

Moorfield Real Estate Fund II LP Limited

Directors' report and financial statements

for the year ended 31 December 2012



Moorfield Real Estate Fund II LP Limited

Contents

	Page
Company information	1
Directors' report	2 - 3
Independent auditors' report	4 - 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 12

Moorfield Real Estate Fund II LP Limited

Company information

Directors	Marc Gilbard Graham Stanley Graham Sidwell Nicholas Edwards
Registered number	06312640
Registered office	Nightingale House 65 Curzon Street London W1J 8PE
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH
Bankers	Lloyds Banking Group Plc London Chief Office PO Box 54873 London SW1Y 5WX

Moorfield Real Estate Fund II LP Limited

Directors' report for the year ended 31 December 2012

The directors present their report and the audited financial statements of Moorfield Real Estate Fund II LP Limited (the "Company") for the year ended 31 December 2012

Principal activity

The Company's principal activity during the year was that of a limited partner of the Moorfield Real Estate Fund II "B" Limited Partnership

Results

The Company's profit for the financial year is £nil (2011 - £26,000)

Directors

The directors who served during the year and up to the date of signing the financial statements were

Marc Gilbard
Graham Stanley
Graham Sidwell
Nicholas Edwards

Statement of 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 prepared 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,
- 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.

Statement of disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

Moorfield Real Estate Fund II LP Limited

**Directors' report
for the year ended 31 December 2012**

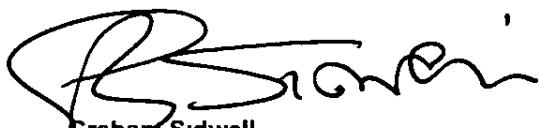
Small companies' exemption

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

This report was approved by the board on

11/9/2013

and signed on its behalf


Graham Sidwell
Director

Moorfield Real Estate Fund II LP Limited

Independent auditors' report to the members of Moorfield Real Estate Fund II LP Limited

We have audited the financial statements of Moorfield Real Estate Fund II LP Limited for the year ended 31 December 2012 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).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities set out on page 2, 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 December 2012 and of its results 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 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.

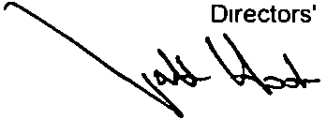
Moorfield Real Estate Fund II LP Limited

Independent auditors' report to the members of Moorfield Real Estate Fund II LP Limited

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



Jonathan Hook (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

Date

18/9/13

Moorfield Real Estate Fund II LP Limited

**Profit and loss account
for the year ended 31 December 2012**

	Note	2012 £000	2011 £000
Exceptional item - waiver of debt	5	-	23
Profit on ordinary activities before taxation	2	-	23
Tax on profit on ordinary activities	6	-	3
Profit for the financial year	12	-	26

All amounts above relate to continuing operations

The Company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial years stated above, and their historical cost equivalents

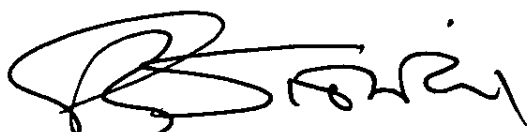
The notes on pages 8 to 12 form part of these financial statements

Moorfield Real Estate Fund II LP Limited
Registered number 06312640

Balance sheet
as at 31 December 2012

	Note	2012 £000	2011 £000
Fixed assets			
Investments	7	11,840	8,956
Current assets			
Debtors	8	-	3
Total assets less current liabilities		11,840	8,959
Creditors, amounts falling due after more than one year	9	(11,840)	(8,956)
Net assets		-	3
Capital and reserves			
Called up share capital	11	-	-
Profit and loss account	12	-	3
Total shareholders' funds	13	-	3

The financial statements were approved and authorised for issue by the board and were signed on its behalf on


Graham Sidwell
 Director

11/9/2013

The notes on pages 8 to 12 form part of these financial statements

Moorfield Real Estate Fund II LP Limited

Notes to the financial statements for the year ended 31 December 2012

1. Accounting policies

1.1 Basis of preparation of financial statements

These financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

1.2 Cash flow statement

The Company has taken advantage of the exemption from preparing a cash flow statement contained in FRS 1 "Cash flow statements" on the grounds that it is a small company.

