

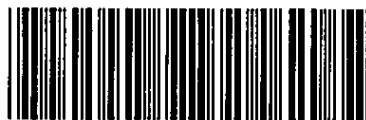
# H.A. Leasing Limited

## FINANCIAL STATEMENTS

for the year ended

31 May 2013

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09/01/2014

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COMPANIES HOUSE

Company Registration No 03462658

**H.A. Leasing Limited**  
**COMPANY INFORMATION**

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DIRECTORS	R Tchenguiz V A Tchenguiz
COMPANY NUMBER	03462658 (England & Wales)
REGISTERED OFFICE	5th Floor Leconfield House Curzon Street London W1J 5JA
AUDITOR	Baker Tilly UK Audit LLP 3rd Floor One London Square Cross Lanes Guildford Surrey GU1 1UN
SOLICITORS	Osborne Clarke One London Wall London EC2Y 5EB

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# H.A. Leasing Limited

## DIRECTORS' REPORT

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The directors present their report and the financial statements of H A Leasing Limited for the year ended 31 May 2013

### PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the company, which has remained unchanged during the financial year, was property investment by holding lease interests in land and buildings

The company also acts as an intermediate holding company

In the opinion of the directors, subject to the matters set out on page 7 regarding going concern and the support given by Rotch Property Group Limited, a fellow group company, the result for the year and the financial position of the company at 31 May 2013 were satisfactory

### DIVIDENDS

The directors do not recommend payment of a dividend

### DIRECTORS

The following directors have held office since 1 June 2012

R Tchenguiz

V A Tchenguiz

### CHANGES IN PRESENTATION OF THE FINANCIAL STATEMENTS

The Company had previously accounted for its property as a finance lease. Following a review of the lease documentation the property was reclassified as an investment property.

Accordingly, the comparative figures have been restated to account for the property as an investment property as further explained in note 15.

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

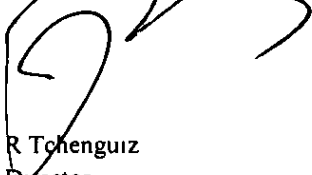
The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

### AUDITOR

The auditor, Baker Tilly UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



R Tchenguiz  
Director

17 December 2013

# H.A. Leasing Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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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 those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and accounting estimates that are reasonable and prudent,
- c state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- d 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.

# H.A. Leasing Limited

## INDEPENDENT AUDITOR'S REPORT

### To The Members Of H A Leasing Limited

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We have audited the financial statements on pages 4 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 auditor**

As more fully explained in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx)

#### **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 May 2013 and of its result 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

#### **Emphasis of matter - Going Concern**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in the accounting policies on page 7 of the financial statements concerning the company's ability to continue as a going concern The company is a party to a cross-collateralised group loan funding structure As a result of breaches to loan covenants by a fellow group company and a member of that cross-collateralised group loan funding structure the company's ability to continue as a going concern may be impacted by the contingent events described on page 7 These contingent events 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 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, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report

*Baker Tilly UK Audit LLP*

Christopher Hurren FCA (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

3rd Floor, One London Square, Cross Lanes

Guildford, Surrey, GU1 1UN

17 December 2013

**H.A. Leasing Limited**  
**PROFIT AND LOSS ACCOUNT**  
For the year ended 31 May 2013

	Notes	2013 £	2012 as restated £
TURNOVER	1	346,075	338,927
Other operating expenses (net)	2	(20,500)	26,920
OPERATING PROFIT		325,575	365,847
Interest payable and similar charges	3	(402,388)	(400,047)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(76,813)	(34,200)
Taxation	6	(4,233)	(653)
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	14	(81,046)	(34,853)

All amounts derive from continuing activities

# H.A. Leasing Limited

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 May 2013

	Notes	2013 £	2012 as restated £
Loss for the financial year		(81,046)	(34,853)
Prior year adjustment	14	(163,790)	
Total gains and losses recognised since last financial statements		(244,836)	

