

**Company Registration No: 05688533**

**DAGENHAM LIMITED**

**Directors' Report and Financial Statements  
Year ended 31 December 2012**

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# **DAGENHAM LIMITED**

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## **Company Information**

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<b>Directors</b>	N Godfrey (resigned 12 June 2012) S C Berkoff (resigned 12 June 2012) A Verbeek (resigned 12 June 2012) M I Hassan (resigned 12 June 2012) G R Mckie (appointed 12 June 2012) F Karim (appointed 12 June 2012) J Lock (appointed 12 June 2012)
<b>Company Secretary</b>	S C Berkoff (resigned 12 June 2012) B Shah (appointed 12 June 2012, resigned 8 January 2013) T A Jones (appointed 8 January 2013)
<b>Company number</b>	05688533
<b>Registered office</b>	Prince Frederick House 2 <sup>nd</sup> Floor 35-37 Maddox Street London W1S 2PP
<b>Auditors</b>	Ernst & Young LLP 1 More London Place London SE1 2AF

# **DAGENHAM LIMITED**

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## **DIRECTORS' REPORT** **for the year ended 31 December 2012**

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The Directors present their report and the financial statements for the year ended 31 December 2012

### **PRINCIPAL ACTIVITIES**

The principal activity of the Company is the acquisition, development and sale of land and property

On 12 June 2012 the Company was sold to Teal Voltaic Sarl, a company incorporated in Luxembourg. On the same day the intercompany and external loans were repaid in full and the preference shares fully redeemed.

On 29 June 2012 the asset owned by the company was hived up to Teal Voltaic Sarl. The controlling party is UK Logistics Topco I Sarl. The Company has not traded since this transaction.

### **GOING CONCERN**

After making enquiries and receiving a letter of support from Teal Bidco Sarl, the directors have reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in Note 1 Accounting Policies.

### **DIRECTORS**

The directors who served during the year were

N Godfrey	(resigned 12 June 2012)
S C Berkoff	(resigned 12 June 2012)
A Verbeek	(resigned 12 June 2012)
M I Hassan	(resigned 12 June 2012)
G R Mckie	(appointed 12 June 2012)
F Karim	(appointed 12 June 2012)
J Lock	(appointed 12 June 2012)

There are no directors' interests which require to be disclosed under the Companies Act 2006.

### **DISCLOSURE OF INFORMATION TO THE AUDITORS**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

### **AUDITORS**

Ernst & Young LLP were the auditors during the year ended 31 December 2012.

# **DAGENHAM LIMITED**

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## **DIRECTORS' REPORT** **for the year ended 31 December 2012**

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### **SMALL COMPANIES PROVISION**

The Directors' Report has been prepared in accordance with the special provisions relating to small companies

This report was approved by the board and signed on its behalf by



G R McKie  
Director

1 August 2013

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## **DAGENHAM LIMITED**

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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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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# **DAGENHAM LIMITED**

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## **Independent auditors' report to the members of Dagenham Limited**

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We have audited the financial statements of Dagenham Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 16. 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).

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 auditors**

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**

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 Directors' 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 December 2012 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.

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## **DAGENHAM LIMITED**

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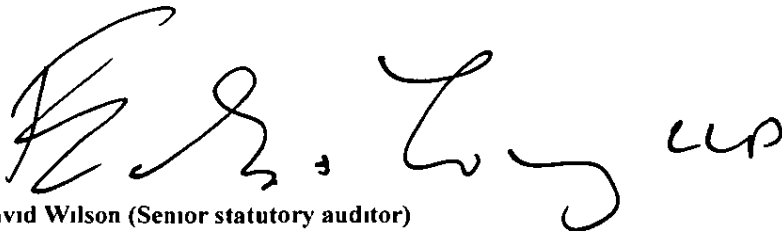
### **Independent auditors' report to the members of Dagenham Limited**

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#### **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
- the Directors were not entitled to take advantage of the small companies exemption in preparing the Directors' Report, or
- we have not received all the information and explanations we require for our audit

A handwritten signature in black ink, appearing to read 'David Wilson', followed by the letters 'LLP'.

