

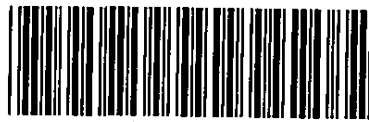
Company Registration No. SC299682

**Wick Retail Limited**

**Report and Financial Statements**

**31 March 2013**

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**Wick Retail Limited**

**Report and financial statements 2013**

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## **Wick Retail Limited**

### **Report and financial statements 2013**

#### **Officers and professional advisers**

##### **Directors**

Valentine Beresford  
Sue Ford (resigned 17 May 2013)  
Andrew Jones  
Martin McGann (appointed 17 May 2013)  
Mark Stirling

##### **Company Secretary**

Richard Howell

##### **Registered Office**

One Curzon Street  
London  
W1J 5HB

##### **Solicitors**

Travers Smith LLP  
10 Snow Hill  
London  
EC1A 2AL

##### **Auditor**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London

## **Wick Retail Limited**

### **Directors' report**

The directors submit their report together with the audited financial statements for the year ended 31 March 2013.

#### **Incorporation, business review and principal activities**

The principal activity of the Company is property investment. The Company owns Wick Retail Park, Wick, Scotland.

During year the Company was a wholly owned subsidiary of Metric Property Investments plc. On 25 January 2013 Metric Property Investments plc was acquired by LondonMetric Property Plc (previously London and Stamford Property Plc) which became the ultimate parent company on that date.

The accounts have been prepared on a going concern basis. The Company is in a net current liabilities position. As explained in note 9, the Company is funded via an inter-company loan account provided by the Company's immediate parent, Metric Property Finance 1 Limited, which has confirmed its continuing financial support and therefore the directors consider the Company is in a position to meeting its liabilities as they fall due.

The results for the Company show a pre-tax loss of £259,928 (2011/12 profit: £180,391). Dividends of £nil (2011/12: £nil) were paid during the year. The Company has net assets of £9,865,978 (2011/12: £10,125,906) and amounts owed by group companies of £733,767 (2011/12: owed by £268,791).

#### **Future outlook**

It is expected that current levels of activity will be maintained during the forthcoming year.

#### **Principal risks and uncertainties**

The Company, as a subsidiary of LondonMetric Property Plc, is managed on a unified basis as part of the LondonMetric Property Plc group. The principal risks faced by the Company reflect those of the LondonMetric Property Plc group and the table below outlines the principal risks and uncertainties faced by the LondonMetric Property Plc group in delivering its strategic priorities for the forthcoming year.

##### **Strategic risks**

- Investment acquisitions underperform financial objectives.
- Failure to identify business opportunities and innovate.
- Property markets are cyclical. Performance depends on general economic conditions and in particular the retail sector.
- Development projects fail to deliver expected returns due to increased costs, delays or changes in property market values.

##### **Financial risks**

- Inability to raise finance to implement strategy.
- Adverse interest rate movements.
- Failure to comply with loan covenants.
- Failure to comply with REIT conditions.
- Counterparty credit risk resulting in loss of cash deposit.

##### **Asset management risks**

- Tenant failure.
- Failure to let vacant units.

## **Wick Retail Limited**

### **Directors' report**

#### **Principal risks and uncertainties (continued)**

##### Operational risks

- Loss of key staff.
- Failure to comply with health and safety requirements.
- Environmental liabilities.

These risks and uncertainties are described in greater detail together with mitigating factors on pages 37 to 39 of the LondonMetric Property Plc Annual Report and Accounts 2013. Further information on financial risks is set in note 10 to these financial statements.

#### **Key performance indicators ("KPIs")**

Given the straightforward nature of the business, the Company's directors are of the opinion that the KPIs relevant to understanding the development, performance and position of the business are profit before tax, net asset value and debt. The results are disclosed above.

#### **Directors**

The present directors of the Company all of whom served throughout the year, unless otherwise stated, are as shown on page 1.

The Group has arranged insurance cover in respect of legal action against its Directors.

