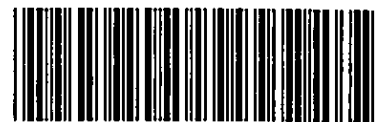


Company Registration No 02231168 (England and Wales)

**OM PROPERTY MANAGEMENT NO.2 LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

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# OM PROPERTY MANAGEMENT NO.2 LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	P J Cummings	(Appointed 28 June 2011)
	L E Middleburgh	(Appointed 28 June 2011)
	J E Entwistle	(Appointed 16 May 2012)

<b>Secretary</b>	Peverel Secretarial Limited
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<b>Company number</b>	02231168
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<b>Registered office</b>	Queensway House 11 Queensway New Milton Hampshire United Kingdom BH25 5NR
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<b>Auditors</b>	BDO LLP Arcadia House Maritime Walk Ocean Village Southampton SO14 3TL
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<b>Bankers</b>	Bank of Scotland 2nd Floor Pentland House 8 Lochside Avenue Edinburgh EH12 9DJ
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# **OM PROPERTY MANAGEMENT NO.2 LIMITED**

## **CONTENTS**

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Cash flow statement	8
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Notes to the financial statements	10 - 19

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# **OM PROPERTY MANAGEMENT NO.2 LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2011**

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The directors present their report and financial statements for the year ended 31 December 2011

#### **Principal activities and review of the business**

The principal activity of the company continued to be that of the management of residential and commercial property developments for landlords, developers and resident controlled management companies

The Peverel group of companies including OM Property Management No 2 Limited have experienced a period of uncertainty whilst the previous UK parent company, Aztec Opco Developments Limited was in administration

The directors believe that the future outlook of the company is positive following the Peverel group of companies, including OM Property Management No 2 Limited, being sold to Knight Square Limited on 6 March 2012 as detailed in note 19

#### **Overview**

The company returned to profit in 2011 after making a loss in the prior year. This follows a company restructure in 2010 which included the reduction of the overhead base and the closure of offices

#### **Financial Review**

The following key performance indicators are used to measure the results of the company

Properties under management have decreased by 6.7%

Business retention is 93.0%

Turnover has increased by 21.3%

Operating profit has increased by 155.0%

Operating profit excluding exceptional items of £243,101 has increased by 567.3%

#### **Risk Analysis**

The lack of significant construction activity will continue to impact the growth opportunities for the company. The property management sector will also continue to see homeowners seek to exercise their right to manage, particularly in the residential market

#### **Results and dividends**

The results for the year are set out on page 5

#### **Post balance sheet events**

Note 20 provides information on post balance sheet events affecting the company

#### **Future developments**

The Peverel group still faces the legacy issues associated with the period of administration. While Peverel has made some positive early steps towards addressing the challenges facing the group, there is still a significant amount of work ahead

Following the change in ownership of the group, steps have been taken to establish an on-going commitment to openness and transparency with its customers and stakeholders. Performance will be measured and reported so that progress towards improving customer service can be seen

Looking ahead, the Board of Peverel believes that Peverel Group is a fundamentally strong business and remains confident about its prospects over the medium to long term

# OM PROPERTY MANAGEMENT NO.2 LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

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### Directors

The following directors have held office since 1 January 2011

P J Cummings	(Appointed 28 June 2011)
L E Middleburgh	(Appointed 28 June 2011 and resigned 2 May 2012)
K A Edgar	(Appointed 28 June 2011 and resigned 31 August 2012)
C A Wadlow	(Appointed 28 June 2011 and resigned 2 May 2012)
A Davey	(Appointed 28 June 2011 and resigned 2 May 2012)
N G Bannister	(Resigned 31 March 2011)
D C Edwards	(Resigned 14 July 2011)
C C McGill	(Resigned 21 March 2011)
J E Entwistle	(Appointed 16 May 2012)

### Auditors

In accordance with the company's articles, a resolution proposing that BDO LLP be reappointed as auditors of the company will be put at a General Meeting

### 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 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 these financial statements, the directors are required to

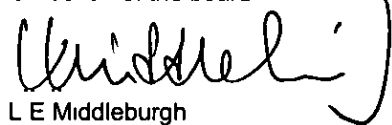
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,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

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



L E Middleburgh

Director

24/9/12

# **OM PROPERTY MANAGEMENT NO.2 LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF OM PROPERTY MANAGEMENT NO.2 LIMITED**

---

We have audited the financial statements of OM Property Management No 2 Limited for the year ended 31 December 2011 set out on pages 5 to 19. 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 auditors' 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 auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 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.

