

COMPANY REGISTRATION NUMBER 03793826

**GOLDMILE PORTFOLIO NO.1 LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2013**



GOLDMILE PORTFOLIO NO.1 LIMITED

Financial statements

Year ended 31 May 2013

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GOLDMILE PORTFOLIO NO.1 LIMITED

Officers and professional advisers

The board of directors	M Kingston C F Moharm
Company secretary	C F Moharm
Registered office	55 Baker Street, London, W1U 7EU
Auditor	BDO LLP Chartered Accountants & Statutory Auditor 55 Baker Street London W1U 7EU
Bankers	Barclays Bank Plc Pall Mall Corporate Group 50 Pall Mall London SW1A 1QA

GOLDMILE PORTFOLIO NO.1 LIMITED

Directors' report

Year ended 31 May 2013

The directors present their report and the financial statements of the company for the year ended 31 May 2013

Principal activities and business review

The company's principal activity is that of property investment

Both the level of investment and year end financial position were satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future

Directors

The directors who served the company during the year were as follows

C E Bush
C F Moharm
S M Pope

S M Pope retired as a director on 24 May 2013
M Kingston was appointed as a director on 11 October 2013
C E Bush retired as a director on 11 October 2013

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 year.

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,
- 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.

Auditor

The company has dispensed with the obligation to appoint auditors annually. BDO LLP have expressed their willingness to continue in office.

GOLDMILE PORTFOLIO NO.1 LIMITED

Directors' report *(continued)*

Year ended 31 May 2013

Each of the persons who is a director at the date of approval of this report confirm that

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information

Small company provisions

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

Signed by order of the directors

A handwritten signature in black ink, consisting of a stylized 'C' followed by a long, sweeping horizontal line that curves upwards at the end.

C F Moharm
Company Secretary

Approved by the directors on 27 February 2014

GOLDMILE PORTFOLIO NO.1 LIMITED

Independent auditor's report

Year ended 31 May 2013

We have audited the financial statements of Goldmile Portfolio No 1 Limited for the year ended 31 May 2013 which comprise the profit and loss account, statement of total recognised gains and losses, 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 auditor

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 Financial Reporting Council's (FRC'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 FRC's website at www.frc.org.uk/auditscopeukprivate.

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 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 matters

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.

GOLDMILE PORTFOLIO NO.1 LIMITED

Independent auditor's report *(continued)*

Year ended 31 May 2013

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 directors' report in accordance with the small companies' regime

BDO LLP

Geraint Jones (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London
27 February 2014

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

GOLDMILE PORTFOLIO NO.1 LIMITED

Profit and loss account

Year ended 31 May 2013

		2013	2012
	Note	£	£
Turnover	2	317,484	385,866
Property expenses		(75,965)	(114,043)
Administrative expenses		<u>(2,116)</u>	<u>(2,279)</u>
Operating profit	3	239,403	269,544
Interest receivable and similar income		—	126
Interest payable and similar charges	6	(301,189)	(307,113)
Loss on ordinary activities before taxation		(61,786)	(37,443)
Tax on loss on ordinary activities	7	(20,027)	(10,248)
Loss for the financial year		<u>(81,813)</u>	<u>(47,691)</u>

All of the activities of the company are classed as continuing

The notes on pages 9 to 14 form part of these financial statements.

GOLDMILE PORTFOLIO NO.1 LIMITED

Statement of total recognised gains and losses

Year ended 31 May 2013

	2013	2012
	£	£
Loss for the financial year	(81,813)	(47,691)
Unrealised loss on revaluation of investment properties	<u>(1,510,000)</u>	<u>(499,000)</u>
Total gains and losses recognised since the last financial statements	<u>(1,591,813)</u>	<u>(546,691)</u>

The notes on pages 9 to 14 form part of these financial statements.