**David Wilson (Senior statutory auditor)**  
**For and behalf of Ernst & Young LLP, Statutory Auditor**  
London

2 August 2013

# DAGENHAM LIMITED

## Profit and loss account for the year ended 31 December 2012

		2012 £	2011 £
<b>Turnover</b>	Note 2	958,899	1,154,520
Cost of sales		(659,539)	(2,409,371)
<b>Gross profit/(loss)</b>		<u>299,360</u>	<u>(1,254,851)</u>
Administrative expenses		(8,000)	(19,309)
<b>Operating profit/(loss)</b>	3	<u>291,360</u>	<u>(1,274,160)</u>
Interest payable and similar charges	5	(431,556)	(883,568)
<b>Loss on ordinary activities before taxation</b>		<u>(140,196)</u>	<u>(2,157,728)</u>
Tax on loss on ordinary activities	6	-	43,164
<b>Loss for the financial year</b>		<u>(140,196)</u>	<u>(2,114,564)</u>

All amounts relate to continuing operations

There are no other recognised gains and losses in the year other than those included in the profit and loss account

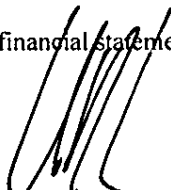
The notes on pages 9 to 15 form part of these financial statements

# DAGENHAM LIMITED

## Balance sheet as at 31 December 2012

	Note	£	2012 £	2011 £
<b>Current assets</b>				
Stocks	7	-	17,388,243	
Debtors	8	202,679	786,756	
Cash at bank		-	605,171	
		<u>202,679</u>	<u>18,780,170</u>	
<b>Creditors</b> amounts falling due within one year	9	<u>(11,050)</u>	<u>(18,448,346)</u>	
<b>Net current assets</b>			<u>191,629</u>	<u>331,824</u>
<b>Total assets less current liabilities</b>			<u>191,629</u>	<u>331,824</u>
<b>Creditors:</b> amounts falling due after more than one year	11		<u>-</u>	<u>(2,131,860)</u>
<b>Net (liabilities)/assets</b>			<u>191,629</u>	<u>(1,800,036)</u>
<b>Capital and reserves</b>				
Called up share capital	12		20	20
Share premium account	13	8,571,581		6,439,720
Profit and loss account	13	<u>(8,379,972)</u>	<u>(8,239,776)</u>	
<b>Shareholders' funds</b>	14		<u>191,629</u>	<u>(1,800,036)</u>

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



**G R McKie**  
Director

1 August 2013

Registered company number 05688533

The notes on pages 9 to 15 form part of these financial statements

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# DAGENHAM LIMITED

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## Notes to the financial statements for the year ended 31 December 2012

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### 1. ACCOUNTING POLICIES

#### 1.1 Basis of preparation of financial statements

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies are set out below and have been applied consistently throughout the year.

#### 1.2 Going concern

After assessing the operating cash requirements of the company going forward and having received a letter of support from Teal Bidco Sarl confirming that it would ensure that the Company is a going concern for at least twelve months from the date of signing of the financial statements, the directors continue to consider it appropriate that the going concern basis be adopted in preparing the company's accounts.

#### 1.3 Cash flow

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

#### 1.4 Redeemable preference shares

Redeemable preference shares are treated as a liability in the balance sheet and the dividend accrued on the shares is treated as an interest expense.

#### 1.5 Stocks

Stocks comprise development properties and are valued at the lower of cost and net realisable value.

#### 1.6 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date which will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### 1.7 Interest capitalisation

Interest incurred in funding land and construction work in progress in respect of the property development project is capitalised during the period of development. After project completion these interest costs are expensed in the Profit and Loss account.

