

**WRP MANAGEMENT LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

Company number 4104513

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# **WRP MANAGEMENT LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009**

The directors submit their report and audited financial statements for the year ended 31 December 2009

### **PRINCIPAL ACTIVITY**

The principal activity of the company is the ownership and management of property

### **BUSINESS REVIEW**

The company's results and financial position for the year ended 31 December 2009 are set out in full in the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the notes relating thereto

The year end financial position deteriorated due to the difficult conditions throughout the UK property industry which has resulted in significant reductions in property values. Loss on ordinary activities before taxation was £192,000 (2008 profit £1,041,000), and shareholders' funds at 31 December 2009 fell to £9,868,000 (2008 £10,938,000)

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 directors expect that the present level of activity will continue for the foreseeable future. As the company's ultimate parent company is Liberty International PLC, there are no principal risks and uncertainties facing the company which are not faced by the group. These risks and uncertainties, including financial risks and the management thereof, are disclosed in the group financial statements

### **DIVIDENDS**

The company did not pay a dividend in the year (2008 £nil)

### **DIRECTORS IN THE YEAR**

J Ainsley	resigned 31 March 2009
M Breeden	resigned 31 March 2009
K E Chaldecott	
M D Ellis	resigned 31 March 2009
D A Fischel	
K Grant	resigned 31 March 2009
C Kirby	
T Pereira	resigned 31 March 2009
L Woodhouse	

# **WRP MANAGEMENT LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009**

### **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 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and to 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**

So far as the directors are aware, there is no relevant audit information of which the auditors are unaware and each director has taken all reasonable steps to make himself or herself aware of any relevant audit information and to establish that the auditors are aware of that information.

### **AUDITORS**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office. Under the provisions of the Companies Act 2006, the company is not required to hold an annual general meeting. Elective Resolutions are in force to dispense with the appointment of auditors annually. The auditors, PricewaterhouseCoopers LLP, will therefore be deemed to be reappointed for each succeeding financial year.

**By order of the Board**



**K E Chaldecott**  
**Director**  
**6 May 2010**

# **WRP MANAGEMENT LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

We have audited the financial statements of WRP Management Limited (registered company no 4104513) for the year ended 31 December 2009 which comprise the profit and loss account, the statement of total recognised gains and losses, 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 in the Directors' Report 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 opinion, has been prepared for and only for the company's members as a body in accordance with Sections 495 and 496 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 December 2009 and of its loss 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.

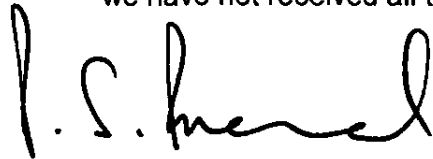
# WRP MANAGEMENT LIMITED

## INDEPENDENT AUDITORS' REPORT

### 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**

6 May 2010

# WRP MANAGEMENT LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	2009 £000	2008 £000
<b>Continuing operations</b>			
Turnover	2	<u>1,306</u>	<u>2,152</u>
Net property investment income	2	954	1,877
Administrative expenses		<u>-</u>	<u>(3)</u>
Profit on ordinary activities before interest and tax		954	1,874
Exceptional items	3	(1,119)	-
Interest payable	4	<u>(27)</u>	<u>(833)</u>
(Loss)/profit on ordinary activities before taxation	5	(192)	1,041
Taxation on loss on ordinary activities	7	<u>(17)</u>	<u>(17)</u>
(Loss)/profit for the year		<u>(209)</u>	<u>1,024</u>

There are no material differences between the (loss)/profit on ordinary activities before taxation and retained profit for the year and their historical cost equivalents

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2009

	2009 £000	2008 £000
(Loss)/profit for the year	(209)	1,024
Decrease in valuation of investment properties (note 8)	<u>(861)</u>	<u>(9,739)</u>
Total recognised losses for the year	<u>(1,070)</u>	<u>(8,715)</u>

# WRP MANAGEMENT LIMITED

## BALANCE SHEET AT 31 DECEMBER 2009

	Notes	2009 £000	2008 £000
<b>Fixed assets</b>			
Investment properties	8	<u>18,639</u>	<u>24,627</u>
<b>Current assets</b>			
Debtors	9	492	420
Cash at bank and in hand		<u>6</u>	<u>15</u>
		498	435
<b>Creditors: amounts falling due within one year</b>	10	<u>(9,179)</u>	<u>(13,843)</u>
<b>Net current liabilities</b>		<u>(8,681)</u>	<u>(13,408)</u>
<b>Total assets less current liabilities</b>		9,958	11,219
<b>Creditors: amounts falling due after more than one year</b>	11	<u>(90)</u>	<u>(281)</u>
<b>Net assets</b>		<u>9,868</u>	<u>10,938</u>
 <b>Capital and reserves</b>			
Called up share capital	12	13,723	13,723
Revaluation reserve	13	(3,050)	(4,364)
Profit and loss reserve	13	<u>(805)</u>	<u>1,579</u>
<b>Total shareholder's funds</b>		<u>9,868</u>	<u>10,938</u>

