



Frenchgate Interchange Limited

Directors' report and financial statements

Year ended 31 December 2013

Registered number UK 05867230

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Frenchgate Interchange Limited

Directors' report and financial statements

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Frenchgate Interchange Limited

Directors and other information

Directors

Kevin Drayne
Padraig Drayne
Patrick McKillen

Registered office

C/O DMMS Ltd
3rd Floor
26/28 Great Portland Street
London W1W 8QT

Auditor

KPMG
Chartered Accountants
1 Stokes Place
St Stephen's Green
Dublin 2

Bankers

Bank of Ireland
5th Floor
1 Donegall Square South
Belfast

Irish Bank Resolution Corporation Limited (in Special Liquidation)
10 Old Jewry Road
London
EC2R 8DN

Barclays Bank plc
Glasgow Banking Centre
83 Argyle Street
Glasgow
G2 8BJ



Frenchgate Interchange Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2013

Principal activities, business review and future developments

The directors are satisfied with the performance of the company during the year

The directors expect the general level of activity to continue for the foreseeable future

Principal risks and uncertainties

The directors consider that the principal risks and uncertainties faced by the company are events, which could lead to a fall in demand for the shopping centre that the company has an indirect shareholding in. Such events would include but are not limited to economic downturns and increased competition

Refinancing

The directors are pleased to confirm that, after the year end of the financial statements under review, the company successfully completed the refinancing of its banking facilities

Results and dividends

The loss for the year after taxation amounted to £74,460,310 (*2012 profit £89,756*). The loss for the year includes a provision for impairment of amounts owed by related undertakings of £74,464,097 following an impairment of investment properties in The Frenchgate Limited Partnership

The directors do not recommend the payment of a dividend

Directors

The directors who held office at 31 December 2013 were

Kevin Drayne
Padraig Drayne
Patrick McKillen

Disclosure of information to auditor

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information

Post balance sheet events

Subsequent to the year end, the loan with Irish Bank Resolution Corporation Limited (in Special Liquidation) was refinanced by the company



Frenchgate Interchange Limited

Directors' report (*continued*)

Auditor

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

On behalf of the board

A handwritten signature in black ink, appearing to read 'H. B. Drayne', written over a horizontal line.

Kevin Drayne
Director

28 August 2014

Frenchgate Interchange Limited

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

On behalf of the board



Kevin Drayne
Director



KPMG
Audit
1 Stokes Place
St Stephen's Green
Dublin 2
Ireland

Independent auditor's report to the members of Frenchgate Interchange Limited

We have audited the financial statements of Frenchgate Interchange Limited for the year ended 31 December 2013 set out on pages 7 to 15 which comprise the Profit and Loss Account, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK accounting standards (UK 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council'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.



Independent auditor's report to the members of Frenchgate Interchange Limited
(continued)

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 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006


Opinion on other 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


C. Byrne (Senior Statutory Auditor)
for and on behalf of KPMG, Statutory Auditor
Chartered Accountants
1 Stokes Place
St Stephen's Green
Dublin 2

28 August 2014

Frenchgate Interchange Limited

Profit and loss account

for the year ended 31 December 2013

	Notes	2013 £	2012 £
Investment income	3	3,311,704	4,338,638
Interest payable and similar charges	4	(3,307,917)	(4,248,882)
		<hr/>	<hr/>
Operating profit before exceptional item		3,787	89,756
Exceptional item			
Provision for impairment of amounts owed by related undertakings	7	(74,464,097)	-
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation		(74,460,310)	89,756
Tax on (loss)/profit on ordinary activities	5	-	-
		<hr/>	<hr/>
(Loss)/profit for the financial year	<i>11/12</i>	(74,460,310)	89,756
		<hr/>	<hr/>

The company had no recognised gains or losses in the financial year or the preceding financial year other than those shown in the profit and loss account



Frenchgate Interchange Limited

Balance sheet

as at 31 December 2013

	Notes	2013 £	2012 £
Fixed assets			
Investments	6	5	5
Current assets			
Debtors	7	159,326,085	240,599,046
Cash at bank and in hand		4,016,753	3,725,005
Creditors: amounts falling due within one year	8	163,342,838 (237,333,046)	244,324,051 (21,103,949)
Net current (liabilities)/assets		(73,990,208)	223,220,102
Total assets less current liabilities		(73,990,203)	223,220,107
Creditors: amounts falling due after more than one year	9	-	(222,750,000)
Net (liabilities)/assets		(73,990,203)	470,107
Capital and reserves			
Called up share capital	10	2	2
Profit and loss account	11	(73,990,205)	470,105
Shareholders' (deficit)/funds	12	(73,990,203)	470,107

