

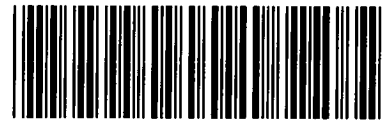
Registered number: 02478541

## Townunit Limited

Directors' Report and Financial Statements

For the Year Ended 31 July 2019

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## Townunit Limited

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### Company Information

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<b>Directors</b>	A P Birrane S A Birrane H J Dawson M D Breeze R C Mander (resigned 16 November 2018) J S Dean (appointed 31 January 2019) J J Neal (appointed 11 March 2019)
<b>Company secretary</b>	M D Breeze
<b>Registered number</b>	02478541
<b>Registered office</b>	The Peer Suite The Hop Exchange 24 Southwark Street London SE1 1TY
<b>Independent auditor</b>	BDO LLP 2 City Place Beehive Ring Road Gatwick West Sussex RH6 0PA

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## **Townunit Limited**

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## Townunit Limited

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### Directors' Report For the Year Ended 31 July 2019

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The directors present their report and the financial statements for the year ended 31 July 2019.

#### Principal activity

The principal activity of the company is the letting of properties for commercial purposes.

#### Results and dividends

The profit for the year, after taxation, amounted to £657,466 (2018 - loss £825,791).

A dividend of £nil (2018 - £nil) was paid during the year. The directors do not recommend the payment of a final dividend (2018 - £nil).

#### Directors

The directors who served during the year were:

A P Birrane  
S A Birrane  
H J Dawson  
M D Breeze  
R C Mander (resigned 16 November 2018)  
J S Dean (appointed 31 January 2019)  
J J Neal (appointed 11 March 2019)

#### Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

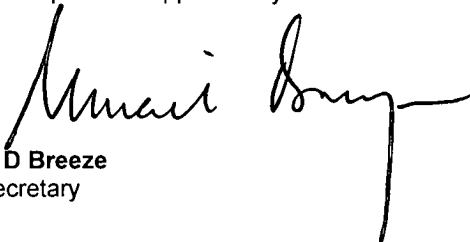
- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

#### Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 4 December 2019 and signed on its behalf.

  
**M D Breeze**  
Secretary

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## **Townunit Limited**

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### **Directors' Responsibilities Statement For the Year Ended 31 July 2019**

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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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 judgments and accounting estimates that are reasonable and prudent;
- 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 to 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.

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# **Townunit Limited**

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## **Independent Auditor's Report to the Members of Townunit Limited**

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### **Opinion**

We have audited the financial statements of Townunit Limited ("the Company") for the year ended 31 July 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position and the Statement of Changes in Equity, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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## Townunit Limited

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### Independent Auditor's Report to the Members of Townunit Limited (continued)

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#### Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

#### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the Directors were not entitled to take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

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## Townunit Limited

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### Independent Auditor's Report to the Members of Townunit Limited (continued)

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#### Responsibilities of directors

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, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

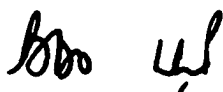
#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our report

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.



**John Everingham** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Gatwick  
United Kingdom

04 December 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



# Townunit Limited

## Statement of Comprehensive Income For the Year Ended 31 July 2019

	Note	2019 £	2018 £
Turnover	4	248,633	256,074
Administrative expenses		(89,167)	(52,969)
<b>Operating profit</b>	5	<b>159,466</b>	203,105
Investment property fair value movements		600,000	(1,255,000)
<b>Profit/(loss) before tax</b>		<b>759,466</b>	(1,051,895)
Tax on profit/(loss)	7	(102,000)	226,104
<b>Profit/(loss) for the financial year</b>		<b>657,466</b>	(825,791)
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>657,466</b>	(825,791)

The notes on pages 9 to 16 form part of these financial statements.