# H.A. Leasing Limited

## BALANCE SHEET

As at 31 May 2013

Company registration No 03462658

	Notes	2013 £	2012 as restated £
<b>FIXED ASSETS</b>			
Tangible assets	7	661,000	661,000
Investments	8	236,836	236,836
		<u>897,836</u>	<u>897,836</u>
<b>CURRENT ASSETS</b>			
Debtors amounts falling due within one year	9	994,362	1,059,514
Debtors amounts falling due after more than one year	9	4,501,681	4,522,958
		<u>5,496,043</u>	<u>5,582,472</u>
<b>CREDITORS</b> Amounts falling due within one year	10	<u>(133,789)</u>	<u>(157,903)</u>
<b>NET CURRENT ASSETS</b>		<u>5,362,254</u>	<u>5,424,569</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>6,260,090</u>	<u>6,322,405</u>
<b>CREDITORS</b> Amounts falling due after more than one year	11	(7,149,968)	(7,135,470)
<b>PROVISIONS FOR LIABILITIES</b>	12	<u>(438,852)</u>	<u>(434,619)</u>
<b>NET LIABILITIES</b>		<u><u>(1,328,730)</u></u>	<u><u>(1,247,684)</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	200,000	200,000
Profit and loss account	14	<u>(1,528,730)</u>	<u>(1,447,684)</u>
<b>SHAREHOLDERS' DEFICIT</b>	15	<u><u>(1,328,730)</u></u>	<u><u>(1,247,684)</u></u>

The financial statements on pages 4 to 16 were approved by the board of directors and authorised for issue on 17 December 2013 and are signed on its behalf by

R Tohenguz

Director

# H.A. Leasing Limited

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

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

The financial statements have been prepared under the historical cost convention

The accounts contain information on the company only and not the group. Group accounts are not prepared since the company is itself a subsidiary of a United Kingdom holding company for which group accounts are prepared

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

### GOING CONCERN

The property owned by the company is financed by a loan from its parent company which forms part of a cross-collateralised long term funding structure, set up to be principally self-financing. The directors have assessed the operation of the cross-collateralised structure and the continuation and availability of support being provided by Rotch Property Group Limited, a fellow group company (see note 16)

The directors have determined that the company has, or can expect to have, subject to the further matters set out hereafter, sufficient working capital for its needs for at least 12 months from the date of approval of these financial statements. In view of this the directors consider it appropriate for the financial statements to be prepared on a going concern basis

During the prior year, following a valuation of the property portfolio securing the borrowings, the valuation covenant was breached on certain of the loans of a fellow group company and member of the cross-collateralised group loan funding structure to which the company is a party. This triggered defaults on all of the bank loans of that company

As a result of the cross default clauses in the loan agreements, defaults on the wider cross-collateralised group loans have been triggered during the year. The bank has reserved its position in respect of the fellow group company's valuation covenant breach. At the year-end, therefore, the fellow group company's bank loans and all the loans within the cross-collateralised structure amounting to £104,800,230 (2012 £105,321,246) were effectively repayable on demand. In addition, the cross-collateralised group also has interest rate swaps that in the event of a break would be added to the liability of the cross-collateralised group and would become immediately repayable. The value of the interest rate swaps as at 31 May 2013 was a liability of £20,534,294 (2012 £20,875,645)

The company, together with its parent company and the other companies that are party to the cross-collateralisation structure, is in discussion with its bankers to explore the alternatives available to effect a cure of the breach to the loan valuation covenant and to regularise the overall loan position. This discussion includes the consideration of alternative repayment possibilities such as putting in place new financing facilities or the sale of one or more of the properties financed by the funding structure

The directors acknowledge that to date the bank has been supportive of the group's efforts. They also acknowledge that, whilst this support will not be indefinite, it should continue for as long as the group's efforts show that the approach taken remains in the bank's interest and maximises the return to the bank. As the funding structure remains self-financing and, other than in respect of the valuation issue, is meeting all its interest and repayment obligations the directors do not expect a withdrawal of the bank facilities for at least 12 months from the date of approval of these financial statements

The financial statements have been prepared on the going concern basis which assumes that the bank will not withdraw its loan facilities to the cross-collateralised group. The principal direct and indirect effects of the withdrawal by the lender of its funding are that

1. the cross collateralised borrowings as at the year-end, totalling £104,800,230 (2012 £105,321,246), as set out in note 11, would be demanded for immediate repayment. Further costs could arise in respect of the interest rate arrangements that fix the interest rates on those loans, the level of which would depend on the market rates of interest prevailing at the time of such a termination. As at 31 May 2013 these costs were £20,534,294 (2012 £20,875,645),

# H.A. Leasing Limited

## ACCOUNTING POLICIES (CONTINUED)

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### GOING CONCERN (CONTINUED)

if not repaid when due, the bank could exercise its security over the properties and may seek to sell or dispose of assets separately or together at a time of its own choosing. This process may not represent an orderly realisation in the normal course of business. In these circumstances the properties may be realised at values significantly less than their carrying values. The consequence of this is that the company's property may be realised at less than its carrying value in these financial statements.

