

**REGISTRAR OF
COMPANIES**

Bondcare (Martha) Limited

Report and Financial Statements

Year Ended

6 November 2011

Company Number 3402958

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Bondcare (Martha) Limited

Report and financial statements for the year ended 6 November 2011

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Directors

T Lumb
P Smith

Secretary and registered office

P Smith, New Burlington House, 1075 Finchley Road, London, NW11 0PU

Company number

3402958

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

Bondcare (Martha) Limited

Report of the directors for the year ended 6 November 2011

The directors present their report together with the audited financial statements for the year ended 6 November 2011

Results

The profit and loss account is set out on page 5 and shows the profit for the year

The directors do not recommend the payment of a dividend (2010 - £Nil)

Principal activities

The principal activity of the company during the year was that of investment property

Directors

The directors of the company during the year were

L Levison (resigned 20 June 2012)
J Sorotzkin (resigned 20 June 2012)

T Lumb and P Smith were appointed as directors on 20 June 2012

Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgements and accounting 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 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.

Bondcare (Martha) Limited

Report of the directors for the year ended 6 November 2011 (*continued*)


Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

In preparing this directors' report advantage has been taken of the small companies' exemption.

On behalf of the Board


P Smith

Director

1 August 2012

Bondcare (Martha) Limited

Independent auditor's report

TO THE MEMBERS OF BONDCARE (MARTHA) LIMITED

We have audited the financial statements of Bondcare (Martha) Limited for the year ended 6 November 2011 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 statement of directors' responsibilities, 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 (APB's) Ethical Standards for Auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Basis for qualified opinion on financial statements

As explained in note 1, investment properties have been included in the financial statements at 6 November 2011 based on the 8 November 2009 valuation rather than the year end open market value as required by Statement of Standard Accounting Practice 19 "Accounting for Investment Properties". We are unable to quantify the effect, if any, on reserves, tangible fixed assets and profit for the year resulting from this non-compliance with accounting standards.

Qualified opinion on financial statements

In our opinion, except for the effects of the matter described in the basis for qualified opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 6 November 2011 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.

Bondcare (Martha) Limited

Independent auditor's report (continued)

Emphasis of matter - Going concern

In forming our opinion on the financial statements, which is not modified in this respect, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the company's ability to continue as a going concern

The company is party to a joint and several guarantee in respect of group borrowings totalling approximately £175 million. The relevant bank loan is in breach of its financial covenant and is therefore repayable on demand. The directors, who are also directors of the fellow subsidiary which is the principal borrower, are in the process of negotiating a refinancing with the bank which, if agreed, will result in the group's debt due to the bank being repaid over a number of years with an initial capital repayment holiday. Whilst there can be no guarantees in this respect, the directors are confident that this refinancing will be completed successfully and have therefore prepared the financial statements on a going concern basis.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Opinion on other matters 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, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies' regime



Michael Goldstein (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

1 August 2012

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

Bondcare (Martha) Limited

Profit and loss account for the year ended 6 November 2011

	Note	2011 £	2010 £
Turnover	2	165,807	290,013
Administrative expenses		(91,526)	1,000
Other operating income		45,502	-
		<hr/>	<hr/>
Operating profit	3	119,783	289,013
Interest payable and similar charges	5	(31,563)	(52,338)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		88,220	236,675
Taxation on profit on ordinary activities	6	-	-
		<hr/>	<hr/>
Profit on ordinary activities after taxation	13	88,220	236,675
		<hr/>	<hr/>

All amounts in the current year relate to continuing activities

All recognised gains and losses in the current and prior year are included in the profit and loss account

There were no movements in shareholder's funds during the current or prior year other than the profit for the year

The notes on pages 7 to 11 form part of these financial statements

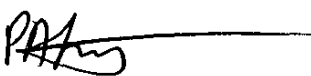
Bondcare (Martha) Limited

Balance sheet at 6 November 2011

<i>Company number 3402958</i>	Note	2011 £	2011 £	2010 £	2010 £
Fixed assets					
Tangible assets	7		6,274,000		6,274,000
Current assets					
Debtors	8	-		117,296	
Creditors. amounts falling due within one year	9	77,755		45,502	
Net current (liabilities)/assets			(77,755)		71,794
Total assets less current liabilities			6,196,245		6,345,794
Creditors: amounts falling due after more than one year	10		-		237,769
			6,196,245		6,108,025
Capital and reserves					
Called up share capital	12		1,000		1,000
Revaluation reserve	13		4,470,140		4,470,140
Profit and loss account	13		1,725,105		1,636,885
Shareholders' funds			6,196,245		6,108,025

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

The financial statements were approved by the Board of Directors and authorised for issue on 1 August 2012


 P Smith
 Director

The notes on pages 7 to 10 form part of these financial statements

Bondcare (Martha) Limited

Notes forming part of the financial statements for the year ended 6 November 2011

1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of freehold properties and are in accordance with applicable accounting standards

The following principal accounting policies have been applied

Non-compliance with accounting standards

The directors have reviewed the group's accounting policies and have not applied the requirement of Statement of Standard Accounting Practice No 19 ("SSAP 19") to include investment properties in the balance sheet at 6 November 2011 at the open market value at that date. The company's investment property has been included in the balance sheet based on the directors' valuation as at 8 November 2009.

The financial statements have otherwise been prepared in accordance with applicable United Kingdom accounting standards

Going concern

The directors are required to make an assessment of the company's ability to continue as a going concern

The company is party to a joint and several guarantee in respect of group borrowings totalling £174,801,031. The relevant bank loan is in breach of its financial covenant and is therefore due on demand.