None of the Directors has a service agreement with the Company and they are not entitled to any compensation on termination of appointment or sale of the Company by the LondonMetric Property Plc group.

#### **Charitable and political donations**

The Company did not make any charitable or political donations during the year (2011/12: £nil).

#### **Auditor and disclosure of information to the auditor**

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

So far as each director is aware, there is no relevant audit information (that is, information needed by the Company's auditor in connection with preparing their report) of which the Company's auditor is unaware. Each director has taken all the steps that they ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

On behalf of the Board



Martin McGann  
Director  
30 July 2013

## Wick Retail Limited

### Statement of directors' responsibilities

The directors are responsible for preparing 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 (IFRS) 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 year. In preparing these financial statements, International Accounting Standards 1 requires that the directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in the manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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.

By Order of the Board



Martin McGann  
Director  
30 July 2013

## **Independent auditor's report to the members of Wick Retail Limited**

We have audited the financial statements of Wick Retail Limited for the year ended 31 March 2013 which comprise the income statement, the balance sheet, the statement of changes in equity, the cash flow statement and the related notes 1 to 14. 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.

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, 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**

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 annual report 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 31 March 2013 and of its loss 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 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.



Claire Faulkner (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

30 July 2013

## Wick Retail Limited

### Income statement Year ended 31 March 2013

	Notes	For the year ended 31 March 2013 £	For the year ended 31 March 2012 £
Gross rental income		618,433	744,511
Property operating expenses		(244,837)	(251,949)
<b>Net rental income</b>		<u>373,596</u>	<u>492,562</u>
Administration expenses	2	-	-
Gain/(deficit) arising on valuation of investment properties		(660,337)	(314,663)
<b>Operating profit/(loss)</b>		<u>(286,741)</u>	<u>177,899</u>
Finance income	3	26,813	2,492
Finance costs	4	-	-
<b>Profit/(loss) before tax</b>		<u>(259,928)</u>	<u>180,391</u>
Tax	5	-	-
<b>Profit/(loss) after tax</b>		<u><u>(259,928)</u></u>	<u><u>180,391</u></u>

All activities during the current and prior year are derived from continuing operations.

There are no other items of comprehensive income or expense in the current and prior year and therefore no statement of comprehensive income is shown.



## Wick Retail Limited

### Balance sheet As at 31 March 2013

	Notes	As at 31 March 2013 £	As at 31 March 2012 £
<b>Non-current assets</b>			
Investment property	6	9,225,000	9,950,000
Amounts owed by Group undertakings	9	733,767	268,791
Total non-current assets		<u>9,958,767</u>	<u>10,218,791</u>
<b>Current assets</b>			
Trade and other receivables	7	13,886	13,790
Cash at bank and in hand		-	-
Total current assets		<u>13,886</u>	<u>13,790</u>
<b>Total assets</b>		<u>9,972,653</u>	<u>10,232,581</u>
<b>Current liabilities</b>			
Trade and other payables	8	(106,675)	(106,675)
Total current liabilities		<u>(106,675)</u>	<u>(106,675)</u>
<b>Non-current liabilities</b>			
Amounts owing to Group undertakings	9	-	-
<b>Total liabilities</b>		<u>(106,675)</u>	<u>(106,675)</u>
<b>Net assets</b>		<u>9,865,978</u>	<u>10,125,906</u>
<b>Equity</b>			
Share capital	11	10,300,001	10,300,001
Retained earnings/(loss)		(434,023)	(174,095)
<b>Total equity</b>		<u>9,865,978</u>	<u>10,125,906</u>

The financial statements of Wick Retail Limited (registered number SC299682) were approved by the Board of Directors and authorised for issue on 30 July 2013 and signed on its behalf by:

*Martin McGann*

Martin McGann  
Director

## Wick Retail Limited

### Statement of changes in equity Year ended 31 March 2013

	Share capital £	Retained earnings £	Total £
At 1 April 2012	10,300,001	(174,095)	10,125,906
Issue of ordinary shares	-	-	-
Profit/(loss) for the year	-	(259,928)	(259,928)
Dividends paid (nil pence per share)	-	-	-
<b>Total equity attributable to equity shareholders</b>	<b>10,300,001</b>	<b>(434,023)</b>	<b>9,865,978</b>

