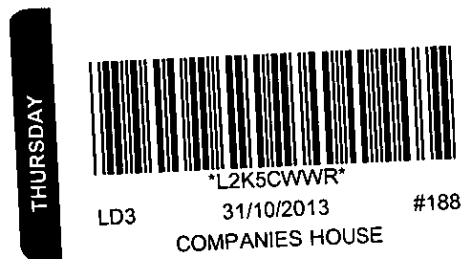


Bankmead Limited

FINANCIAL STATEMENTS

for the year ended

31 May 2013



Company Registration No 04563521

Bankmead Limited

COMPANY INFORMATION

DIRECTORS	R Tchenguiz V A Tchenguiz
COMPANY NUMBER	04563521 (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

Bankmead Limited

DIRECTORS' REPORT

The directors present their report and the financial statements of Bankmead 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 year, was property investment by holding lease interests in land and buildings

In the opinion of the directors the result for the year and the financial position of the company at 31 May 2013 were satisfactory

GOING CONCERN

The company is party to a cross-collateralised group loan funding structure effected via a £100 million loan to a fellow group company Greenflat Limited. The structure has been set up to be principally self-funding. The group's loan funding is due to be repaid in April 2014. The directors have assessed the operation of the structure and, subject to the matter set out hereafter, expect, given the support being provided by Rotch Property Group Limited, a related company, the group to have sufficient working capital for its needs until the repayment date.

The directors are currently exploring options to effect a refinancing, in full or part, together with the disposal, in full or part, of the group's cross-collateralised property investment portfolio.

DIVIDENDS

The directors do not recommend the payment of a dividend.

DIRECTORS

The following directors have held office since 1 June 2012

R Tchenguiz
V A Tchenguiz

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

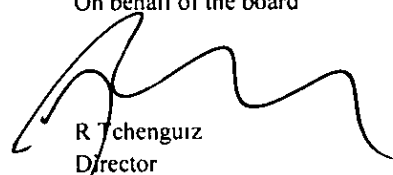
The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have 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

29 October 2013

Bankmead 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.

Bankmead Limited

INDEPENDENT AUDITOR'S REPORT

To The Members Of Bankmead Limited

We have audited the financial statements on pages 4 to 13. 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 6 of the financial statements which set out some events that may have an impact on the company's ability to continue as a going concern as a result of the requirement for a fellow group company, Greenflat Limited, to repay its cross-collateralised loan funding in April 2014. These possible events indicate the existence of a material uncertainty which may cast significant doubt about the ability of the company to continue as a going concern. The financial statements do not include the adjustments that would result if the company were 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
29 October 2013

Bankmead Limited
PROFIT AND LOSS ACCOUNT
For the year ended 31 May 2013

	Notes	2013 £	2012 £
TURNOVER	1	285,290	285,235
Other operating expenses	2	(6,000)	(6,000)
OPERATING PROFIT		279,290	279,235
Interest payable and similar charges	3	(203,347)	(205,751)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	75,943	73,484
Taxation	6	(13,898)	(9,646)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	12	62,045	63,838

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

Bankmead Limited

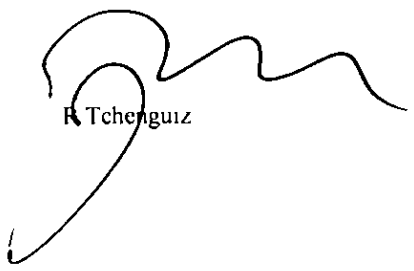
BALANCE SHEET

As at 31 May 2013

Company registration No 04563521

	Notes	2013 £	2012 £
CURRENT ASSETS			
Debtors amounts falling due within one year	7	289,374	236,326
Debtors amounts falling due after more than one year	7	3,645,829	3,641,700
CREDITORS Amounts falling due within one year	8	(3,327,969)	(90,455)
TOTAL ASSETS LESS CURRENT LIABILITIES		607,234	3,787,571
CREDITORS Amounts falling due after more than one year	9	-	(3,256,280)
PROVISIONS FOR LIABILITIES	10	(180,793)	(166,895)
NET ASSETS		426,441	364,396
CAPITAL AND RESERVES			
Called up share capital	11	1	1
Profit and loss account	12	426,440	364,395
SHAREHOLDERS' FUNDS	13	426,441	364,396

The financial statements on pages 4 to 13 were approved by the board of directors and authorised for issue on 29 October 2013 and are signed on its behalf by



R. Tchenguiz

Director

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

GOING CONCERN

The company is party to a cross-collateralised group loan funding structure effected via a £100 million loan to a fellow group company Greenflat Limited. The structure has been set up to be principally self-funding

The group's loan funding is due to be repaid in April 2014. The directors have assessed the operation of the structure and, subject to the matter set out hereafter, expect, given the support being provided by Rotch Property Group Limited (see note 15), a related company, the group to have sufficient working capital for its needs until the repayment date

The directors are currently exploring options to effect a refinancing in full or part, together with the disposal, in full or part of the group's cross-collateralised property investment portfolio

The directors acknowledge that to date the bank has been supportive of the group. They also acknowledge that whilst this support will not be indefinite, it should continue for so long as the group's efforts show that the approach taken remains in the bank's interest and maximises the return to the bank. Accordingly, as the funding structure remains self-financing and other than the requirement to meet the loan repayment in April 2014 the group 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 directors have assessed the operation of the structure 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