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# DAGENHAM LIMITED

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## Notes to the financial statements for the year ended 31 December 2012

### 1. ACCOUNTING POLICIES (continued)

#### 1.8 Operating leases

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases

#### 1.9 Lease incentive

Lease incentives are allocated on a straight line basis over the lease term or a shorter period ending on a date from which it is expected the prevailing market rental will be payable

### 2. TURNOVER

Turnover, which is stated net of value added tax, represents rental income from the properties held as stock and the amounts invoiced to the tenants of the property for the maintenance, administration and servicing of property. Proceeds from the sale of properties are included in the profit and loss account when that sale is legally complete and the proceeds can be reliably estimated. All turnover is attributable to continuing activities undertaken in the United Kingdom

	2012	2011
	£	£
Rental income	958,899	1,154,520

### 3. OPERATING PROFIT

The operating profit is stated after charging

	2012	2011
	£	£
Auditor's remuneration	8,000	10,000
Lease incentive write off	655,000	-

The lease incentive debtor balance was written off as the property was transferred to Teal Voltaic Sarl on 29 June 2012

# DAGENHAM LIMITED

## Notes to the financial statements for the year ended 31 December 2012

### 4. STAFF COSTS

Directors' Emoluments are £nil (2011 £nil) The Company has no employees

For the year ended 31 December 2011 the Directors were paid by other group companies and their services as directors of the company during the year were incidental to their other services to EZW Gazeley Limited Group and its subsidiaries

### 5. INTEREST PAYABLE

	2012	2011
	£	£
Bank interest	109,437	521,266
Interest payable to fellow group undertakings	253,640	311,360
Amortisation of loan arrangement fee	68,479	50,942
	<u>431,556</u>	<u>883,568</u>

### 6. TAX ON LOSS ON ORDINARY ACTIVITIES

	2012	2011
	£	£
UK corporation tax (credit)/charge on loss for the year	-	(43,164)

#### Factors affecting tax charge for the year

The tax assessed for the years is lower than (2011 – the same as) the standard rate of corporation tax in the UK of 24.5% (2011 – 26.5%) The differences are explained below

	2012	2011
	£	£
(Loss)/Profit on ordinary activities before tax	(140,196)	(2,157,728)
(Loss)/Profit on ordinary activities multiplied by standard rate of Corporation tax in the UK of 24.5% (2011 – 26.5%)	(34,348)	(571,798)
<b>Effects of:</b>		
Tax losses not recognised	34,348	571,798
Adjustments to tax charge in respect of prior periods	-	(43,164)
<b>Current tax (credit)/charge for the year (see note below)</b>	<u>-</u>	<u>(43,164)</u>

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# DAGENHAM LIMITED

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## Notes to the financial statements for the year ended 31 December 2012

### 6. TAX ON LOSS ON ORDINARY ACTIVITIES (continued)

The company had trading losses carried forward of £5,549,072 (2011 £5,408,877) that have not been recognised as a deferred tax asset as there is sufficient evidence that there will be future taxable profits against which this timing difference will reverse. The unrecognised assets equate to £1,276,287 (2011 £1,352,220).

#### Factors that may affect future tax charges

A reduction in the corporation tax rate from 26% to 24% (effective from 1 April 2012) and subsequently 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively.

The 2012 budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. The Autumn Statement 2012 announced an additional 1% reduction to that previously announced and as such the UK corporation tax will reduce to 21% from 1 April 2014. This is expected to be substantively enacted in summer 2013.

The 2013 Budget on 20 March 2013 announced the corporation tax rate will reduce to 20% from 1 April 2015. It has not yet been possible to quantify the full anticipated effect of the announced further rate reduction, although this will further reduce the company's future current tax charge.

### 7. STOCKS

	2012	2011
	£	£
Development Property	-	17,388,243

On 29 June 2012 the property was sold to Teal Voltaic Sarl.

### 8. DEBTORS

	2012	2011
	£	£
Other debtors	202,679	786,756

# DAGENHAM LIMITED

## Notes to the financial statements for the year ended 31 December 2012

### 9. CREDITORS. Amounts falling due within one year

	2012	2011
	£	£
Bank loans (Note 9)	-	6,441,086
Amounts payable to group undertakings	-	11,651,310
VAT payable	-	55,601
Accruals and deferred income	11,050	300,349
	<u>11,050</u>	<u>18,448,346</u>

Amounts owed to group undertakings in 2011 were unsecured and interest is incurred at 9% p a. These loans were repaid on 12 June 2012 when the Company was sold to Teal Voltaic Sarl

### 10. BANK LOANS

	2012	2011
	£	£
Bank loans	-	6,441,086

In 2004 the company entered in to a loan with Bank of Scotland. This non-recourse loan is secured by a debenture with Bank of Scotland and the loan bore interest at 3.25% above the bank base rate. It was originally repayable on 20 August 2008 or earlier at the agreement of both parties. The loan was extended and was due to expire on 30 June 2012. The loan was repaid in full on 12 June 2012 when the Company was sold to Teal Voltaic Sarl.

