

**MINERVA LIMITED**  
**(formerly MINERVA PLC)**

**ANNUAL REPORT AND ACCOUNTS**

**30 JUNE 2011**



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# **MINERVA LIMITED**

## **REPORT AND ACCOUNTS**

**YEAR ENDED 30 JUNE 2011**

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# **MINERVA LIMITED**

## **DIRECTORS' REPORT**

**YEAR ENDED 30 JUNE 2011**

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The Directors present their report and the audited consolidated financial statements of the Group and of the Company for the year ended 30 June 2011

### **POST BALANCE SHEET EVENTS**

Jupiter Properties 2011 UK Limited ('Jupiter'), a company jointly owned by funds advised by AREA Property Partners (UK) Limited ('Area') and a subsidiary of DV4 Limited, which is advised by Delancey Real Estate Asset Management Limited ('Delancey'), acquired the entire issued share capital of Minerva plc following the declaration that its offer was wholly unconditional on 19 August 2011. Consequently, on 19 September 2011, the listing of Minerva Shares on the Official List and the admission to trading in Minerva Shares on the London Stock Exchange's market for listed securities was cancelled. On 17 October 2011, Minerva plc was re-registered as a private limited company under section 97 of the Companies Act 2006.

Other post balance sheet events are disclosed in note 31 to the Accounts.

### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activities of the Group and its subsidiaries are property investment, development, sale and management of real estate in the UK.

#### **Strategy and future developments**

The Group's objective is to deliver attractive, long-term returns to shareholders through investment, development, sale and management of UK real estate.

The Group's strategy is to focus on real estate opportunities where Minerva has inherent skills, such as site assembly, planning and construction, predominantly located in Central London and relating to high-end residential, mixed-use and office developments, working with joint venture partners where appropriate, and incorporating structured finance to drive returns.

This strategy is being implemented through the delivery of high quality, well located real estate and a development pipeline which can provide the Group with future opportunities to develop, either solely or in joint venture with others, whilst adhering to risk-adjusted return disciplines.

Priorities to deliver further value include leasing the remaining space at The Walbrook and St Botolph Buildings on competitive terms, the sale of the remaining apartments at the Lancaster Gate development, and achievement and renewal of planning consent for the Ram Brewery and Odeon Kensington sites respectively.

#### **Operational review**

Progress on the Group's principal properties during the financial year is set out below.

##### **The Walbrook Building, London EC4**

The Walbrook Building, located in the City of London, has been completed to enhanced shell and core and is available for leasing. The building provides some 410,000 sq ft of air-conditioned offices and storage, incorporating trading floors and 35,000 sq ft of retail and restaurant accommodation in the heart of the City of London. The accommodation is being actively marketed through leasing agents.

##### **The St Botolph Building, London EC3**

Practical completion was achieved during the year on The St Botolph Building, which is located in the eastern side of the City of London. Some 45 per cent of the accommodation has been leased, with the remaining available space being actively marketed through leasing agents.

# MINERVA LIMITED

## DIRECTORS' REPORT (CONTINUED)

YEAR ENDED 30 JUNE 2011

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### Lancaster Gate, London W2

The Lancasters is an ultra-prime residential development comprising 77 residential apartments in an historical setting overlooking Hyde Park. Construction has progressed during the year, with completion scheduled for later in the calendar year. Sales and pre-sales of apartments now total 75 per cent of the available space, representing £331 million in sales revenue (at 30 June 2011 67 per cent and £303 million respectively).

### Odeon Kensington, London W8

The Odeon is located in a prime residential area on Kensington High Street and has planning consent for an 'all-private' residential scheme of around 100,000 sq ft comprising 35 apartments, five town houses, a basement car park, multi-screen public cinema and off-site affordable housing. An application to renew the planning consent, which expires in November 2011, was submitted in July 2011.

### Ram Brewery, London SW18

The Ram Brewery site comprises approximately 7 acres in Wandsworth Town Centre. Plans to redevelop the site have been drawn up and were subject to a public consultation in July 2011. A planning application for a residential led, mixed-use scheme is scheduled to be submitted later in the calendar year.

### The Croydon Estate, London Borough of Croydon

Minerva's Croydon Estate comprises approximately 6 acres in the town centre, incorporating one million sq ft of offices, the Alders Department Store and additional retail and leisure accommodation. The focus in the year has been on income generation through progressing lettings of the retail and office space.

### Sale of properties

Since the beginning of 2011, non-core properties have been sold for gross consideration totalling £43.9 million. These include Leinster House Hotel, the Buckhold Road site and some peripheral City properties.