The directors, who are also directors of the fellow subsidiary which is the principal borrower, are in the process of agreeing a refinancing with the bank which they anticipate will be concluded in the next two months. If agreement is reached the group's debt due to the bank will be converted to a refinanced loan which will be repaid over a number of years with an initial capital repayment holiday. Whilst there can be no guarantees in this respect, the directors are of the opinion that this refinancing will be completed successfully and that the guarantee will not be called and have therefore prepared the financial statements on a going concern basis.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Turnover

Turnover represents rental income arising from operating leases granted to tenants and is recognised on a straight line basis until the next rent review.

Investment property

In respect of the requirement of Statement of Standard Accounting Practice No 19 ("SSAP 19"), investment properties should be included in the financial statements at their year end open market value. However investment properties in the group are recorded at 8 November 2009 valuation. As explained above, this policy does not comply with accounting standards.

No depreciation is provided on investment properties. The directors consider that this accounting policy results in the financial statements giving a true and fair view. The effect of this departure from Companies Act 2006 has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading. The aggregate surplus or deficit arising on revaluation is transferred to the revaluation reserve except where a deficit is deemed to represent a permanent diminution in value, in which case it is charged to the profit and loss account.

Bondcare (Martha) Limited

Notes forming part of the financial statements for the year ended 6 November 2011 (continued)

1 Accounting policies (continued)

Finance costs

Finance costs are charged to profit over the term of the debt so that the amount charged is at a constant rate on the carrying amount. Finance costs include issue costs, which are initially recognised as a reduction in the proceeds of the associated capital instrument.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief, and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by BC and the company is included in consolidated financial statements.

2 Turnover

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

3 Operating profit

	2011 £	2010 £
This has been arrived at after charging		
Auditors' remuneration - audit services	1,000	1,000

4 Employees

The average number of employees, including directors, during the year was Nil (2010 - Nil).

No director received remuneration in the current or prior years.

5 Interest payable and similar charges

	2011 £	2010 £
Loans from group companies	31,563	52,338

Bondcare (Martha) Limited

Notes forming part of the financial statements
for the year ended 6 November 2011 (*continued*)

6 Taxation on profit from ordinary activities

No tax charge arises in the current or prior year

The tax assessed for the year is less than the standard rate of corporation tax in the UK The differences are explained below

	2011 £	2010 £
Profit on ordinary activities before tax	88,220	236,675
Profit on ordinary activities at the standard rate of corporation tax in the UK of 27% (2010 - 28%)	23,819	66,269
Effects of		
Expenses not deductible for tax	9,256	-
Depreciation in excess of capital allowances	(1,216)	(1,576)
Group relief claimed	(31,859)	(64,693)
Current tax charge for year	-	-

7 Tangible assets

	Freehold investment property £
<i>Cost or valuation</i> At 7 November 2010 and at 6 November 2011	6,274,000

Investment properties are included at open market value based on the directors' valuation as at 8 November 2009

The historic cost of the investment property is £1,803,860 (2010 - £1,803,860)

8 Debtors

	2011 £	2010 £
Other debtors	-	34,280
Prepayments and accrued income	-	83,016
	-	117,296

All amounts shown under debtors fall due for payment within one year

Bondcare (Martha) Limited

Notes forming part of the financial statements
for the year ended 6 November 2011 *(continued)*

9 Creditors amounts falling due within one year

	2011 £	2010 £
Accruals and deferred income	-	45,502
Amounts due to group undertakings	77,755	-
	<u>77,755</u>	<u>45,502</u>

Amounts owed to group undertakings have no fixed terms of repayment and bear interest at 1.5% above LIBOR (see note 14 for details of guarantees)

10 Creditors: amounts falling due after more than one year

	2011 £	2010 £
Amounts owed to group undertakings	77,755	237,769
	<u>77,755</u>	<u>237,769</u>

11 Provisions for liabilities

No provision has been made for the potential tax liability of approximately £1,046,000 (2010 - £1,080,000) which would arise if the freehold properties were sold at their revalued amounts

12 Share capital

	2011 Number	Allotted, called up and fully paid 2010 Number	2011 £	2010 £
Ordinary shares of £1 each	1,000	1,000	1,000	1,000
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

13 Reserves

	Revaluation reserve £	Profit and loss account £
At 8 November 2010	4,470,140	1,636,885
Profit for the year	-	88,220
	<u>4,470,140</u>	<u>1,725,105</u>
At 6 November 2011	4,470,140	1,725,105

Bondcare (Martha) Limited

**Notes forming part of the financial statements
for the year ended 6 November 2011 (*continued*)**

14 Contingent liabilities

The company has given a joint and several guarantee together with other group members in respect of group borrowings of £176m (2010 - £176m) The company has granted a debenture over all its assets in support of this loan

The company has also granted an unlimited guarantee in respect of a group overdraft facility At 6 November 2011 the aggregate due under this facility was £168,223 (2010 - £410,016)

15 Related party disclosures

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related party disclosures" not to disclose transactions with members of the group headed by BC on the grounds that 100% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements

Related party transactions and balances

Included in other debtors is an amount of £34,280 (2010 - £34,280) due from Netbond UK Limited, a company controlled by L Levison This amount has been fully provided against

16 Ultimate parent company and parent undertaking of larger group

The company's immediate parent company is BC2 Limited The smallest and largest group in which the results of the company are consolidated is that headed by BC Copies of the consolidated financial statements of BC are available from Companies House

The company's ultimate parent company and controlling party is Finsbury Trust Corporation Limited, a company registered in Gibraltar