1.3 Investments

Fixed asset investments are stated at their purchase cost less any provision for impairment. Investment income is included in the profit and loss account on an accruals basis.

1.4 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

1.5 Debtors

Debtors are stated after all known bad debts have been written off and specific provision has been made against all debts considered doubtful of collection.

2 Profit on ordinary activities before taxation

Audit fees were borne by related undertakings in both years.

3. Staff costs

The Company had no employees during either year.

4. Directors' remuneration

There was no remuneration paid to the directors by the Company during the year (2011 - £nil). There were no retirement benefits accruing to the directors (2011 - £nil).

Moorfield Real Estate Fund II LP Limited

Notes to the financial statements for the year ended 31 December 2012

5. Exceptional item

	2012 £000	2011 £000
Waiver of debt	-	23

The exceptional item relates to the waiver of debt due to group companies

6. Tax on profit on ordinary activities

	2012 £000	2011 £000
UK corporation tax charge/(credit) on profit for the year	-	(3)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2011 - lower than) the standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%). The differences are explained below

	2012 £000	2011 £000
Profit on ordinary activities before taxation	-	23
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%)	-	6
Effects of		
Prior year adjustments	-	(3)
Income not taxable	-	(6)
Total current tax	-	(3)

Factors that may affect future tax charges

In addition to the changes in rates of corporation tax disclosed within the note above further changes to the UK corporation tax system have been announced. In the autumn statement 2012 a reduction to the main rate was announced to reduce the rate to 21% from 1 April 2014. In the Budget 2013 a further reduction to the main rate was announced to reduce the rate to 20% from 1 April 2015. These changes had not been substantively enacted at the balance sheet date and, therefore, are not recognised in these financial statements. The impact of the proposed changes is not expected to be material to the balance sheet.

Moorfield Real Estate Fund II LP Limited

Notes to the financial statements for the year ended 31 December 2012

7 Investments

	Unlisted investments £000
Cost	
At 1 January 2012	8,956
Additions	2,884
At 31 December 2012	<u>11,840</u>
Net book amount	
At 31 December 2012	<u>11,840</u>
At 31 December 2011	<u>8,956</u>

The Company has invested in Moorfield Real Estate Fund II "B" Limited Partnership, a Limited Partnership registered in the United Kingdom which is involved in property investment

8. Debtors

	2012 £000	2011 £000
Amounts owed by related undertakings	<u>-</u>	<u>3</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand

9. Creditors

Amounts falling due after more than one year

	2012 £000	2011 £000
Bank loan stock (note 11)	<u>11,840</u>	<u>8,956</u>

Bank loan stock comprises variable rate debt. These borrowings are secured by a charge over the shares of the Company.

Moorfield Real Estate Fund II LP Limited

**Notes to the financial statements
for the year ended 31 December 2012**

10 Loans and other borrowings

	2012 £000	2011 £000
Bank loan stock	11,840	8,956

11. Called up share capital

	2012 £000	2011 £000
Allotted and fully paid		
2 ordinary shares of £1 each	-	-

12. Reserves

	Profit and loss account £000
At 1 January 2012	3
Dividends	(3)
At 31 December 2012	-

13. Reconciliation of movements in shareholders' funds/(deficit)

	2012 £000	2011 £000
Opening shareholders' funds/(deficit)	3	(23)
Profit for the financial year	-	26
Dividends (Note 14)	(3)	-
Closing shareholders' funds	-	3

14. Dividends

	2012 £000	2011 £000
Interim payable of £1,500 per share (2011 - £nil per share)	3	-

15. Related party transactions

The Company has taken advantage of the exemptions contained in FRS 8 'Related Party Transactions' not to disclose transactions with related parties as all of the voting rights of the Company are controlled within the group

Moorfield Real Estate Fund II LP Limited

**Notes to the financial statements
for the year ended 31 December 2012**

16 Immediate and ultimate parent undertaking and ultimate controlling party

The Company's immediate and ultimate parent undertaking and ultimate controlling party, and the undertaking for which group accounts are drawn up and of which the Company is a member is Curzon Street Investments Limited, a company incorporated in England and Wales. Copies of the group financial statements are available to the public from Companies House, Crown Way, Mandy, Cardiff, CF14 3UZ.