### **Financial Results**

The Group's property portfolio was valued by CB Richard Ellis Limited at 30 June 2011 at £992.3 million (30 June 2010 £1,124.9 million), comprising investment properties at £749.3 million (30 June 2010 £726.8 million) and, having made disposals in the year, trading properties at £243.0 million (30 June 2010 £398.1 million). In aggregate, after adjusting for expenditure and disposals in the year, investment and trading property valuations have increased by 6 per cent and 17 per cent respectively, with only the investment property revaluation movement being reflected in the income statement.

Profit before tax for the year, incorporating property revaluation movements of the Group's investment portfolio only, was £100.2 million (2010 £69.1 million). After taxation, the Group's profit for the year was £92.2 million (2010 £69.1 million). No dividend has been paid or declared during this financial year (2010 £nil).

Basic net asset value per share at 30 June 2011 increased to 57.4 pence (30 June 2010 8.9 pence). Diluted EPRA ('EPRA') net asset value per share, which includes the Group's share of revaluation surplus of its trading properties and adjusts for the fair value deficit on financial instruments, increased to 148.4 pence at 30 June 2011 (30 June 2010 131.8 pence).

### **Financing**

The Group has a number of loan financings in place, with total committed loan facilities of approximately £885.7 million at 30 June 2011, including undrawn loan facilities of circa £106.6 million (30 June 2010 £139.3 million).

At 30 June 2011, loans of £116.1 million were due within a year. Following the change of control, newly extended loans were put in place, such that no loans are scheduled to mature in the financial year ending 30 June 2012. In addition, Jupiter Holdco (BVI) Limited provided the Company with a new facility of up to

# MINERVA LIMITED

## DIRECTORS' REPORT (CONTINUED)

YEAR ENDED 30 JUNE 2011

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£40 million to meet costs, including those associated with the Company's acquisition by Jupiter and the amendment and/or extension of certain existing loan facilities

### Financial instruments

Financial risk and credit risk management objectives and policies are set out in Note 21 to the Accounts. The Group enters into loan arrangements which expose it to the risk of interest rate fluctuations. The Group addresses such risks by purchasing interest rate hedging instruments, the fair value of which has been recognised in the financial statements. The valuation of such instruments at 30 June 2011 showed a deficit of £75,700,639 (2010: £88,650,531).

### Other performance indicators

In addition to its key financial performance indicators, basic and EPRA net asset value, the Group monitors non-financial performance indicators which have a direct impact on the sustainability of the Group's strategy. Key performance indicators are:

- The health and safety of employees and contractors is carefully monitored by the Board. There was 1 reportable incident during the financial year (2010: nil). Minerva maintains policies and procedures which support safe working practices.
- Employee retention and motivation. Minerva has successfully retained key employees, with employees' average length of service at 9.5 years (2010: 8.6 years).
- Reduction of energy and carbon emissions. The Group continues to reduce carbon emissions and incorporate energy efficiency measures in its developments.

The Walbrook Building	Projected to exceed Part L requirements by 38 per cent (2010: 38 per cent)
The St Botolph Building	Projected to exceed Part L requirements by 11 per cent (2010: 11 per cent)
The Lancasters	EcoHomes 'Pass'

### Key risks and uncertainties

The Group's main risks and uncertainties revolve around:

- the business environment, where external economic and market forces may adversely affect the Group's business model,
- exposure to interest rate risk, liquidity risk and credit risk,
- continued availability of funding and compliance with banking covenants,
- the property market, where speculative developments may not achieve appropriate planning approvals and/or may suffer from poor market demand from tenants or buyers,
- changes in legislation, regulation or best practice, particularly in relation to planning and taxation, which may impact the costs, timings and profitability of the Group's schemes in progress, and
- failure in corporate responsibility, including breaches of health and safety, environmental regulations and planning guidelines.

The Group addresses these risks through the effective implementation of its strategy and a well-developed risk and control process, which is monitored by the Board.

### DIRECTORS

The Directors of the Company who served during the year were as follows:

Oliver Whitehead

Salmaan Hasan

Ivan Ezekiel

Tim Garnham

Daniel Kitchen

John Matthews

Martin Pexton

# **MINERVA LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**YEAR ENDED 30 JUNE 2011**

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On 19 August 2011, Oliver Whitehead, Daniel Kitchen, John Matthews and Martin Pexton resigned and Colin Wagman, Paul Goswell, John Robertson and Wilson Lamont were appointed as Directors of the Company

### **Directors' qualifying third party indemnity provisions**

Under the provisions of its Articles of Association, the Company has indemnified its Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in force throughout the financial year and remains in force on the date of approval of the Directors' Report.