**Townunit Limited**  
Registered number:02478541

**Statement of Financial Position**  
As at 31 July 2019

	Note	2019 £	2019 £	2018 £	2018 £
<b>Fixed assets</b>					
Investment property	8		6,875,000		6,275,000
<b>Current assets</b>					
Debtors: amounts falling due within one year	9	18,631		19,269	
Cash at bank and in hand		2,967		1,567	
		<u>21,598</u>		<u>20,836</u>	
Creditors: amounts falling due within one year	10	(1,472,661)		(1,631,365)	
<b>Net current liabilities</b>			<u>(1,451,063)</u>		<u>(1,610,529)</u>
<b>Total assets less current liabilities</b>			<u>5,423,937</u>		<u>4,664,471</u>
<b>Provisions for liabilities</b>					
Deferred tax	11		(282,249)		(180,249)
<b>Net assets</b>			<u>5,141,688</u>		<u>4,484,222</u>
<b>Capital and reserves</b>					
Called up share capital	12		100		100
Profit and loss account	13		5,141,588		4,484,122
			<u>5,141,688</u>		<u>4,484,222</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4 December 2019.

  
H J Dawson  
Director

The notes on pages 9 to 16 form part of these financial statements.

## Townunit Limited

### Statement of Changes in Equity For the Year Ended 31 July 2019

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 August 2018	100	4,484,122	4,484,222
<b>Comprehensive income for the year</b>			
Profit for the year	-	657,466	657,466
<b>Other comprehensive income for the year</b>	-	-	-
<b>Total comprehensive income for the year</b>	-	657,466	657,466
<b>Total transactions with owners</b>	-	-	-
<b>At 31 July 2019</b>	<b>100</b>	<b>5,141,588</b>	<b>5,141,688</b>

The notes on pages 9 to 16 form part of these financial statements.

### Statement of Changes in Equity For the Year Ended 31 July 2018

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 August 2017	100	5,309,913	5,310,013
<b>Comprehensive income for the year</b>			
Loss for the year	-	(825,791)	(825,791)
<b>Other comprehensive income for the year</b>	-	-	-
<b>Total comprehensive income for the year</b>	-	(825,791)	(825,791)
<b>Total transactions with owners</b>	-	-	-
<b>At 31 July 2018</b>	<b>100</b>	<b>4,484,122</b>	<b>4,484,222</b>

The notes on pages 9 to 16 form part of these financial statements.

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# Townunit Limited

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## Notes to the Financial Statements For the Year Ended 31 July 2019

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### 1. General information

Townunit Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the directors' report.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

#### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Peer Group plc as at 31 July 2019 and these financial statements may be obtained from The Peer Suite, The Hop Exchange, 24 Southwark Street, SE1 1TY.

#### 2.3 Going concern

The company made a profit during the current year and despite being in a net asset position it has net current liabilities at the year end. The directors believe that the company will continue as a going concern for the next 12 months due to the confirmation by the parent undertaking that it will continue to support the company. The directors also consider that the company will be profitable and cash generative going forward.

#### 2.4 Turnover

Turnover of the company represents rents receivable. Rent receivable from operating leases, including lease incentives awarded, are recognised on a straight line basis over the term of the relevant lease.

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## Townunit Limited

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### Notes to the Financial Statements For the Year Ended 31 July 2019

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#### 2. Accounting policies (continued)

##### 2.5 Investment property

Investment property is carried at fair value. Revaluation surpluses are recognised in the statement of comprehensive income. No depreciation is provided. Deferred taxation is provided on these gains at the rate expected to apply when the property is sold.

##### 2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### 2.8 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

##### 2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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## Townunit Limited

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### Notes to the Financial Statements For the Year Ended 31 July 2019

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#### 2. Accounting policies (continued)

##### 2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and

Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

##### Critical judgements in applying the company's policies

The directors do not feel that they have made any critical judgements in the year in the process of applying the company's accounting policies, apart from those involving estimations (which are dealt with separately below).

##### Key sources of estimation uncertainty

The key assumptions or estimation uncertainties at the statement of financial position date that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year, are discussed below.

##### *Investment property valuation*

As investment property is carried at fair value, an exercise to determine fair value is performed by the directors.

Fair value is determined by an annual directors' valuation undertaken by Howard Dawson. Howard Dawson is a chartered surveyor and registered valuer and the valuations are governed by recommended practice as issued by the Royal Institute of Chartered Surveyors.

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## Townunit Limited

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### Notes to the Financial Statements For the Year Ended 31 July 2019

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#### 3. Judgements in applying accounting policies continued

Investment property valuations are underpinned by a number of key assumptions. The key assumptions are derived using a blend of market evidence and professional judgement. Key assumptions in determining the fair value are:

- Yield
- Estimated Rental Values
- Void periods
- Tenant actions at lease event dates

The fair value of the investment property is included in note 8.