#### **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](http://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 December 2011 and of its profit 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.

# OM PROPERTY MANAGEMENT NO.2 LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE MEMBERS OF OM PROPERTY MANAGEMENT NO.2 LIMITED

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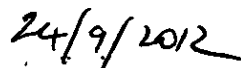
#### Matters on which we are required to report by exception

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



Kim H Hayward (Senior Statutory Auditor)  
for and on behalf of BDO LLP  
Statutory Auditor



Arcadia House  
Maritime Walk  
Ocean Village  
Southampton  
SO14 3TL

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

# OM PROPERTY MANAGEMENT NO.2 LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £	2010 £
Turnover	2	7,092,348	5,861,201
Administrative expenses	(5,062,276)	(5,585,919)	
Exceptional items	(436,289)	(3,174,658)	
<b>Administrative expenses</b>		<b>(5,498,565)</b>	<b>(8,760,577)</b>
<b>Operating profit/(loss)</b>	<b>3</b>	<b>1,593,783</b>	<b>(2,899,376)</b>
Other interest receivable and similar income	4	20,067	22,642
Interest payable and similar charges	5	(8,042)	(45,055)
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>1,605,808</b>	<b>(2,921,789)</b>
Tax on profit/(loss) on ordinary activities	6	(50,686)	(55,948)
<b>Profit/(loss) for the year</b>	<b>13</b>	<b>1,555,122</b>	<b>(2,977,737)</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

## OM PROPERTY MANAGEMENT NO.2 LIMITED

### STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

**FOR THE YEAR ENDED 31 DECEMBER 2011**

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	Notes	2011 £	2010 £
Profit/(loss) for the financial year		1,555,122	(2,977,737)
Loan waiver		<u>1,460,363</u>	<u>-</u>
Total gains and losses recognised since last financial statements		<u><u>3,015,485</u></u>	<u><u>(2,977,737)</u></u>

# OM PROPERTY MANAGEMENT NO.2 LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2011

	Notes	2011 £	£	2010 £	£
<b>Fixed assets</b>					
Tangible assets	7		7,904		66,885
<b>Current assets</b>					
Debtors	8	2,307,262		1,795,052	
Cash at bank and in hand		1,338,315		2,074,299	
		<u>3,645,577</u>		<u>3,869,351</u>	
<b>Creditors' amounts falling due within one year</b>	10	<u>(4,336,090)</u>		<u>(5,840,676)</u>	
<b>Net current liabilities</b>			<u>(690,513)</u>		<u>(1,971,325)</u>
<b>Total assets less current liabilities</b>			<u>(682,609)</u>		<u>(1,904,440)</u>
<b>Provisions for liabilities</b>	11		<u>(1,768,541)</u>		<u>(3,562,195)</u>
			<u>(2,451,150)</u>		<u>(5,466,635)</u>
<b>Capital and reserves</b>					
Called up share capital	12		1,232,000		1,232,000
Other reserves	13		1,460,363		-
Profit and loss account	13		<u>(5,143,513)</u>		<u>(6,698,635)</u>
<b>Shareholders' funds</b>	14		<u>(2,451,150)</u>		<u>(5,466,635)</u>

Approved by the Board and authorised for issue on

24/9/12



P J Cummings  
Director

Company Registration No 02231168

# OM PROPERTY MANAGEMENT NO.2 LIMITED

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011

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	2011	2010
	£	£
Net cash (outflow)/inflow from operating activities	(748,009)	704,904
Returns on investments and servicing of finance		
Interest received	20,067	22,642
Interest paid	(8,042)	(45,055)
Net cash inflow/(outflow) for returns on investments and servicing of finance	12,025	(22,413)
Net cash (outflow)/inflow before management of liquid resources and financing	(735,984)	682,491
Increase/(decrease) in cash in the year	(735,984)	682,491

---

# OM PROPERTY MANAGEMENT NO.2 LIMITED

## NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011

1 Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities		2011	2010
		£	£
Operating profit/(loss)		1,593,783	(2,899,376)
Depreciation of tangible assets		58,981	118,150
(Increase)/decrease in debtors		(562,896)	97,321
Decrease in creditors within one year		(44,223)	(173,386)
(Decrease)/Increase in provisions		(1,793,654)	3,562,195
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(748,009)</b>	<b>704,904</b>