### Year ended 31 March 2012

	Share capital £	Retained earnings £	Total £
At 1 April 2011	10,300,001	(354,486)	9,945,515
Issue of ordinary shares	-	-	-
Profit/(loss) for the year	-	180,391	180,391
Dividends paid (nil pence per share)	-	-	-
<b>Total equity attributable to equity shareholders</b>	<b>10,300,001</b>	<b>(174,095)</b>	<b>10,125,906</b>

## Wick Retail Limited

### Cash flow statement Year ended 31 March 2013

	Year to 31 March 2013 £	Year to 31 March 2012 £
<b>Cash flows from operating activities</b>		
Operating profit/(loss)	(286,741)	177,899
Adjustment for non-cash items:		
(Gain)/deficit arising on valuation of investment property	660,337	314,663
Lease incentives and unsettled rent reviews recognised	64,663	(64,663)
	<hr/>	<hr/>
Cash flows from operations before changes in working capital	438,259	427,899
(Increase)/decrease in trade and other receivables	(96)	(7,821)
Increase/(decrease) in trade and other payables	-	564
	<hr/>	<hr/>
<b>Cash inflow generated from operations</b>	438,613	420,642
Corporation tax (paid) / received	-	(206,000)
Interest received	26,813	2,492
Interest paid	-	-
	<hr/>	<hr/>
<b>Net cash received from operating activities</b>	464,976	217,134
<b>Cash flows from investing activities</b>		
Purchase of investment properties	-	-
Redevelopment and refurbishment expenditure	-	-
	<hr/>	<hr/>
<b>Net cash used in investing activities</b>	-	-
<b>Cash flows from financing activities</b>		
Issue of shares	-	-
Dividends paid	-	-
Net movement in loans from group undertakings	(464,976)	(217,134)
	<hr/>	<hr/>
<b>Net cash received from financing activities</b>	(464,976)	(217,134)
<b>Net movement in cash and cash equivalents</b>	-	-
Cash and cash equivalents at 1 April	-	-
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	-	-

## **Wick Retail Limited**

### **Notes to the financial statements Year ended 31 March 2013**

#### **1. Accounting policies**

##### **General**

Wick Retail Limited is a limited company incorporated in Great Britain. The Company's ultimate holding company is LondonMetric Property Plc ("the Group") which is also incorporated in Great Britain.

These financial statements are presented in pounds sterling since that is the currency in which the majority of the Company's transactions are denominated. The financial statements have been prepared in accordance with EU Endorsed International Financial Reporting Standards, IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention as modified by the revaluation of properties. The current year financial statements have been prepared for the twelve months ended 31 March 2013 and the comparatives for the twelve months ended 31 March 2012.

The financial statements have been prepared on a going concern basis. This is discussed further in the Directors' Report on page 2.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the report year. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may ultimately differ from those estimates.

The key estimates and assumptions relate to the property valuations applied by the Company's property valuers.

##### **Summary of significant accounting policies**

##### **Rent receivable**

This comprises rental income and premiums on lease surrenders on investment properties for the year, exclusive of service charges receivable. Service charges and other recoveries from tenants are netted off against property outgoings.

Rental income is recognised on an accruals basis. Where a rent-free period is included in a lease, the rental income foregone is allocated evenly over the lease term or another systematic basis if applicable.

Rental income from fixed and minimum guaranteed rent reviews is recognised on a straight-line basis over the shorter of the entire lease term or the period to the first break option. Where such rental income is recognised ahead of the related cash flow, an adjustment is made to ensure the carrying value of the related property including the accrued rent does not exceed the external valuation. Initial direct costs incurred in negotiating and arranging a new lease are amortised on a straight-line basis over the period from the date of lease commencement to the earliest termination date.