### INVESTMENT PROPERTIES

In accordance with Statement of Standard Accounting Practice No 19, investment properties are revalued annually on an open market basis and the aggregate surplus or deficit is transferred to a revaluation reserve. No depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run.

This treatment is a departure from the requirements of the Companies Act concerning the depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

### INVESTMENTS

Fixed asset investments are stated at cost. Provision is made for any impairment in value.

### 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 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. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

No provision is made for deferred tax on unrealised gains recognised on revaluing property to its market value.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. An asset is not recognised to the extent that the transfer of economic benefits in future is uncertain. Deferred tax is measured on a non-discounted basis.

### CASH FLOW STATEMENT

The company is exempt from the requirement to prepare a cash flow statement, as more than 90% of the voting rights are controlled within the group and consolidated financial statements in which the company is included are publicly available.

### FINANCE LEASES

Finance leases are initially stated at cost including acquisition costs. The carrying amount is increased by finance charges in the accounting period and reduced by payments received in the period. Finance charges are recognised in the profit and loss account so as to produce a constant return on the carrying amount.

### RENT RECEIVABLE

Rental income from investment properties leased out under operating leases is recognised in the profit and loss account on an accruals basis over the term of the lease. The effect of rent reviews is only recognised when such reviews have been agreed with tenants. Where rents are subject to fixed indexation in lieu of rent reviews, the rents are recognised on a systemic basis as income in the periods in which they are earned.

Where a rent free period is included in a lease, the rental income foregone is allocated evenly over the period from the date of lease commencement to the earliest termination date.

# H.A. Leasing Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2013

### 1 TURNOVER

	2013	2012 as restated
	£	£
Finance lease income	299,178	293,489
Rent receivable	46,897	45,438
	<u>346,075</u>	<u>338,927</u>

Finance lease income represents finance charges allocated to the period so as to give a constant periodic rate of return over the duration of the lease

### 2 OTHER OPERATING EXPENSES (NET)

	2013	2012
	£	£
Administrative expenses	22,500	5,400
Other operating income	(2,000)	(32,320)
	<u>20,500</u>	<u>(26,920)</u>

### 3 INTEREST PAYABLE AND SIMILAR CHARGES

	2013	2012
	£	£
Loan interest payable to group undertakings	393,733	391,392
Amortisation of finance costs	8,655	8,655
	<u>402,388</u>	<u>400,047</u>

### 4 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2013	2012
	£	£
Loss is stated after charging		
Depreciation of tangible assets	33,050	8,263
Reversal of impairment of tangible assets	(33,050)	(8,263)
Auditor's remuneration	3,000	3,000
	<u>3,000</u>	<u>3,000</u>

### 5 EMPLOYEES

There were no employees during the year apart from the directors, who received no emoluments

# H.A. Leasing Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2013

6 TAXATION	2013	2012
	£	as restated £
UK Corporation tax		
Current tax charge	-	-
Deferred tax		
Effects of changes in tax rates and laws	(17,628)	(34,802)
Deferred tax charge current year	31,779	35,455
Deferred tax (credit) previous year	(9,918)	-
Total deferred tax	4,233	653
Tax on loss on ordinary activities	4,233	653
Factors affecting the tax charge for the year		
Loss on ordinary activities before taxation	(76,813)	(34,200)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.00% (2012: 24.00%)	(17,667)	(8,208)
Effects of		
Non deductible expenses	26,696	28,953
Group relief	18,348	10,573
UK transfer pricing	4,402	4,137
Adjustment in respect of finance leases	(31,779)	(35,455)
	17,667	8,208
Current tax charge	-	-

