

Sagehill Limited

FINANCIAL STATEMENTS

for the year ended

31 May 2012



Company Registration No 03794403

Sagehill Limited

COMPANY INFORMATION

DIRECTORS	R Tchenguiz V A Tchenguiz
COMPANY NUMBER	03794403 (England & Wales)
REGISTERED OFFICE	5th Floor Leconfield House Curzon Street London W1J 5JA
AUDITORS	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

Sagehill Limited

DIRECTORS' REPORT

The directors present their report and the financial statements of Sagehill Limited for the year ended 31 May 2012

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the company, which has remained unchanged during the year, was that of an intermediate holding company

In the opinion of the directors the financial position of the company at 31 May 2012 was satisfactory given the support of Rotch Property Group Limited

DIVIDENDS

The directors do not recommend payment of a dividend

DIRECTORS

The following directors have held office since 1 June 2011

R Tchenguiz
V A Tchenguiz

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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 auditors are 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

AUDITORS

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

18 February 2013

Sagehill Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF 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 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.

Sagehill Limited

INDEPENDENT AUDITOR'S REPORT

To The Members Of Sagehill Limited

We have audited the financial statements on pages 4 to 10. 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 APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 2012 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.

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

David Worrow 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

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Sagehill Limited
PROFIT AND LOSS ACCOUNT
For the year ended 31 May 2012

	Notes	2012 £	2011 £
Amounts written off investments	1	-	(70 636)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		-	(70 636)
Taxation	3	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	7	-	(70 636)

All amounts derive from continuing activities

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

Sagehill Limited

BALANCE SHEET

As at 31 May 2012

Company registration No 03794403

	Notes	2012 £	2011 £
FIXED ASSETS			
Investments	4	-	-
CREDITORS Amounts falling due within one year	5	(69,636)	(69,636)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(69,636)</u>	<u>(69,636)</u>
CAPITAL AND RESERVES			
Called up share capital	6	1,000	1,000
Profit and loss account	7	(70,636)	(70,636)
SHAREHOLDERS' FUNDS	8	<u>(69,636)</u>	<u>(69,636)</u>

The financial statements on pages 4 to 10 were approved by the board of directors and authorised for issue on 18 February 2013 and are signed on its behalf by



R. Tchenguiz

Director

Sagehill Limited

ACCOUNTING POLICIES

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 directors have assessed the continuation and availability of support being provided by Rotch Property Group Limited (see note 10), a related company, and have determined that the company has, or can expect to have, sufficient working capital for its needs for at least the next 12 months from the date of approval of these financial statements. In view of this the directors consider it appropriate to prepare the accounts on the going concern 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

Sagehill Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2012

1	AMOUNTS WRITTEN OFF INVESTMENTS	2012 £	2011 £
	Amounts written off fixed asset investments		
	Provision for impairment	-	70,636
		<u>-</u>	<u>70,636</u>
2	EMPLOYEES		
	There were no employees during the year apart from the directors, who received no emoluments		
3	TAXATION	2012 £	2011 £
	UK Corporation tax		
	Current tax charge	-	-
		<u>-</u>	<u>-</u>
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	-	(70,636)
		<u>-</u>	<u>(70,636)</u>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.00% (2011 - 26.00%)	-	(18,365)
		<u>-</u>	<u>(18,365)</u>
	Effects of		
	Non deductible expenses	-	18,365
	Group relief	251	272
	UK transfer pricing	(251)	(272)
		<u>-</u>	<u>18,365</u>
		<u>-</u>	<u>18,365</u>
	Current tax charge	-	-
		<u>-</u>	<u>-</u>

Sagehill Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2012

4 FIXED ASSET INVESTMENTS

	Shares in group undertakings
	£
Cost	
1 June 2011 and 31 May 2012	70,636
Provision for impairment in value	
1 June 2011 and 31 May 2012	70,636
Net book value	
31 May 2012	-
31 May 2011	-

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	%
Uni Lease No 1 Limited	England	Property Investment *	Ordinary	100.00

* This company holds its property investments by way of finance leases

5 CREDITORS amounts falling due within one year	2012	2011
	£	£
Amounts owed to group undertakings	69,636	69,636

6 SHARE CAPITAL	2012	2011
	£	£
Allotted, issued and fully paid		
Equity		
1,000 ordinary share of £1 each	1,000	1,000

7 RESERVES	Profit and loss account
	£
Balance at 1 June 2011 and 31 May 2012	(70,636)

Sagehill Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2012

8	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2012 £	2011 £
	Loss for the financial year	-	(70,636)
	Opening shareholders' funds	(69,636)	1,000
	Closing shareholders' funds	<u>(69,636)</u>	<u>(69,636)</u>

9 CONTINGENT LIABILITIES

The company's investment in its subsidiary has been used as security against loans taken out by fellow group undertakings. The loans are secured by a fixed and floating charge over the company's investment and by cross guarantees provided by fellow group companies and the cross-collateralisation of the properties owned by those fellow group companies. The total value of the loans subject to this arrangement as at 31 May 2012 was £105,321,246 (2011: £105,668,511). The fair value of the financial instruments also subject to this cross-collateralisation arrangement is £(20,875,645) (2011: £(12,506,120)).

Subsequent to the year end, following a related party company's breach of a loan to value covenant, the cross collateralised borrowings, as set out above, have become effectively repayable on demand, due to the operation of the cross default clauses in the company's loan agreements.

10 CONTROL

The company's immediate holding company is B & C Plaza Limited.

The parent undertaking of the smallest group for which group accounts are prepared and of which the company is a member is Rotch Properties Limited, which is registered in England. Copies of these group accounts are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

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

Rotch Property Group Limited has agreed not to demand repayment of the amount due to it (see note 11) should that result in the company not being able to meet its obligations in the normal course of business. Rotch Property Group Limited has also agreed to provide limited additional support to assist the company in meeting its operational costs as they arise should this be necessary.

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.

Sagehill Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2012

11 RELATED PARTY TRANSACTIONS

At the balance sheet date, and included within amounts owed to group undertakings £69,636 (2011 £69,636) was due to Rotch Property Group Limited. No interest accrues on this related party balance.

As set out in note 9 the company is party to a cross-collateralisation arrangement in respect of loan facilities as at the year end of £105,321,246 (2011 £105,668,511). Of this amount £76,485,938 (2011 £76,405,459) relates to loan facilities with the following companies:

	2012 £	2011 £
Fellow subsidiaries of Sunnymist Limited		
Dalefox Limited	31,513,259	31,495,951
Timecoast Limited	44,972,679	44,909,508
	<u>76,485,938</u>	<u>76,405,459</u>

The fair value of the financial instruments also subject to this cross-collateralisation arrangement is £(20,875,645) (2011 £(12,506,120)) of which £(18,670,686) (2011 £(11,664,025)) relates to the following companies:

	2012 £	2011 £
Fellow subsidiaries of Sunnymist Limited		
Dalefox Limited	11,738,386	5,786,901
Timecoast Limited	6,932,300	5,877,124
	<u>18,670,686</u>	<u>11,664,025</u>

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.