#### 4. Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

#### 5. Operating profit

Fees payable to the company's auditor for the audit for the company's annual accounts have been borne by the company's parent, Peer Group Plc.

#### 6. Employees

The company has no employees other than the directors, who did not receive any remuneration (2018 - £Nil). The remuneration of the company's directors is borne by a fellow group company.

#### 7. Taxation

	2019 £	2018 £
<b>Corporation tax</b>		
Adjustments in respect of previous periods	-	(4)
<b>Total current tax</b>	-	(4)
<b>Deferred tax</b>		
Origination and reversal of timing differences	102,000	(226,100)
<b>Taxation on profit/(loss) on ordinary activities</b>	<u>102,000</u>	<u>(226,104)</u>

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## Townunit Limited

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### Notes to the Financial Statements For the Year Ended 31 July 2019

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#### 7. Taxation (continued)

##### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%). The differences are explained below:

	2019 £	2018 £
Profit/(loss) on ordinary activities before tax	<u>759,466</u>	<u>(1,051,895)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%)	144,299	(199,860)
<b>Effects of:</b>		
Transfer pricing	(9,245)	(10,788)
Group loss relief/losses utilised in period	(21,054)	(27,802)
Adjustments in respect of previous periods	-	(4)
Timing difference in relation to indexed capital gains	102,000	(226,100)
Adjustment for non taxable revaluation gain	(114,000)	238,450
<b>Total tax charge for the year</b>	<u><u>102,000</u></u>	<u><u>(226,104)</u></u>



# Townunit Limited

## Notes to the Financial Statements For the Year Ended 31 July 2019

### 8. Investment property

	Freehold investment property £
<b>Valuation</b>	
At 1 August 2018	6,275,000
Surplus on revaluation	600,000
<b>At 31 July 2019</b>	<b>6,875,000</b>

The valuations of the investment properties were made as at 31 July 2019 by Mr H Dawson FRICS, a director of the company, on an open market basis. No depreciation is provided in respect of these properties.

On an historical cost basis these would have been included at an original cost of £1,412,797 (2018 - £1,412,797).

### 9. Debtors

	2019 £	2018 £
Prepayments and accrued income	18,631	19,269
	<b>18,631</b>	<b>19,269</b>

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

	2019 £	2018 £
Trade creditors	102	9,554
Amounts owed to group undertakings	1,430,562	1,583,975
Other creditors	33,603	33,833
Accruals and deferred income	8,394	4,003
	<b>1,472,661</b>	<b>1,631,365</b>

# Townunit Limited

## Notes to the Financial Statements For the Year Ended 31 July 2019

### 11. Deferred taxation

	2019 £	2018 £
At beginning of year	(180,249)	(406,349)
Charged to profit or loss	(102,000)	226,100
<b>At end of year</b>	<b>(282,249)</b>	<b>(180,249)</b>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	-	(559)
Revaluation gains	(282,249)	(179,690)
	<b>(282,249)</b>	<b>(180,249)</b>

### 12. Share capital

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
100 (2018 - 100) ordinary shares of £1.00 each	<b>100</b>	<b>100</b>

### 13. Reserves

The company's capital and reserves are as follows:

#### Share capital

Called up share capital represents the nominal value of the shares issued.

#### Profit and loss account

The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

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## Townunit Limited

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### Notes to the Financial Statements For the Year Ended 31 July 2019

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#### 14. Rent receivable under leases

At 31 July 2019 the company had future minimum lease income under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	189,826	179,583
Later than 1 year and not later than 5 years	11,116	-
	<u>200,942</u>	<u>179,583</u>

#### 15. Related party transactions

The company has taken advantage of the exemption available in Section 33.1A of FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

#### 16. Ultimate parent company and ultimate controlling party

The company's immediate parent undertaking is Peer Group plc. Peer Group plc is the company's ultimate parent undertaking and the parent of the largest group for which consolidated accounts are prepared that include the results of the company. The financial statements of Peer Group plc are available from Companies House.

Peer Group plc has no single overall controlling party.