# H.A. Leasing Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2013

### 7 TANGIBLE FIXED ASSETS

	Investment properties as restated £
VALUATION	
At 1 June 2012 and at 31 May 2013	661,000
DEPRECIATION	
At 1 June 2012	-
Charge for the year	33,050
Revaluation	(33,050)
At 31 May 2013	-
NET BOOK VALUE	
At 31 May 2013	661,000
At 31 May 2012 (as restated)	661,000

The property was valued as at 31 May 2013 at £661,000 (2012 £661,000) by the directors based on reports provided to them by Chartered Surveyors employed by the group's in house management company

The original cost of the property was £794,328 (2012 £794,328)

Investment property at net book value comprises	2013 £	2012 as restated £
Short Leasehold	661,000	661,000

Details of the restatement are provided in note 15

# H.A. Leasing Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2013

### 8 FIXED ASSET INVESTMENTS

	Shares in subsidiary undertakings £
Cost	
At 1 June 2012 and at 31 May 2013	236,836

In the opinion of the directors the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Principal activity	Shares held Class	%
Restgrove Limited	England	Property investment*	Ordinary	100.00

\* this company holds some of its property investments by way of a finance lease

9 DEBTORS	2013 £	2012 as restated £
Trade debtors	30,688	-
Amounts owed by group undertakings	1,225,456	1,326,227
Finance leases	4,073,657	4,081,302
Prepayments and accrued income	166,242	174,943
	<u>5,496,043</u>	<u>5,582,472</u>

Amounts falling due after more than one year and included in the debtors above are

	2013 £	2012 as restated £
Amounts owed by group undertakings	288,082	288,082
Finance leases	4,056,008	4,068,630
Prepayments and accrued income	157,591	166,246
	<u>4,501,681</u>	<u>4,522,958</u>

The original cost of the finance lease was £3,578,256 (2012 £3,578,256 - as restated)

# H.A. Leasing Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2013

10	CREDITORS amounts falling due within one year	2013 £	2012 £
	Loan from group undertaking (note 11)	10,144	6,734
	Trade creditors	35	29,220
	Accruals and deferred income	123,610	121,949
		<u>133,789</u>	<u>157,903</u>
11	CREDITORS amounts falling due after more than one year	2013 £	2012 £
	Loans from group undertaking	<u>7,149,968</u>	<u>7,135,470</u>
	Loan maturity analysis		
	In more than one year but not more than two years	14,904	10,144
	In more than two years but not more than five years	114,649	69,244
	In more than five years	7,020,415	7,056,082
		<u>7,149,968</u>	<u>7,135,470</u>

The group undertaking loans comprise four loans which are financed by loans from a third party to that group undertaking and have been provided to the company on the same interest and repayment terms. The loans are secured by a fixed and floating charge over the company's assets. The loans bear interest at 5.7% per annum.

Loan one's interest shortfall rolls up into the loan until April 2014. Thereafter, interest will be paid in full and the loan is then repayable in instalments until April 2025 when one bullet payment of £2,359,158 will be made.

Loan two's interest shortfall rolls up into the loan until April 2015. Thereafter, interest will be paid in full and the loan is then repayable in instalments until April 2035 when one bullet payment of £524,630 will be made.

Loan three's interest shortfall rolled up into the loan until December 2010. Thereafter, interest is paid in full and the loan is then repayable in instalments until March 2025 when one bullet payment of £1,514,154 will be made.

Loan four's interest shortfall rolls up into the loan until March 2022. Thereafter, interest will be paid in full and the loan is then repayable in instalments until March 2025 when one bullet payment of £1,136,006 will be made.

The loans are subject to cross guarantees and cross-collateralisation of the underlying properties used as security with other group loans. The total value of the group loans subject to this cross-collateralisation, including the company's loans, is £104,800,230 (2012: £105,321,246) and the fair value of the financial instruments also subject to the cross-collateralisation is £(20,534,294) (2012: £(20,875,645)).

# H.A. Leasing Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2013

### 12 PROVISIONS FOR LIABILITIES

	Deferred tax liability as restated £
Balance at 1 June 2012	434,619
Profit and loss account	4,233
Balance at 31 May 2013	<u>438,852</u>

The deferred tax liability is made up as follows

	2013 £	2012 as restated £
Other timing differences	<u>438,852</u>	<u>434,619</u>

Other timing differences arise on the difference in recognition of net income from the finance lease over the lease term at a constant rate of return and that recognised for tax purposes. These timing differences are not expected to reverse until 2023.