2 Analysis of net funds	1 January 2011	Cash flow	Other non-cash changes	31 December 2011
	£	£	£	£
Net cash				
Cash at bank and in hand	2,074,299	(735,984)	-	1,338,315
Bank deposits	-	-	-	-
<b>Net funds</b>	<b>2,074,299</b>	<b>(735,984)</b>	<b>-</b>	<b>1,338,315</b>

3 Reconciliation of net cash flow to movement in net funds	2011	2010
	£	£
(Decrease)/increase in cash in the year	(735,984)	682,491
<b>Movement in net funds in the year</b>	<b>(735,984)</b>	<b>682,491</b>
Opening net funds	2,074,299	1,391,808
<b>Closing net funds</b>	<b>1,338,315</b>	<b>2,074,299</b>

# OM PROPERTY MANAGEMENT NO.2 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention

#### 1.2 Going concern

These financial statements have been prepared on the going concern basis

#### 1.3 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

#### 1.4 Turnover

Turnover represents the amounts derived from the provision of services which fall within the company's ordinary activities, stated net of value added tax

Developments under management owned by other group companies are deemed to be related parties within the meaning of FRS 8. During the year ended 31 December 2011, the company's aggregate charges to those developments was £2,946,210 (2010 £2,722,644)

#### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Plant and machinery	evenly over five years
Computer equipment	evenly over three/five years

#### 1.6 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

#### 1.7 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable

#### 1.8 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

#### 1.9 Provisions for Liabilities

Provisions are recognised when the company has a present obligation as a result of a past event and it is probable that the company will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date

# OM PROPERTY MANAGEMENT NO.2 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

---

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

3 Operating profit/(loss)	2011 £	2010 £
Operating profit/(loss) is stated after charging		
Depreciation of tangible assets	58,981	118,150
Operating lease rentals		
- Plant and machinery	94,166	120,621
- Other assets	299,078	306,301
Exceptional items	<u>436,289</u>	<u>3,174,658</u>

Fees payable to the company's auditor in the current and the prior year were paid by fellow subsidiary undertakings

The exceptional item relates to provisions and payments made to estates under management of £419,796 (2010 £2,987,310) and an intercompany bad debt provision of £16,493 (2010 £187,348)

4 Investment income	2011 £	2010 £
Bank interest	<u>20,067</u>	<u>22,642</u>

5 Interest payable	2011 £	2010 £
On bank loans and overdrafts	<u>8,042</u>	<u>45,055</u>

# OM PROPERTY MANAGEMENT NO.2 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

6	Taxation	2011 £	2010 £
	<b>Total current tax</b>	-	-
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	39,218	128,441
	Effects of changes in tax rates and laws	11,468	-
	Deferred tax adjustments arising in previous periods	-	(72,493)
	<b>Total deferred tax</b>	<u>50,686</u>	<u>55,948</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit/(loss) on ordinary activities before taxation	<u>1,605,808</u>	<u>(2,921,789)</u>
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26% (2010 - 28%)	<u>417,510</u>	<u>(818,101)</u>
	Effects of		
	Non deductible expenses	1,478	54,825
	Fixed asset timing differences	7,162	33,082
	Group relief	(12,861)	-
	Movement on unutilised tax losses	(301,333)	1,014,732
	Transfer pricing adjustments	(7,706)	(123,014)
	Rate change on movement	12,496	-
	Other tax adjustments	(116,746)	(161,524)
		<u>(417,510)</u>	<u>818,101</u>
	<b>Current tax charge for the year</b>	<u>-</u>	<u>-</u>

# OM PROPERTY MANAGEMENT NO.2 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2011

#### 7 Tangible fixed assets

	Plant and machinery £
<b>Cost</b>	
At 1 January 2011 & at 31 December 2011	1,893,276
<b>Depreciation</b>	
At 1 January 2011	1,826,391
Charge for the year	58,981
At 31 December 2011	1,885,372
<b>Net book value</b>	
At 31 December 2011	7,904
At 31 December 2010	66,885

#### 8 Debtors

	2011 £	2010 £
Trade debtors	1,902,030	1,331,109
Amounts owed by parent and fellow subsidiary undertakings	36,274	-
Other debtors	976	59,378
Prepayments and accrued income	81,296	67,193
Deferred tax asset (see note 11)	286,686	337,372
	<u>2,307,262</u>	<u>1,795,052</u>