### **CREDITORS' POLICY AND PRACTICE**

The Group's policy concerning the payment of its trade creditors and other suppliers is to set the terms of payment with major suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in their contracts and pay all suppliers in accordance with its contractual and other legal obligations. At the year end the Group had an average of 21 days (2010: 19 days) purchases outstanding.

### **DONATIONS**

During the year the Group made no charitable or political donations (2010: £nil).

### **SHARE CAPITAL**

The Company has a single class of share capital which is divided into ordinary shares of 25 pence each. Details of the Company's share capital are set out in note 24 to the Accounts. The rights and obligations that are attached to the shares are set out in the Company's Articles of Association unless specified by law or regulation. There are no restrictions on voting rights or the transfer of shares other than as specified by the Articles of Association, law or regulation.

### **GOING CONCERN**

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

### **AUDITORS**

#### **Disclosure of information to auditors**

So far as the Directors are aware, there is no relevant audit information of which the auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

#### **Independent auditors**

PricewaterhouseCoopers LLP resigned as auditors to the Company with effect from 1 September 2011 and Ernst & Young LLP was appointed in its place. A resolution to appoint Ernst & Young LLP as auditor to the Company will be proposed at a General Meeting of the Company at which the accounts are laid before the members.



By order of the Board  
**Ivan Ezekiel**  
Secretary  
21 October 2011

# MINERVA LIMITED

## DIRECTORS' REMUNERATION REPORT

YEAR ENDED 30 JUNE 2011

### Remuneration Committee

The Remuneration Committee (the 'Committee'), was established under terms of reference approved by the Board. During the financial year ended 30 June 2011, Martin Pexton, Daniel Kitchen, John Matthews and Oliver Whitehead were members of the Committee. Martin Pexton replaced John Matthews as Chairman of the Committee following the Company's Annual General Meeting on 11 November 2010.

The Committee met twice during the year and in the performance of its duties received reports from an external adviser, Hewitt New Bridge Street, in relation to the performance condition attached to awards under the Executive Incentive Plan.

On 19 August 2011, following the Company's acquisition by Jupiter, each member of the Committee resigned as a Director of the Company and the Board assumed responsibility for remuneration matters.

### Remuneration policy and Directors' remuneration

The remuneration policy is designed to motivate, reward and retain executive Directors of the highest calibre in a way which is consistent with their contribution to the success of the Company, while aligning their rewards and incentives directly with the performance and growth of the Company. The pay and employment conditions of all employees were considered by the Committee at its meetings when discussing and determining the Directors' remuneration. The Committee considered annual performance bonuses and long-term share based incentives to be the most effective mechanisms for aligning the interests of the executive Directors with shareholders.

At 30 June 2011, remuneration packages comprised basic salaries and benefits, annual performance bonuses and long-term share based incentives. Benefits include the provision of a company car, medical insurance and life assurance cover. In addition, contributions to a defined contribution pension scheme, based solely on basic salary, were made or have been accrued in respect of all executive Directors.

	Salary and fees		Bonus		Other benefits		Total		Pensions	
	Year ended 30 June 2011	Year ended 30 June 2010	Year ended 30 June 2011	Year ended 30 June 2010	Year ended 30 June 2011	Year ended 30 June 2010	Year ended 30 June 2011	Year ended 30 June 2010	Year ended 30 June 2011	Year ended 30 June 2010
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Executives</b>										
Salmaan Hasan	441	441	132	441	14	21	587	903	44	44
Ivan Ezekiel	265	265	79	265	12	14	356	544	53	53
Tim Garnham	265	265	79	265	22	21	366	551	26	26
	<b>971</b>	<b>971</b>	<b>290</b>	<b>971</b>	<b>48</b>	<b>56</b>	<b>1,309</b>	<b>1,998</b>	<b>123</b>	<b>123</b>
<b>Non-executives</b>										
Oliver Whitehead	135	130	–	–	–	–	135	130	–	–
Daniel Kitchen <sup>1</sup>	50	8	–	–	–	–	50	8	–	–
John Matthews	50	50	–	–	–	–	50	50	–	–
Martin Pexton <sup>2</sup>	50	16	–	–	–	–	50	16	–	–
	<b>285</b>	<b>204</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>285</b>	<b>204</b>	<b>–</b>	<b>–</b>

<sup>1</sup> Appointed as a Director on 4 May 2010

<sup>2</sup> Appointed as a Director on 5 March 2010

# MINERVA LIMITED

## DIRECTORS' REMUNERATION REPORT (CONTINUED)

YEAR ENDED 30 JUNE 2011

### Directors' interests

At 30 June 2011, the Directors' interests, including immediate family interests, in the share capital of the Company were as follows