No provision for deferred taxation has been made in respect of the property held as an investment which is included in these financial statements at a valuation of £661,000 (2012: £661,000). It is estimated that if this property were to be sold at that valuation the tax liability would amount to £nil (2012: £nil).

During the year, Finance Act 2012 was enacted and included legislation to reduce the main rate of corporation tax to 23% with effect from 1 April 2013. As this change was substantively enacted at the balance sheet date, deferred tax is recognised at 23% in the current period.

In his budget of 20 March 2013, the Chancellor of the Exchequer announced tax changes which will have an effect on the Company's future tax position. The budget proposed a decrease in the rate of UK corporation tax from 23% to 21% from 1 April 2014 and by a further 1%, reaching 20% with effect from 1 April 2015. The further proposed reductions in the main rate of corporation tax to 20% were not substantively enacted at the balance sheet date and therefore in accordance with Accounting Standards, these proposed changes have not been reflected in the accounts at 31 May 2013.

13 SHARE CAPITAL	2013 £	2012 £
Allotted, issued and fully paid		
Equity		
200,000 ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>

# H.A. Leasing Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2013

### 14 RESERVES

	Profit and loss account £
Balance at 1 June 2012 as previously reported	(1,283,894)
Prior year adjustment (note 15)	(163,790)
Balance at 1 June 2012 as restated	(1,447,684)
Loss for the year	(81,046)
Balance at 31 May 2013	<u>(1,528,730)</u>

### 15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2013 £	2012 as restated £
Loss for the financial year	(81,046)	(34,853)
Opening shareholders' deficit	(1,247,684)	(1,212,831)
Closing shareholders' deficit	<u>(1,328,730)</u>	<u>(1,247,684)</u>

Opening shareholders' funds at 1 June 2012 were originally a deficit of £1,083,894 before deducting prior year adjustments of £163,790

The Company had previously accounted for its leasehold property as a finance lease. Following a review of the lease documentation the property was reclassified as an investment property. The correction of this fundamental error has been made by way of a prior year adjustment as described below.

The adjustment has had the following effect on 2012 figures

	£
Increase in investment property fixed assets	661,000
Decrease in finance lease debtor	(939,150)
Decrease in deferred tax liability	114,360
	<u>(163,790)</u>

Attributable to

	Profit and loss account £
Attributable to year ended 31 May 2012	(6,740)
Attributable to earlier years	(157,050)
	<u>(163,790)</u>

# H.A. Leasing Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2013

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### 16 CONTROL

The company's immediate holding company is Waxford Limited

The parent undertaking of the smallest and largest group for which group accounts are prepared and of which the company is a member, is Restmead Limited, the company's ultimate UK holding company, which is registered in England. Copies of the group accounts are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ

The directors regard the ultimate holding company to be Sunnymist Limited, a company incorporated in the British Virgin Islands

The ultimate controlling party is the Tchenguiz Family Trust

### 17 RELATED PARTY TRANSACTIONS

The company is related to fellow subsidiaries of Sunnymist Limited, with whom in many cases it has directors in common

Rotch Property Group Limited, one such company, provides management services to the company. At the balance sheet date, and included within amounts owed by group undertakings, £937,374 (2012 £1,038,145) was due to that company. Management fees payable for the year amounted to £2,400 (2012 £2,400). No interest accrues on this related party balance.

Rotch Property Group Limited has also agreed to provide additional support to assist the company in meeting its operational costs as they arise should this be necessary.

As set out in note 11, the company is party to a cross-collateralisation arrangement in respect of loan facilities as at the year end totalling £104,800,230 (2012 £105,321,246). Of this amount, £28,282,271 (2012 £28,835,308) relates to loan facilities with Uni Lease No 1 Limited, a fellow subsidiary of Sunnymist Limited. The fair value of the financial instruments also subject to this cross-collateralisation arrangement is £(20,534,294) (2012 £(20,875,645)) of which £(2,034,673) (2012 £(2,204,959)) relates to Uni Lease No 1 Limited.

The company has taken advantage of the exemptions provided by Financial Reporting Standard Number 8 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.