### 11. CREDITORS: Amounts falling due after more than one year

	2012	2011
	£	£
Redeemable preference shares in issue (see Note 11)	-	2,077,730
Redeemable preference shares interest accrual	-	54,130
	<u>-</u>	<u>2,131,860</u>

During the year the preference shares were redeemed (see Note 12)

# DAGENHAM LIMITED

## Notes to the financial statements for the year ended 31 December 2012

### 12. SHARE CAPITAL

	2012	2012	2011	2011
	£	No.	£	No.
<b>Shares classified as capital</b>				
<b>Allotted, called up and fully paid</b>				
Ordinary shares of £1 each	20	20	20	20
<b>Shares classified as debt</b>				
<b>Allotted, called up and fully paid</b>				
Redeemable preference B-1 shares of £10 each	-	-	1,684,930	168,493
Redeemable preference B-2 shares of £10 each	-	-	392,800	39,280
	-	-	2,077,730	207,773

In August 2009, Metropolitan Life Insurance Company reached an agreement with Gazeley UK Limited to sell their £10 share capital in the Company for £1 and accept a payment of £1 for their A preference shares of £6,439,720 in return for having no further commitment to the Company and a potential profit share on exit. The A preference shares are still in issue and as such the accounts still show a nominal issued capital for the A Preference shares of £6,439,720. However, the articles of association of the Company have been changed such that the A preference shares will be redeemed for £1 in total. As a result, the liability booked in the accounts at the date of this agreement has been credited to the share premium account as it is effectively a capital contribution (see note 12).

In June 2012 Gazeley UK Limited sold their remaining preference shares in the Company for £1 and accepted a payment of £1 for each of their B-1 preference shares of £1,684,930 and B-2 preference shares of £392,800. As a result, the liability booked in the accounts at the date of this agreement has been credited to the share premium account.

The preference shares were cancelled in June 2012.

### 13. RESERVES

	Share premium £	Profit and loss account £
As at 1 January 2012	6,439,720	(8,239,776)
Loss for the financial year	-	(140,196)
Cancellation of preference shares	2,131,861	-
As at 31 December 2012	8,571,581	(8,379,972)

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## DAGENHAM LIMITED

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### Notes to the financial statements for the year ended 31 December 2012

#### 14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012	2011
	£	£
Opening shareholders' funds	(1,800,036)	314,528
Loss for the year	(140,196)	(2,114,564)
Cancellation of preference shares	2,131,861	-
Closing shareholders' funds/ (deficit)	<u>191,629</u>	<u>(1,800,036)</u>

#### 15. RELATED PARTY TRANSACTIONS

The Company has used the exemption available to wholly owned subsidiary undertakings under Financial Reporting Standard 8, "Related Party Transactions" not to disclose details of any transactions with entities that are included in the consolidated financial statements

#### 16. CONTROLLING PARTY

The immediate parent company is Teal Voltaic Sarl whose immediate parent is UK Logistics Topco I Sarl

On 29 June 2012 the asset owned by the Company was hived up to Teal Voltaic Sarl

There was a change in the ultimate holding and controlling entity on 12 June 2012. Prior to this date the Company's immediate parent company was Gazeley MetLife (Holdings) Limited which itself is a joint venture between MetLife Real Estate Cayman Company and Gazeley UK Limited with equal shareholdings.

The controlling party is now UK Logistics Topco I Sarl, an entity registered in Luxembourg. Copies of the financial statements for UK Logistics Topco I Sarl are available from registered office, 2-4 rue Eugene Ruppert, Luxembourg, L-2453