	Ordinary shares of 25 pence each 30 June 2011	Ordinary shares of 25 pence each 30 June 2010
Oliver Whitehead	314,573	314,573
Salmaan Hasan	477,142	477,142
Ivan Ezekiel	120,831	120,831
Tim Garnham	2,414	2,414
John Matthews	65,000	65,000
Daniel Kitchen	–	–
Martin Pexton	–	–

Each Director accepted the offer of 120.5 pence per share from Jupiter in respect of their entire shareholdings, and procured acceptance in respect of their spouses' shareholdings, in accordance with their irrevocable undertakings. All Directors' share interests, including those of their spouses, were transferred to Jupiter when the offer for the Company was declared wholly unconditional on 19 August 2011.

Colin Wagman, Paul Goswell, John Robertson and Wilson Lamont had no interests in the Company's shares on their appointment as Directors of the Company on 19 August 2011, or at the date of this report.

### Directors' share incentives

The Group operated two share plans prior to the Company's acquisition by Jupiter: the Executive Incentive Plan ('EIP') and the Sharesave Scheme. During the financial year, no conditional awards were granted under the EIP and no options were granted pursuant to the Sharesave Scheme. At 30 June 2011, options and awards granted to Directors over the following number of shares in the Company remained outstanding:

#### Salmaan Hasan

Scheme	At 1 July 2010	Granted during year	Exercised during year	Lapsed during year	At 30 June 2011	Exercise price/ market value on date of award	Normal exercise period/date of vesting
EIP	344,195	–	–	344,195*	–	nil/256.25p	Sep 2010
EIP	1,633,333	–	–	–	1,633,333	nil/27.00p	Oct 2011



# MINERVA LIMITED

## DIRECTORS' REMUNERATION REPORT (CONTINUED)

YEAR ENDED 30 JUNE 2011

### Ivan Ezekiel

Scheme	At 1 July 2010	Granted during year	Exercised during year	Lapsed during year	At 30 June 2011	Exercise price/ market value on date of award	Normal exercise period/date of vesting
Sharesave	29,869	–	–	–	29,869	32 14p	Dec 2011 – May 2012
EIP	206,517	–	–	206,517*	–	nil/256 25p	Sep 2010
EIP	980,000	–	–	–	980,000	nil/27 00p	Oct 2011

### Tim Garnham

Scheme	At 1 July 2010	Granted during year	Exercised during year	Lapsed during year	At 30 June 2011	Exercise price/ market value on date of award	Normal exercise period/date of vesting
Sharesave	29,869	–	–	–	29,869	32 14p	Dec 2011 – May 2012
EIP	206,517	–	–	206,517*	–	nil/256 25p	Sep 2010
EIP	980,000	–	–	–	980,000	nil/27 00p	Oct 2011

\*All awards which lapsed during the year represent awards which did not vest due to the Company's comparative TSR performance

#### Sharesave 2001 Sharesave Scheme

Options granted under the Sharesave Scheme are not subject to performance conditions

#### EIP 2005 Executive Incentive Plan

The vesting of EIP awards is subject to a performance condition, which requires Minerva's Total Shareholder Return to be within the top 20 per cent of comparator companies for all share awards to vest. Share awards vest at progressively lower levels as the level of Total Shareholder Return falls to a median level at which point a quarter of options vest. Awards lapse for below median performance.

No consideration was paid for the grant of any option or award.

At 30 June 2011, and 19 August 2011 when the Jupiter offer was declared wholly unconditional, the Company ranked first in its comparator Group, comprising companies comparable in size and business which were formerly in the FTSE All-Share Real Estate Index, excluding agents.

The mid-market price of the Company's shares on the London Stock Exchange at 30 June 2011 was 121 pence per share. During the year the share price ranged from 71 pence to 121 pence.

On 19 August 2011 in accordance with the share scheme rules, outstanding Sharesave options became exercisable and, upon determination of Minerva's TSR ranking in its comparator group, outstanding EIP awards vested in full.

- Ivan Ezekiel and Tim Garnham each exercised their Sharesave options over 26,695 shares on 19 August 2011. The balance of their Sharesave options lapsed.
- The EIP awards for Salmaan Hasan, Ivan Ezekiel and Tim Garnham vested in full on 19 August 2011.