#### 9 Client monies

Residents' net cash balances held in trust accounts at 31 December 2011 was £11,686,716 (2010 £8,286,882) Cash balances held in joint accounts at 31 December 2011 was £43,736 (2010 £1,593,424) These balances are not reflected on the balance sheet

# OM PROPERTY MANAGEMENT NO.2 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

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10 Creditors amounts falling due within one year	2011 £	2010 £
Trade creditors	16,496	37,985
Amounts owed to parent and fellow subsidiary undertakings	2,447,322	2,520,001
Taxes and social security costs	325,805	141,079
Other creditors	1,440,516	2,952,552
Accruals and deferred income	105,951	189,059
	<u>4,336,090</u>	<u>5,840,676</u>

Included within other creditors is an amount of £nil (2010 £1,473,165) due to related parties

# OM PROPERTY MANAGEMENT NO.2 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

### 11 Provisions for liabilities

	Other £
Balance at 1 January 2011	3,557,195
Profit and loss account	<u>(1,788,654)</u>
Balance at 31 December 2011	<u><u>1,768,541</u></u>

The company manages a large number of commercial and residential property developments. A small proportion of those developments are either in dispute over service charge debts or else have made claims against the company relating to the management of their development. This provision has been made for service charge bad debts or claims against the company.

The deferred tax asset (included in debtors, note 8) is made up as follows:

	2011 £
Balance at 1 January 2011	(337,372)
Profit and loss account	<u>50,686</u>
Balance at 31 December 2011	<u><u>(286,686)</u></u>

	2011 £	2010 £
Decelerated capital allowances	(219,026)	(220,626)
Other timing differences	-	(116,746)
Tax losses available	<u>(67,660)</u>	<u>-</u>
	<u><u>(286,686)</u></u>	<u><u>(337,372)</u></u>

There is an unrecognised deferred tax balance in respect of losses carried forward of £1,367,818 (2010 £1,806,422)

### 12 Share capital

	2011 £	2010 £
<b>Allotted, called up and fully paid</b>		
1,232,000 Ordinary shares of £1 each	<u><u>1,232,000</u></u>	<u><u>1,232,000</u></u>

# OM PROPERTY MANAGEMENT NO.2 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

### 13 Statement of movements on reserves

	Other reserves (see below) £	Profit and loss account £
Balance at 1 January 2011	-	(6,698,635)
Profit for the year	-	1,555,122
Loan waiver	1,460,363	-
Balance at 31 December 2011	<u>1,460,363</u>	<u>(5,143,513)</u>

#### Capital reserves

Loan waiver	1,460,363
Balance at 31 December 2011	<u>1,460,363</u>

### 14 Reconciliation of movements in shareholders' funds

	2011 £	2010 £
Profit/(Loss) for the financial year	1,555,122	(2,977,737)
Movements on other reserves	1,460,363	-
Net addition to/(depletion in) shareholders' funds	3,015,485	(2,977,737)
Opening shareholders' funds	(5,466,635)	(2,488,898)
Closing shareholders' funds	<u>(2,451,150)</u>	<u>(5,466,635)</u>

### 15 Contingent liabilities

At the balance sheet date the company was party to a composite debenture secured over all of its assets. The Borrower was Aztec Opco Developments Limited, the previous ultimate UK parent of OM Property Management No 2 Limited. The loan and deferred interest payable outstanding at the Balance Sheet date was £137,748,319 (2010 £131,375,729). See note 20 for the post balance sheet event relating to this debenture.

A number of bank accounts maintained for developments under management were overdrawn at 31 December 2011 amounting to £590,688 (2010 £1,839,895). The group has given unlimited guarantees on these amounts in the event of default.

# OM PROPERTY MANAGEMENT NO.2 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2011

#### 16 Financial commitments

At 31 December 2011 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2012

	Land and buildings		Other	
	2011	2010	2011	2010
	£	£	£	£
Operating leases which expire				
Within one year	16,375	39,150	4,000	-
Between two and five years	-	32,750	-	48,167
	<u>16,375</u>	<u>71,900</u>	<u>4,000</u>	<u>48,167</u>

#### 17 Directors emoluments

The directors were paid by either fellow subsidiary undertakings or related parties, of which they are also directors

#### 18 Employees

##### Number of employees

The average monthly number of employees (including directors) during the year was

	2011 Number	2010 Number
Office, Management and House Staff	-	41
<b>Employment costs</b>	<b>2011 £</b>	<b>2010 £</b>
Wages and salaries	1,843,583	2,066,845
Social security costs	161,658	232,570
Other pension costs	24,692	8,218
	<u>2,029,933</u>	<u>2,307,633</u>

In 2011, there have been no staff directly employed by the company. During the year, employee costs of £2,018,426 (2010 £1,329,989) have been recharged to the company from a fellow subsidiary, OM Property Management Limited. These costs represent administration work carried out for the company by staff employed by OM Property Management Limited.