The financial statements were approved by the board of directors on 28 August 2014 and were signed on its behalf by

Kevin Drayne
Director

Frenchgate Interchange Limited

Notes forming part of the financial statements

1 Significant accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

The financial statements are prepared in accordance with generally accepted accounting principles under the historical cost convention, and comply with financial reporting standards of the Financial Reporting Council

Consolidation

The company is exempt from the requirements to prepare consolidated financial statements by virtue of Regulation 7 of the European Union's (Companies Accounts) Regulation 1992. Consequently these financial statements deal with the results of the company as a single entity

Going concern

The company meets its day to day working capital requirements through a medium term loan facility of Stg£216.25m

The company recorded a loss £74,460,310 in the year ended 31 December 2013 which includes a provision for impairment of amounts owed by related undertakings of £74,464,097. This has resulted in net current liabilities of £73,990,208

The banking facilities of the company with Irish Banking Resolution Corporation (in Special Liquidation) ("IBRC") expired during the year. For this reason they are classified as current liabilities at 31 December 2013. The borrowings have, since year end but prior to approval of the financial statements, been refinanced by a medium term facility arrangement

As a result, the directors believe that it is appropriate, at this point in time, to continue to prepare the financial statements on a going concern basis

Investments

Financial fixed assets are shown at cost less provisions for impairments in value. Income from financial fixed assets, together with any related tax credit, is recognised in the profit and loss account in the year in which it is receivable

Frenchgate Interchange Limited

Notes (continued)

1 Significant accounting policies (continued)

Taxation

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Provision is made at the rates expected to apply when the timing differences reverse. Timing differences are differences between taxable profits and the results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Cash flow statement

The directors have availed of the exemption contained in Financial Reporting Standard 1 and, accordingly, no cash flow statement is presented

2	Statutory and other information	2013	2012
		£	£
	Directors' remuneration		
	Fees	-	-
	Other remuneration	-	-
		<hr/>	<hr/>
3	Investment income	2013	2012
		£	£
	Deposit interest	3,787	89,756
	Interest on group loans	3,307,917	4,248,882
		<hr/>	<hr/>
		3,311,704	4,338,638
		<hr/>	<hr/>

Frenchgate Interchange Limited

Notes (continued)

4	Interest payable and similar charges	2013	2012
		£	£
	On bank loans, overdrafts and other loans wholly repayable within five years	3,307,917	4,248,882
		<u></u>	<u></u>
5	Tax on profit on ordinary activities	2013	2012
		£	£
	<i>Current tax reconciliation</i>		
	Profit on ordinary activities before tax	3,787	89,756
		<u></u>	<u></u>
	Current tax at 28%	1,060	21,990
	<i>Effects of</i>		
	Group relief	(1,060)	(21,990)
		<u></u>	<u></u>
	Total current tax charge	-	-
		<u></u>	<u></u>
6	Investments		Shares in
			Group
			Undertakings
			£
	<i>Cost</i>		
	At beginning and end of year		5
			<u></u>

Frenchgate Interchange Limited

Notes (continued)

6 Investments (continued)

Name	Registered office	Country of incorporation	Details of investment	Proportion held	Principal activity
Subsidiary undertaking					
Caféfirst Limited		United Kingdom	1 ordinary share of £1	100%	Investment Holding
Europa Frenchgate LP Limited		United Kingdom	1 ordinary share of £1	100%	Investment
Foodearth Limited		United Kingdom	1 ordinary share of £1	100%	Investment
Frenchgate LP Limited		United Kingdom	1 ordinary share of £1	100%	Investment
Frenchgate General Partner Limited		United Kingdom	1 ordinary share of £1	100%	Investment

The investee's results are as follows

	Capital and reserves amounted to:		Profit (loss) for the year amounted to:	
	2013 £	2012 £	2013 £	2012 £
Caféfirst Limited	668,288	668,288	-	-
Europa Frenchgate LP Limited	1,139,367	1,139,278	89	164
Foodearth Limited	215,737	215,737	-	-
Frenchgate LP Limited	749,069	749,079	(10)	10
Frenchgate General Partner Limited	6	6	-	-

None of the shares in the above subsidiary undertakings are listed on a recognised stock exchange. In the opinion of the directors the shares in and loans to the company's subsidiary undertakings are worth at least the amounts at which they are stated in the balance sheet.