GOLDMILE PORTFOLIO NO.1 LIMITED

Balance sheet

As at 31 May 2013

	Note	2013 £	£	2012 £	£
Fixed assets					
Tangible assets	8		4,650,000		6,160,000
Current assets					
Debtors due within one year	9	13,571		8,220	
Creditors: Amounts falling due within one year	10	<u>(1,451,809)</u>		<u>(1,276,301)</u>	
Net current liabilities			<u>(1,438,238)</u>		<u>(1,268,081)</u>
Total assets less current liabilities			3,211,762		4,891,919
Creditors Amounts falling due after more than one year	11		<u>(4,199,394)</u>		<u>(4,287,738)</u>
Net (liabilities)/assets			<u>(987,632)</u>		<u>604,181</u>
Capital and reserves					
Called-up equity share capital	14		1,000		1,000
Revaluation reserve	15		<u>(2,024,999)</u>		<u>(514,999)</u>
Profit and loss account	15		<u>1,036,367</u>		<u>1,118,180</u>
(Deficit)/shareholders' funds	16		<u>(987,632)</u>		<u>604,181</u>

These accounts were approved by the members and authorised for issue on 27 February 2014, and are signed on their behalf by



M Kingston

Company Registration Number 03793826

The notes on pages 9 to 14 form part of these financial statements.

GOLDMILE PORTFOLIO NO.1 LIMITED

Notes forming part of the financial statements

Year ended 31 May 2013

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investment properties, subject to the departures referred to below

In order to show a true and fair view the company's accounting policy in respect of investment properties departs from the requirements of the Companies Act 2006. Details of this departure are given below

The following principal accounting policies have been applied

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 GP Property Investments Limited and the company is included in consolidated financial statements

Turnover

Turnover represents net rental and related income receivable less value added tax

Fixed assets

The cost of tangible fixed assets is their purchase cost together with any incidental cost of acquisition

Investment properties

In accordance with Statement of Standard Accounting Practice 19, investment properties are revalued annually to open market value and no depreciation is provided. The directors consider that this accounting policy results in the financial statements giving a true and fair view. The effect of this departure from the 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.

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
- 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 discounted

GOLDMILE PORTFOLIO NO.1 LIMITED

Notes forming part of the financial statements

Year ended 31 May 2013

1. Accounting policies *(continued)*

Lessor incentives

Lessor incentives include rent free periods and other incentives given to lessees on entering into lease agreements

Lessor incentives to new tenants to occupy the company's investment properties are treated as revenue expenditure and initially recorded as prepayments. The payments are then charged to the profit and loss account evenly over the period to the earlier of the first rent review to the prevailing market rent and the lease end date. Where lessor incentives relate to investment properties the properties are carried at open market value less the amount of the unamortised incentive.

Related party disclosure

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8, 'Related party disclosures', not to disclose transactions with members or investees of the group headed by GP Property Investments Limited on the grounds that 100% of the voting rights in the company are controlled within the group and the company is included in consolidated financial statements.

Going concern

In preparing the financial statements, the directors are required to make an assessment of the company's ability to continue as a going concern. The parent entity of Goldmile Portfolio No 1 Limited has confirmed its continued support of the company, such that it will be able to continue in its current operations and meet its financial obligations as they arise. For this reason, the directors continue to adopt the going concern basis in preparing these 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

Operating profit is stated after charging

	2013 £	2012 £
Auditor's remuneration		
- audit	1,321	1,430
- tax compliance services	<u>795</u>	<u>849</u>

4. Particulars of employees

There were no persons employed by the company in the year (2012: nil).

5. Directors

No director received any emoluments during the year (2012: £nil).

GOLDMILE PORTFOLIO NO.1 LIMITED

Notes forming part of the financial statements

Year ended 31 May 2013

6. Interest payable and similar charges

	2013 £	2012 £
Interest on loans from group undertakings	300,689	306,613
Loan facility fee	500	500
	<u>301,189</u>	<u>307,113</u>

7. Taxation on ordinary activities

(a) Analysis of charge in the year

	2013 £	2012 £
Current tax		
UK Corporation tax based on the results for the year at 23 83% (2012 - 25 67%)	20,027	10,000
Over/under provision in prior year	-	248
Total current tax	<u>20,027</u>	<u>10,248</u>

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 23 83% (2012 - 25 67%)

	2013 £	2012 £
Loss on ordinary activities before taxation	<u>(61,786)</u>	<u>(37,443)</u>
Loss on ordinary activities by rate of tax	(14,725)	(9,610)
Capital allowances for period in excess of depreciation	(399)	(584)
Adjustments to tax charge in respect of previous periods	-	248
Group relief	61,609	44,735
Transfer pricing adjustments	<u>(26,458)</u>	<u>(24,541)</u>
Total current tax (note 7(a))	<u>20,027</u>	<u>10,248</u>

8. Tangible fixed assets

	Investment properties: freehold land and buildings £
Cost or valuation	
At 1 June 2012	6,160,000
Revaluation	<u>(1,510,000)</u>
At 31 May 2013	<u>4,650,000</u>

The investment properties were valued as at 31 May 2013 by the directors on an open market basis. Selling costs have not been deducted because there is no intention to sell the properties.