##### **Property operating expenses**

Irrecoverable running costs directly attributable to specific properties within the Company's portfolio are charged to the income statement as property operating expenses. Costs incurred in the improvement of the portfolio which, in the opinion of the Directors, are not of a capital nature are written off to the income statement as incurred.

##### **Administration expenses**

Costs not directly attributable to individual properties are treated as administration expenses.

## Wick Retail Limited

### Notes to the financial statements Year ended 31 March 2013

#### 1. Accounting policies (continued)

##### Investment properties

Investment properties are properties owned or leased under finance leases by the Company which are held either for long-term rental income or for capital appreciation or both. Investment property is initially recognised at cost (including related transaction costs) and revalued at the balance sheet date to fair value as determined by a professionally qualified external valuer. In accordance with IAS 40 "Investment Property", investment property held under a finance lease is stated gross of the recognised finance lease liability.

Any gains or losses arising from changes in the fair value of investment property are included in the income statement of the year in which they arise. In accordance with IAS 40, as the Company uses the fair value model, no depreciation is provided in respect of investment properties including integral plant.

Acquisitions and disposals of properties are recognised where the significant risks and rewards of ownership of the property have been transferred to the purchaser.

Additions to investment properties consist of costs of a capital nature and, in the case of investment properties being redeveloped for continued use as an investment property, capitalised interest, and certain internal staff and associated costs directly attributable to the management of the investment properties being redeveloped.

Borrowing costs associated with direct expenditure on investment properties under development or undergoing major refurbishment are capitalised using the Group's weighted average cost of debt of the relevant borrowings. Interest is capitalised from the commencement of the development work until the date of practical completion. The capitalisation of borrowing costs is suspended if there are prolonged periods when development activity is suspended.

##### Leases

Leases are classified according to the substance of the transaction. A lease that transfers substantially all the risks and rewards of ownership to the lessee is classified as a finance lease.

All other leases are classified as operating leases.

**The Company as a lessee:** In accordance with IAS 40, leases of investment property are assessed on a property by property basis. The Company's investment properties are accounted for as finance leases and are recognised as an asset and obligation to pay future minimum lease payments. The investment property asset is included in the balance sheet at fair value, gross of the recognised finance lease liability. Lease payments, where material are allocated between the liability and finance charges so as to achieve a constant financing rate.

Other leases are classified as operating leases and rentals payable are charged to the income statement on a straight-line basis over the term of the relevant lease. Benefits received as an incentive to enter into an operating lease are spread on a straight-line basis over the lease term (to the earliest termination date).

**Company as lessor:** Assets leased out under finance leases are recognised as receivables at the amount of the net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant rate of return on net investment.

Assets leased out under operating leases are included in investment property, with rental income recognised on a straight-line basis over the lease term. Benefits granted as an incentive to enter into an operating lease are spread on a straight-line basis from the date of lease commencement to the earliest termination date.

## Wick Retail Limited

### Notes to the financial statements Year ended 31 March 2013

#### 1. Accounting policies (continued)

##### Impairment

The Company assesses at each balance sheet date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. Where the carrying value of an asset exceeds its recoverable amount the asset is considered impaired and written down accordingly.

##### Financial instruments

*Cash and cash equivalents:* Cash and cash equivalents comprise cash in hand, demand deposits and other short-term highly liquid investments that are readily convertible into a known amount of cash and are subject to insignificant risk of changes in value.

*Trade and other receivables:* Trade and other receivables are initially recognised at invoiced value and subsequently at amortised cost, less provisions for impairment. A provision for impairment of trade receivables is established where there is objective evidence that the Company will not be able to collect all amounts due according to the agreed terms of the receivables concerned.

*Trade and other payables:* Trade and other payables are non-interest bearing and are initially recognised at invoiced amount and subsequently at amortised cost.

*Borrowings:* The Company's borrowings in the form of its bank loans are recognised initially at fair value, after taking account of attributable transaction costs. Subsequently, borrowings are held at amortised cost, with any attributable costs charged to the income statement using the effective interest rate method.

