounts owed by group undertakings	<u>437,818</u>	<u>435,043</u>

### 7. Creditors: amounts falling due after more than one year

	2016 £	2015 £
Amounts owed to group undertakings	<u>9,637,818</u>	<u>9,635,043</u>

Included in amounts owed to group undertakings is a loan of £9,200,000 (2015: £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.

### 8. Called up share capital

#### Issued, called up and fully paid

	2016		2015	
	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
	<u>199,998</u>	<u>199,998</u>	<u>199,998</u>	<u>199,998</u>

All shares rank pari passu in all respects.

### 9. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

# **Tricomm Housing (Holdings) Limited**

## **Notes to the financial statements *(continued)***

**Year ended 30 September 2016**

### **10. Related party transactions**

The company is exempt from disclosing related party transactions as they are with other companies that are wholly owned within the group.

### **11. Ultimate controlling and parent company**

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.

### **12. Transition to FRS 101**

These are the first financial statements that comply with FRS 101. The company transitioned to FRS 101 on 1 October 2014.

No transitional adjustments were required in equity or profit or loss for the year.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 30 September 2016 and the comparative information presented in these financial statements for the year ended 30 September 2015.