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

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

Bankmead Limited

ACCOUNTING POLICIES (CONTINUED)

HEDGING FINANCIAL INSTRUMENTS

Receipts and payments arising from financial instruments entered into in order to fix interest payable on loans are treated as additions to or reductions from interest payable

Receipts and payments arising from financial instruments entered into in order to fix the rental income used to determine the finance lease finance charges are treated as additions to or reductions from that rental income

The fair value of the financial instruments is not recognised in these accounts

Bankmead Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2013

1 TURNOVER

Turnover 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	2013 £	2012 £
---	--------------------------	-----------	-----------

Administrative expenses	6,000	6,000
	<u>6,000</u>	<u>6,000</u>

3	INTEREST PAYABLE AND SIMILAR CHARGES	2013 £	2012 £
---	--------------------------------------	-----------	-----------

Loan interest payable to group undertakings	195,146	197,135
Finance charges recovered	(415)	-
Amortisation of finance costs	8,616	8 616
	<u>203,347</u>	<u>205,751</u>

4	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2013 £	2012 £
---	---	-----------	-----------

Profit is stated after charging		
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

Bankmead Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2013

6	TAXATION	2013 £	2012 £
	UK Corporation tax		
	Current tax charge	-	-
	Deferred tax		
	Effects of changes in tax rates and laws	(6,954)	(12,096)
	Deferred tax charge current year	20,852	21,742
	Total deferred tax	13,898	9,646
	Tax on profit on ordinary activities	13,898	9,646
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	75,943	73,484
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.00% (2012 - 24.00%)	17,467	17,636
	Effects of		
	Non deductible expenses	18,416	19,213
	Group relief	(15,826)	(15,727)
	Adjustment in respect of finance leases	(20,852)	(21,742)
	UK transfer pricing	795	620
		(17,467)	(17,636)
	Current tax charge	-	-

Bankmead Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2013

7 DEBTORS	2013 £	2012 £
Finance lease	3,645,829	3,635,238
Amounts owed by group undertakings	282,912	227,710
Prepayments and accrued income	6,462	15,078
	<u>3,935,203</u>	<u>3,878,026</u>

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

	2013 £	2012 £
Finance lease	3,645,829	3,635,238
Prepayments	-	6,462
	<u>3,645,829</u>	<u>3,641,700</u>

The original cost of the finance lease was £3,538,550 (2012: £3,538,550)

8 CREDITORS: Amounts falling due within one year	2013 £	2012 £
Loan from group undertaking (note 9)	3,256,280	18,657
Trade creditors	1,485	1,485
Amounts owed to group undertakings	25,033	25,033
Accruals and deferred income	45,171	45,280
	<u>3,327,969</u>	<u>90,455</u>

Bankmead Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2013

9 CREDITORS amounts falling due after more than one year	2013	2012
	£	£
Loan from group undertaking	-	3,256,280
Loan maturity analysis		
In more than one year but not more than two years	-	26,695
In more than two years but not more than five years	-	3,229,585
	-	3,256,280

The group undertaking loan is with Greenflat Limited the funding for which is provided by a third party lender and has been provided to the company on the same interest and repayment terms. The loan is repayable by installments by April 2014 and bears interest at a fixed rate of 5.99% per annum. The loan is secured by a fixed and floating charge over the company's finance lease investment property.

The group loan is 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 the cross-collateralisation arrangement, including the company's loan as at 31 May 2013 is £101,624,165 (2012: £102,240,113) and the fair value of the financial instruments also subject to the cross-collateralisation is £(52,010,223) (2012: £(52,917,585)).

Bankmead Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2013

10 PROVISIONS FOR LIABILITIES

	Deferred tax liability £
Balance at 1 June 2012	166,895
Profit and loss account	13,898
	<hr/>
Balance at 31 May 2013	180,793
	<hr/>

The deferred tax liability is made up as follows

	2013 £	2012 £
Other timing differences	180,793	166,895
	<hr/>	<hr/>

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 2028.

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.

11 SHARE CAPITAL	2013 £	2012 £
Allotted, issued and fully paid		
Equity		
1 Ordinary share of £1	1	1
	<hr/>	<hr/>

Bankmead Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2013

12 RESERVES

	Profit and loss account
	£
Balance at 1 June 2012	364,395
Profit for the year	62,045
Balance at 31 May 2013	<u>426,440</u>

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Profit for the financial year	62,045	63,838
Opening shareholders' funds	364,396	300,558
Closing shareholders' funds	<u>426,441</u>	<u>364,396</u>

14 CONTROL

The company's immediate holding company is Dayvalley 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 Brookrain Limited the company's ultimate United Kingdom holding company, which is registered in England Copies of these group accounts are available from Companies House, Crown Way, Mandy, 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

15 RELATED PARTY TRANSACTIONS

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

One such company is Rotch Property Group Limited ("Rotch") Rotch provides management services to the company At the balance sheet date, and included within amounts owed by group undertakings, £282 911 (2012 £227,709) was due from that company Management fees payable for the year amounted to £3,000 (2012 £3 000)

Rotch has agreed to provide limited support to assist the company in meeting its operational costs as they arise should this be necessary

No interest accrues on this related party balance

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