*Derivatives:* The Company enters into derivative transactions such as interest rate swaps in order to manage the risks arising from its activities. Derivatives are initially recorded at fair value and are re-measured to fair value as calculated by the counterparties based on market prices at subsequent balance sheet dates. The Company does not apply hedge accounting to its derivative financial instruments and hence any change in the fair value of such derivatives is recognised immediately in the income statement as a finance cost. As the Company is a wholly owned subsidiary it has taken the available exemption from making the disclosures required under IFRS 7 Financial Instruments: Disclosures, as these disclosures are included in the consolidated financial statements of LondonMetric Property Plc, which are publicly available.

Interest receivable and other finance income represents interest on cash balances held.

##### Income tax

The charge for current UK corporation tax is based on the results for the year as adjusted for items that are non-assessable or disallowed. It is calculated using rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided using the balance sheet liability method in respect of temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in computation of taxable profit.

Deferred tax is provided on all temporary differences, except in respect of investments in subsidiaries and joint ventures where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

## Wick Retail Limited

### Notes to the financial statements Year ended 31 March 2013

#### 1. Accounting policies (continued)

##### Standard and interpretations in issue not yet adopted

At the date of approval of these financial statements, the following standards and interpretations which have not been applied in these financial statements were in issue but not yet effective:

- IAS 1 Presentation of Financial Statements;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements;
- IFRS 11 Joint Arrangements;
- IFRS 12 Disclosure of interests in other entities;
- IFRS 13 Fair Value Measurement;
- Amendments to IFRS 7 and IAS 32 Offsetting Financial Assets and Financial Liabilities;
- Amendments to AS 27 Consolidated and Separate Financial Statements;
- Amendments to IAS 28 Investments in Associates and Joint Ventures; and
- Annual Improvements to IFRS (2009-2011 cycle)

The Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the Company's financial statements in the year of initial application, other than on presentation and disclosure.

#### 2. Administration expenses

##### Employees

There were no employees directly employed by the Company (2011/12: no employees).

##### Audit fees

A notional charge of £2,500 (2011/12: £2,000) per company is deemed payable to Deloitte LLP in respect of the audit of the financial statements. The actual amounts payable to Deloitte LLP are paid by a group company Metric Property Investments plc.

##### Directors' remuneration

The directors received no remuneration in respect of their services to the company during the year and prior period. Some of the directors are also directors of LondonMetric Property Plc, the company's ultimate holding company, and the remuneration of these directors is disclosed in the financial statements of that company.

#### 3. Finance income

	Year to 31 March 2013 £	Year to 31 March 2012 £
Third party interest receivable	-	-
Interest received on inter-company loan balance	26,813	2,492
	<u>26,813</u>	<u>2,492</u>

## Wick Retail Limited

### Notes to the financial statements Year ended 31 March 2013

#### 4. Finance costs

	Year to 31 March 2013 £	Year to 31 March 2012 £
Interest on bank loans and overdrafts	-	-
Interest on loans on inter-company loan balance	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

#### 5. Tax

	Year to 31 March 2013 £	Year to 31 March 2012 £
<b>Current tax</b>		
Corporation tax at 24%/26%	-	-
REIT conversion charge	-	-
	<u>-</u>	<u>-</u>
<b>Total tax on ordinary activities</b>	<u>-</u>	<u>-</u>

#### Factors affecting tax for the year

The tax charge differs from the standard rate of corporation tax in the UK. The differences are explained below:

	Year to 31 March 2013 £	Year to 31 March 2012 £
Profit/(loss) before tax at the standard rate of income tax in the UK of 24%/26%	(62,383)	46,901
Effects of:		
REIT tax exemption	62,383	(46,901)
REIT conversion charge	-	-
	<u>-</u>	<u>-</u>
<b>Total tax on ordinary activities</b>	<u>-</u>	<u>-</u>

#### Factors that may affect future tax charges

The Company was a member of a REIT group throughout the year. Firstly, as a wholly owned subsidiary of Metric Property Investments plc and then as part of LondonMetric Property Plc group following the acquisition of Metric Property Investments plc on 25 January 2013. As a result, no UK corporation tax should be due on future income or capital gains in respect of investment properties within the REIT group, of which the Company is a member.