The financial statements on page 5 to 12 have been approved by the Board on 6 May 2010 and signed on its behalf by



**K E Chaldecott**  
Director



**L Woodhouse**  
Director

# **WRP MANAGEMENT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009**

### **1. Accounting policies**

These financial statements are prepared on a going concern basis, under the historic cost convention as modified by the revaluation of certain tangible fixed assets and in accordance with the Companies Act 2006 and applicable accounting standards

The principal accounting policies which have been adopted in the preparation of the financial statements are set out below

#### **Turnover**

Turnover consists of gross rental income calculated on an accruals basis, together with sales and services in the ordinary course of business, excluding sales of investment properties. In accordance with UITF 28, rental income receivable in the period from lease commencement to the earlier of the first market rent review and the lease end date is spread evenly over that period. Any incentive for lessees to enter into a lease agreement is spread over the same period.

#### **Taxation**

The charge for current taxation is based on the results for the year as adjusted for items that are non-assessable or disallowed, and any adjustment in respect of prior years. It is calculated using rates that have been enacted or substantively enacted by the balance sheet date.

#### **Investment properties**

Investment properties are professionally valued on a market value basis by external valuers at the balance sheet date. In accordance with Statement of Standard Accounting Practice 19, no depreciation has been charged in respect of the freehold or long leasehold investment properties. The effect of this departure from the Companies Act 2006 has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading.

#### **Depreciation**

In accordance with Statement of Standard Accounting Practice 19 no depreciation is provided in respect of freehold or long leasehold investment properties including integral plant (long leasehold investment properties for this purpose comprise leases with more than 20 years unexpired). The requirement of the Companies Act 2006 is to depreciate all properties but that requirement conflicts with the generally accepted accounting principles set out in Statement of Standard Accounting Practice 19. The directors consider that, as these properties are held for investment, to depreciate them would not give a true and fair view and it is necessary to adopt Statement of Standard Accounting Practice 19 for the financial statements to show a true and fair view. The financial effect of the departure from the Act cannot reasonably be quantified as depreciation is only one of the many factors reflected in the annual valuation of properties so the amount which might otherwise have been charged cannot be separately identified or quantified.



# WRP MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

### 1. Accounting policies (continued)

#### Cash flow statement

The company is not required to produce a statement of cash flows under Financial Reporting Standard 1 (Revised 1996) as it is a wholly owned subsidiary of Liberty International PLC and the cash flows of the company are included in the consolidated financial statements of the ultimate parent company, which are publicly available

#### Related party transactions

The company is ultimately wholly owned by Liberty International PLC, whose consolidated financial statements are publicly available, and therefore the company is exempt under the terms of Financial Reporting Standard 8 from disclosing details of transactions with related parties who are members or investees of the Liberty International PLC group

### 2. Turnover and net property investment income

Turnover arose in the United Kingdom from continuing operations and in the opinion of the directors the company carries on only one class of business

	2009 £000	2008 £000
Rents receivable	1,234	2,030
Service charge and other income	72	122
Turnover	<u>1,306</u>	<u>2,152</u>
Outgoings	<u>(352)</u>	<u>(275)</u>
Net property investment income	<u>954</u>	<u>1,877</u>

The directors believe that the nature of the company's business is such that the analysis of costs required by the Companies Act 2006 is not appropriate. As required by the Act the directors have therefore adopted the above format so that costs are disclosed in a manner appropriate to the company's principal activity

### 3. Exceptional items

	2009 £000	2008 £000
Loss on disposal of investment property	<u>(1,119)</u>	<u>-</u>

The company sold its interest in 29-35 Watford High Street on 27 April 2009, realising a loss of £1,119,000

# WRP MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

### 4. Interest payable

	2009 £000	2008 £000
Interest payable on amounts due to group undertakings	<u>27</u>	<u>833</u>

### 5. (Loss)/profit on ordinary activities before taxation

The loss on ordinary activities before taxation of £192,000 (2008 profit £1,041,000) is arrived at after charging

	2009 £	2008 £
Auditors' remuneration – audit services	-	3,000
Directors' remuneration	-	-

The audit fees of £3,400 for the company were met by Capital & Counties Debenture PLC the immediate parent company, and have not been recharged