The employment cost of house staff is not included in the above table as these costs are recharged at cost to the developments managed by the group and are not a direct cost to the company. These amounted to wages and salaries costs of £nil (2010 £170,759) and social security costs of £nil (2010 £12,419).

# **OM PROPERTY MANAGEMENT NO.2 LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2011**

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### **19 Control**

Up until the 14 March 2011 the UK parent undertaking was Aztec Opco Developments Limited, a company registered in England and Wales. At that time, the ultimate parent undertaking was Euro Investments Overseas Inc, a company registered in the British Virgin Islands with the ultimate controlling party being the Tchenguiz Family Trust.

On the 14 March 2011, Aztec Opco Developments Limited was placed into administration and the ultimate controlling party became Simon Appell, Alistair Beveridge and Anne O'Keefe each of Zolfo Cooper LLP.

Upon successful sale of the Peverel Group on 06 March 2012 by Zolfo Cooper LLP, the company's ultimate parent undertaking and controlling party is Knight Square Limited, a company registered in England and Wales under registration number 07925023.

### **20 Post balance sheet events**

In relation to the Sale and Purchase Agreement and the Kingsborough Insurance Services Limited Sale and Purchase Agreement, Capita Trust Company Limited and Capita Asset Services (Ireland) Limited signed a Deed of Release on the 5 March 2012 with Peverel Group Limited (In Administration), Peverel Limited (In Administration), Kingsborough Insurance Services Limited, Sonata Insurance Services Limited and the Released Parties as defined in Schedule 1 of the said Deed of Release. The Composite Debenture charge which was created on the Opco group of companies on 30 November 2007 was released and satisfied under the said Deed of Release.

On 5 March 2012, Knight Midco Limited and its subsidiaries entered into a Multicurrency Term and Revolving facilities agreement with The Royal Bank of Scotland plc and National Westminster Bank plc.

On 06 March 2012 various assets and liabilities of Peverel Group Limited and Peverel Limited, including OM Property Management No 2 Limited, were sold to Knight Diamond Limited (subsequently renamed Peverel Services Limited).

On 12 March 2012 the company issued 2.1m ordinary £1 shares at par to its parent company Peverel Services Limited.

# OM PROPERTY MANAGEMENT NO.2 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2011**

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### **21 Related party relationships and transactions**

The company has taken advantage of the exemption available in accordance with FRS 8 'Related party disclosures' not to disclose transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions

County Estate Management Limited, a company incorporated in England and Wales, is regarded as a related party, due to it having a common ultimate parent undertaking At 31 December 2011 the total outstanding balance owed by County Estate Management Limited was £466,527 (2010 £69,719). A provision of £466,527 has been made against this debtor

Moss Kaye Pembertons Limited, a company incorporated in England and Wales, is regarded as a related party, due to it having a common ultimate parent undertaking At 31 December 2011 the total outstanding balance owed to Moss Kaye Pembertons Limited was £nil (2010 £6,527)

Solitaire Group Limited, a company incorporated in England and Wales, is regarded as a related party, due to it having a common ultimate parent undertaking At 31 December 2011 the total outstanding balance owed to Solitaire Group Limited was £nil (2010 £1,460,363) During the year a balance of £1,460,363 (2010 £nil) was formally waived

Pembertons Secretaries Limited, a company incorporated in England and Wales, is regarded as a related party, due to it having a common ultimate parent undertaking At 31 December 2011 the total outstanding balance owed to Pembertons Secretaries Limited was £nil (2010 £6,275)

Stonedale Property Management Limited, a company incorporated in England and Wales, is regarded as a related party, due to it having a common ultimate parent undertaking

During the year costs of £186 (2010 £352) were incurred by the company and recharged to Stonedale Property Management Limited At 31 December 2011, the total outstanding balance owed by Stonedale Property Management Limited was £186 (2010 £nil) This is interest free