The historical cost of the properties is £6,675,000 (2012 £6,675,000)

GOLDMILE PORTFOLIO NO.1 LIMITED

Notes forming part of the financial statements

Year ended 31 May 2013

9. Debtors

	2013	2012
	£	£
Trade debtors	462	-
Amounts due from group undertakings	3,358	3,358
Other debtors	5,520	667
Prepayments and accrued income	4,231	4,195
	<u>13,571</u>	<u>8,220</u>

All amounts fall due for payment within one year

10 Creditors: Amounts falling due within one year

	2013	2012
	£	£
Trade creditors	4,216	4,266
Amounts owed to group undertakings	1,317,242	1,156,631
Loans owed to group undertakings	88,344	82,494
Corporation tax	20,027	10,000
Other creditors	40	5,996
Accruals and deferred income	21,940	16,914
	<u>1,451,809</u>	<u>1,276,301</u>

Amounts owed to group undertakings bear no interest and have no fixed terms of repayment

11. Creditors Amounts falling due after more than one year

	2013	2012
	£	£
Loan owed to group undertaking	<u>4,199,394</u>	<u>4,287,738</u>

The intercompany loan is secured by a first legal mortgage over the investment properties and a floating charge over the assets and undertakings of the company. Additionally the lender has legal assignment over the rental income of the properties.

The loan is repayable in instalments and £3,055,544 is repayable in full in 2029. Interest is payable at 6.97% per annum.

	2013	2012
	£	£
Maturity of debt		
Between one and two years	62,243	88,344
Between two and five years	146,955	156,822
After more than five years	3,990,196	4,042,572
	<u>4,199,394</u>	<u>4,287,738</u>

12 Contingencies

The investment properties are cross charged as security for a loan taken out by Riverland Finance Limited, a fellow subsidiary, for £35,530,798 (2012: £36,500,463).

GOLDMILE PORTFOLIO NO.1 LIMITED

Notes forming part of the financial statements

Year ended 31 May 2013

13. Related party transactions

During the year management fees totalling £7,738 (2012 £8,788) and letting and rent review fees totalling £nil (2012 £46,125) were payable to Berkley Estates London Limited, a fellow subsidiary of Topland Group Holdings Limited. Interest of £300,689 (2012 £306,613) was payable during the year to Riverland Finance Limited, a fellow subsidiary of Topland Group Holdings Limited.

At the year end a loan of £4,409,922 (2012 £4,494,920) was payable to Riverland Finance Limited.

In the event of a sale of any of the company's properties, a fee equating to 2.5% of the consideration is payable to Berkley Estates London Limited.

14 Share capital

Allotted, called up and fully paid*

	2013		2012	
	No	£	No	£
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Ordinary shares of £1 each				

15 Reserves

	Revaluation reserve	Profit and loss account
	£	£
Balance brought forward	(514,999)	1,118,180
Loss for the year	—	(81,813)
Other gains and losses		
- Revaluation of investment properties	(1,510,000)	—
Balance carried forward	<u>(2,024,999)</u>	<u>1,036,367</u>

16 Reconciliation of movements in shareholders' funds

	2013	2012
	£	£
Loss for the financial year	(81,813)	(47,691)
Other net recognised gains and losses	(1,510,000)	(499,000)
Net reduction to shareholders' funds	(1,591,813)	(546,691)
Opening shareholders' funds	604,181	1,150,872
Closing shareholders' (deficit)/funds	<u>(987,632)</u>	<u>604,181</u>

GOLDMILE PORTFOLIO NO.1 LIMITED

Notes forming part of the financial statements

Year ended 31 May 2013

17 Ultimate parent company

The largest group in which the results of the company are consolidated is that headed by Topland Group Holdings Limited, a company incorporated in the British Virgin Islands. The smallest group in which they are consolidated is that headed by GP Property Investments Limited, a company incorporated in England and Wales.

The immediate parent company is Goldmile Holdings Limited, a company incorporated in England and Wales.

The ultimate parent company and controlling party is Topland Group Holdings International Limited, a company incorporated in the British Virgin Islands.