### 6. Employee Information

There were no employees during the year (2008 nil)

### 7. Taxation on (loss)/profit on ordinary activities

#### (a) Taxation charge for the financial year

The differences between the taxation charged for the year and the current standard rate of United Kingdom corporation tax 28% (2008 28.5%) are shown below

	2009 £000	2008 £000
(Loss)/profit on ordinary activities before taxation	<u>(192)</u>	<u>1,041</u>
United Kingdom corporation tax at 28% (2008 28.5%)	(54)	297
Effects of		
Capital allowances	(1)	(1)
Reduced tax on disposal of property	(1,084)	-
Transfer pricing	(127)	24
Group relief	(1)	-
REIT exemption	1,265	(320)
REIT entry charge	<u>17</u>	<u>17</u>
Taxation on profit on ordinary activities	<u>17</u>	<u>17</u>

# WRP MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

### 7. Taxation on (loss)/profit on ordinary activities (continued)

#### (b) Factors affecting future tax charge

The ultimate parent company became a REIT with effect from 1 January 2007, and consequently the majority of the company's profits should not be subject to UK corporation tax

### 8. Investment properties

Completed properties at independent valuation	Freehold £000	Leasehold over 50 years £000	Total £000
At 1 January 2008	28,746	5,620	34,366
Deficit on valuation	(8,146)	(1,593)	(9,739)
At 31 December 2008	20,600	4,027	24,627
Disposals	(5,127)	-	(5,127)
Deficit/ (surplus) on valuation	(1,059)	198	(861)
At 31 December 2009	14,414	4,225	18,639

The properties were valued at 31 December 2009 by external valuers, DTZ Debenham Thorpe Tie Leung Limited, in accordance with the Royal Institute of Chartered Surveyors (RICS) Valuation Standards 6th Edition, on the basis of market value. Market value represents the figure that would appear in a hypothetical contract of sale between a willing buyer and a willing seller.

The historic cost of completed investment properties was £21,689,000 (2008 £28,991,000)

### 9. Debtors

	2009 £000	2008 £000
Rent and service charge arrears	394	268
Prepayments and accrued income	65	52
Other debtors	33	100
	<u>492</u>	<u>420</u>

# WRP MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

### 10. Creditors: amounts falling due within one year

	2009 £000	2008 £000
Amounts due to immediate parent company	8,414	13,177
Other taxation – REIT entry charge	208	195
Other creditors	<u>557</u>	<u>471</u>
	<u>9,179</u>	<u>13,843</u>

Amounts due to the immediate parent company are unsecured, interest free and payable on demand

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

	2009 £000	2008 £000
Other taxation – REIT entry charge	<u>90</u>	<u>281</u>

### 12. Called up share capital

	2009 £000	2008 £000
<b>Issued, called up and fully paid</b>		
13,722,503 ordinary shares of £1 each	<u>13,723</u>	<u>13,723</u>

The concept of authorised share capital was abolished by the Companies Act 2006 with effect from 1 October 2009. Under saving provisions, the current maximum number of shares which may be issued by the Company is 14,000,000 ordinary shares of £1 each.

# WRP MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

### 13. Reserves

	Revaluation reserve £000	Profit and loss reserve £000	Total £000
At 1 January 2008	5,375	555	5,930
Profit for the year	-	1,024	1,024
Decrease in valuation of investment properties	(9,739)	-	(9,739)
At 31 December 2008	(4,364)	1,579	(2,785)
Loss for the year	-	(209)	(209)
Realise revaluation reserve on sale of property	2,175	(2,175)	-
Decrease in valuation of investment properties	(861)	-	(861)
At 31 December 2009	(3,050)	(805)	(3,855)

### 14. Post balance sheet event

On 25 March 2010 Capital & Counties Debenture PLC, previously the company's immediate parent, sold 100% of its investment in the company to a related party, Capital Shopping Centres PLC. As a result the company repaid the amount due from Capital & Counties Debenture PLC by borrowing from the new parent company Capital Shopping Centres PLC.

### 15. Ultimate parent company

The ultimate parent company is Liberty International PLC, a company incorporated and registered in England and Wales, copies of whose financial statements may be obtained from the Company Secretary, 40 Broadway, London, SW1H 0BT. The immediate parent company at the balance sheet date was Capital & Counties Debenture PLC, a company incorporated and registered in England and Wales, copies of whose financial statements may be obtained as above.

As discussed in note 14 above, on 25 March 2010 Capital & Counties Debenture PLC sold its investment in the company to Capital Shopping Centres PLC, a company incorporated and registered in England and Wales, making it the immediate controlling entity from that date.