The standard rate of UK corporation tax is due to fall in stages to 21 per cent by 2014. This is unlikely to impact the Company's tax charge significantly.



## Wick Retail Limited

### Notes to the financial statements Year ended 31 March 2013

#### 6. Investment properties

Investment properties consist of land and buildings held for rental income and capital growth, and land and properties held for or in the course of redevelopment. All properties are freehold.

	31 March 2013 £	31 March 2012 £
At 1 April / incorporation	9,950,000	10,200,000
Additions	-	-
Revaluation surplus/(deficit)	(660,337)	(314,663)
At 31 March	<u>9,289,663</u>	<u>9,885,337</u>
Tenant lease incentives, letting fees and accrued rental income	(64,663)	64,663
At 31 March	<u>9,225,000</u>	<u>9,950,000</u>
Properties held at valuation		
- cost	13,855,757	13,920,420
- valuation gain/(deficit)	(4,630,757)	(3,970,420)
At 31 March	<u>9,225,000</u>	<u>9,950,000</u>

#### Valuation

The Company's freehold investment property was valued as at 31 March 2013 by Glyn Harper MRICS on behalf of the external valuer, CBRE Limited, in accordance with the requirements of the RICS Valuation – Professional Standards 2012 ("the Red Book"), on the basis of Fair Value assuming that the properties would be sold subject to any existing leases. The valuations were prepared by an RICS Registered Valuer, whose opinion of Fair Value was primarily derived using comparable recent market transactions on arm's length terms. We confirm that 'Fair Value' for the purposes of financial reporting under International Financial Reporting Standards is effectively the same as 'Market Value'. The total fees earned by CBRE for this assignment represent less than 5% of their total UK revenues. The valuer has continuously been the signatory of valuations for the Company since September 2010. CBRE has carried out Valuation and professional services on behalf of the Company for less than five years.

The Company's property was secured to The Royal Bank of Scotland plc during the year as part of a £80.0m facility raised by the Group.

#### 7. Trade and other receivables

	31 March 2013 £	31 March 2012 £
Amounts due from tenants	12,588	13,427
VAT recoverable	-	-
Corporation tax	-	-
Other debtors	1,298	363
Prepayments and accrued income	-	-
	<u>13,886</u>	<u>13,790</u>

## Wick Retail Limited

### Notes to the financial statements Year ended 31 March 2013

#### 7. Trade and other receivables (continued)

The Directors consider that the carrying amount of trade and other receivables approximates their fair values. The Company's credit risk is primarily attributable to amounts due from tenants, which consist of rent and service charge monies. A provision for doubtful debts is provided for based on estimated irrecoverable amounts determined by past experience and knowledge of the individual tenant's circumstances. The amount charged to the income statement in respect of doubtful debts was £nil (2011/12: £nil). Trade and other receivables are initially measured at invoiced value and have settlement dates within one year.

At 31 March 2013 there were no amounts which were impaired (31 March 2012: £nil). As at 31 March 2013 there is a £nil (31 March 2012: £nil) provision for impairment of trade receivables.

As at 31 March 2013, trade and other receivables outside their payment terms yet not impaired are as follows:

	Outside credit terms but not impaired				More than 3 months £
	Total £	Within credit terms £	0-1 month £	1-3 months £	
At 31 March 2013	12,588	-	12,588	-	-
At 31 March 2012	13,427	-	13,427	-	-

#### 8. Trade and other payables

	31 March 2013 £	31 March 2012 £
Amounts owed to related undertakings	-	-
Rents invoiced in advance	106,675	106,675
VAT payable	-	-
Corporation tax	-	-
Accrued capital expenditure in respect of property acquisitions	-	-
Other trade payables and accruals	-	-
	<u>106,675</u>	<u>106,675</u>

Trade payables are interest free and have settlement dates within one year. The Directors consider that the carrying amount of trade and other payables approximates their fair value.