Frenchgate Interchange Limited

Notes (continued)

7 Debtors	2013	2012
	£	£
<i>Amounts falling due within one year</i>		
Other debtors	2	2
Prepayments and accrued income	565,524	586,426
	<u>565,526</u>	<u>586,428</u>
<i>Amounts falling due after one year</i>		
Amounts owed by group undertakings	26,475	26,475
Amounts owed by related undertakings	158,734,084	239,986,143
	<u>158,760,559</u>	<u>240,012,618</u>
Total debtors	159,326,085	240,599,046

The amounts owed by related undertakings include a provision for impairment of £74,464,097 (2012: nil). This has been treated as an exceptional item in the profit and loss account.

8 Creditors: amounts falling due within one year	2013	2012
	£	£
Amounts owed to group undertakings	214,669	214,669
Other creditors including tax and social welfare	177,853	177,853
Accruals	565,524	586,427
Amounts owed to directors	20,125,000	20,125,000
Bank loan	216,250,000	-
	<u>237,333,046</u>	<u>21,103,949</u>

Subsequent to the year end, the loan with Irish Bank Resolution Corporation Limited (in Special Liquidation) was refinanced by the company.

9 Creditors: amounts falling due after one year	2013	2012
	£	£
Bank loan	-	222,750,000
	<u>-</u>	<u>222,750,000</u>
Repayable between two and five years	-	222,750,000
	<u>-</u>	<u>222,750,000</u>

Frenchgate Interchange Limited

Notes (continued)

10	Called up share capital	2013	2012
		£	£
	<i>Authorised</i>		
	1,000 Ordinary shares of £1 each	1,000	1,000
		<hr/>	<hr/>
	<i>Allotted, called up and fully paid</i>		
	2 Ordinary shares of £1 each	2	2
		<hr/>	<hr/>
11	Profit and loss account	2013	2012
		£	£
	At beginning of year	470,105	380,349
	(Loss)/profit for the financial year	(74,460,310)	89,756
		<hr/>	<hr/>
	At end of year	(73,990,205)	470,105
		<hr/>	<hr/>
12	Reconciliation of movements in shareholders' (deficit)/funds	2013	2012
		£	£
	Opening shareholders' funds	470,107	380,351
	(Loss)/profit for the financial year	(74,460,310)	89,756
		<hr/>	<hr/>
	Closing shareholders' (deficit)/funds	(73,990,203)	470,107
		<hr/>	<hr/>

Frenchgate Interchange Limited

Notes (continued)

13 Related party transactions

Frenchgate Limited Partnership

At the year end, the company was owed £231,509,298 (2012 £238,297,260) by Frenchgate Limited Partnership. During the year, the company created a provision for impairment of £74,464,097. This has reduced the carrying value to £157,045,201. The partnership and company are related by virtue of common ultimate controlling parties.

Europa Frenchgate Limited

At the year end, the company was owed £26,475 (2012 £26,475) by Europa Frenchgate Limited. The partnership and company are related by virtue of common ultimate controlling parties.

Belfast Office Properties Limited

At the year end, the company was owed £1,688,883 (2012 £1,688,883) by Belfast Office Properties Limited. The companies are related by virtue of common directors.

Frenchgate LP Limited

At the year end, the company owed £214,669 (2012 £214,669) to Frenchgate LP Limited. The partnership and company are related by virtue of common ultimate controlling parties.

14 Bank security

The bank loan is secured by way of fixed and floating debenture over all the property and assets of the company present and future, including 811,035 square feet of retail units in the Frenchgate Interchange Shopping Centre, Doncaster, 1,768 car parking spaces, a new bus station and an exchange link to the Doncaster Railway Station.

The bank loan is also secured by way of a fixed charge on all rights, title and interest in and to the Security Account, the Deposit Account and the debt representation by such accounts.

The company has received an undertaking that the Frenchgate Limited Partnership shall make loan repayments on behalf of the company if the company are unable to do so.

15 Post balance sheet events

Subsequent to the year end, the loan with Irish Bank Resolution Corporation Limited was refinanced by the company.

16 Ultimate parent undertaking/controlling party

The company is controlled by Patrick McKillen and Padraig Drayne.