## Wick Retail Limited

### Notes to the financial statements Year ended 31 March 2013

#### 9. Amounts owing to Group undertakings

Intercompany loans have no fixed repayment terms and interest bearing. Metric Property Finance 1 Limited, Metric Property Investments plc and/or LondonMetric Property Plc have agreed that they will not demand repayment of intercompany loans owing to it within the next twelve months.

#### 10. Financial risk management

Through the Company's operations it is exposed to a variety of risks. The principal risks that are potentially material to the Company and the policies for managing these risks are summarised below.

##### *Liquidity risk*

Liquidity risk reflects the risk that the Company will have insufficient resources to meet its financial liabilities as they fall due. Liquidity risk is managed on an aggregate basis for all Group operations, including the Company. The Company relies on the provision of credit through intercompany funding from its ultimate parent, LondonMetric Property Plc and intermediate parent companies Metric Property Investments plc and Metric Property Finance 1 Limited.

##### *Credit risk*

Credit risk reflects the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. Potential tenants are evaluated for creditworthiness and where necessary, collateral is secured.

The Group's cash deposits are placed with a diversified range of banks and money market funds, with high credit ratings of at least AA-, and strict counterparty limits ensure the Group's exposure to bank failure is minimised.

##### *Capital risk*

The capital structure of the Company is managed by the Board of Directors as part of the overall Group position. The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns and as such aims to maintain an appropriate mix of equity and debt financing. Equity comprises issued share capital, reserves and retained earnings as disclosed in the Statement of Changes in Equity. Amounts due to Group undertakings comprise of loans received from the parent undertaking Metric Property Finance 1 Limited.

##### *Market and interest rate risk*

The Group is exposed to market risk through interest rate fluctuations. The Group manages this risk by holding a significant portion of external bank borrowings at either fixed or capped rates of interest. The Group will use interest rate derivatives including swaps and caps to manage its interest rate exposure and hedge future interest rate risk for the term of the respective bank loan. This policy does not entirely eliminate the risk although the Directors believe it provides an appropriate balance of exposure.

#### 11. Share capital

	31 March 2013 £	31 March 2012 £
<b>Allotted, called up and fully paid</b>		
10,300,001 ordinary shares of £1 each	10,300,001	10,300,001

The Company has one class of ordinary shares, which carry no right to fixed income.

## Wick Retail Limited

### Notes to the financial statements Year ended 31 March 2013

#### 12. Related party transactions

Transactions between the Company and LondonMetric Property Plc, which is also the ultimate controlling party, group companies are shown below:

	31 March 2013 £	31 March 2012 £
Nature of transaction:		
Management fees paid	240,658	245,158
Dividends paid	-	-
Interest paid	-	-
Interest received	(26,813)	(2,491)
	<u>213,845</u>	<u>242,667</u>

Significant balances outstanding between the Company and LondonMetric Property Plc group companies are shown below:

	31 March 2013 £	31 March 2012 £
Amount due from / (to) ultimate parent company	-	-
Amount due from / (to) intermediate parent company	733,767	268,791
	<u>733,767</u>	<u>268,791</u>

The above balance is not secured.

The intermediate parent company is Metric Property Finance 1 Limited and ultimate holding company is LondonMetric Property Plc. Metric Property Finance 1 Limited is the smallest group of which the Company is a member to prepare group accounts. LondonMetric Property Plc is the largest group of which the Company is a member to prepare group accounts. Copies of the consolidated accounts of Metric Property Finance 1 Limited and LondonMetric Property plc can be obtained from One Curzon Street, London W1J 5HB.

#### 13. Capital commitments

Contractual obligations to purchase, construct, develop, repair, maintain or enhance as at 31 March 2013 were £nil (31 March 2012: £nil).

## Wick Retail Limited

### Notes to the financial statements Year ended 31 March 2013

#### 14. Operating leases

##### The company as lessor

The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

	31 March 2013 £	31 March 2012 £
Less than one year	683,096	683,096
Between two and five years	2,732,384	2,732,384
Greater than five years	3,217,090	3,896,669
	<u>6,632,570</u>	<u>7,312,149</u>