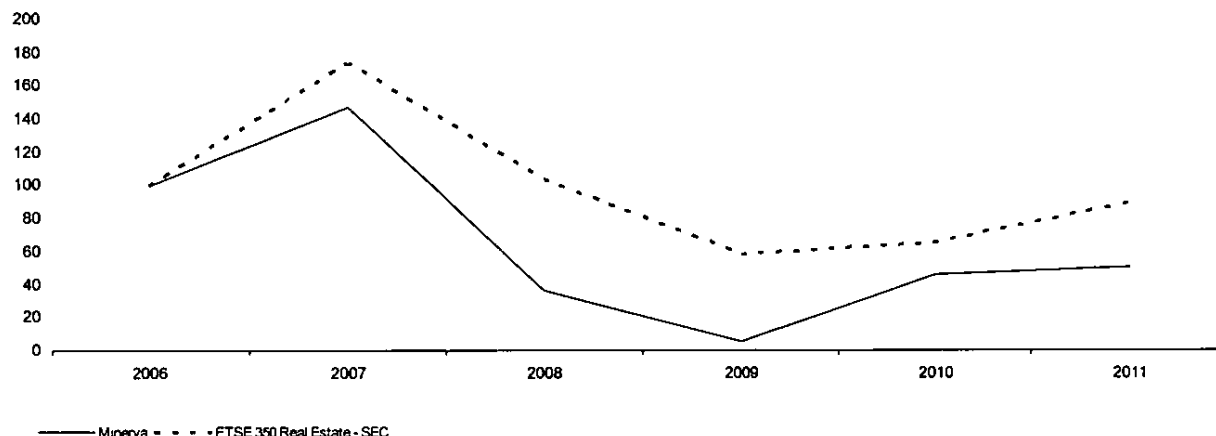
# MINERVA LIMITED

## DIRECTORS' REMUNERATION REPORT (CONTINUED)

YEAR ENDED 30 JUNE 2011

### Total shareholder return performance

The total shareholder return to the members of the Company, calculated by reference to share price growth plus reinvested dividend, relative to the FTSE 350 Real Estate Index for each of the last five financial years, is illustrated by the following chart



The Board considers the FTSE 350 Real Estate Index to be the most appropriate broad market equity index available for illustrating the Company's performance to 30 June 2011

### Non-executive remuneration

The non-executive Directors did not have service contracts. Their appointments were subject to the provisions of the Company's Articles of Association dealing with appointment and retirement by rotation. Non-executive Directors received a fee for their services to the Company, including in connection with Board and Board Committee meetings. The non-executive Directors did not receive any pension or other benefits from the Company (such as bonuses, options or awards under any share incentive arrangements). The non-executive Directors' appointments were terminated by the Company on 19 August 2011 on three months' notice.

### Service contracts, contracts of significance and notice periods

The service contract of Salmaan Hasan is dated 4 July 2005 and his appointment also commenced on that date. The contract has no fixed term and is terminable by either party on 12 months' notice. The service contract of Ivan Ezekiel is dated 24 August 2005. The contract has no fixed term and is terminable by the Company on 12 months' notice and by Ivan Ezekiel on six months' notice. Ivan Ezekiel's service contract provides that, in the event that his employment is terminated without notice (other than for cause), the Company will make a lump sum payment to him equivalent to 95 per cent of the salary and benefits he would have received had he remained in employment during the notice period in full and final settlement of any claims he may have. The service contract of Tim Garnham is dated 16 January 2006. His appointment commenced on 30 August 2005. The contract has no fixed term and is terminable by the Company on 12 months' notice and by Tim Garnham on six months' notice.

On 19 August 2011, Colin Wagman and Paul Goswell, representing Delancey and John Robertson and Wilson Lamont, representing Area, were appointed as Directors of the Company. There are no service contracts or letters of appointment for these Directors, who receive remuneration from Delancey and Area accordingly, not Minerva or its subsidiary companies.

# **MINERVA LIMITED**

## **DIRECTORS' REMUNERATION REPORT (CONTINUED)**

**YEAR ENDED 30 JUNE 2011**

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No Director has contractual rights for compensation on early termination beyond payment of the contractual notice period. Other than set out above, there were no other persons who served as an executive Director of the Company during the year ended 30 June 2011. Apart from share options, conditional share awards and service contracts or non-executive Director letters of appointment, no contract subsisted during or at the end of the financial year in which a Director is or was materially interested and which is or was significant in relation to the Group's business during the period under review.

### **Auditable information**

The Remuneration report consists of non-auditable information with the exception of the sections entitled Remuneration policy and Directors' remuneration and the details of share options held by Directors set out in the tables and accompanying notes on pages 7 and 8.

For and on behalf of the Board



**Ivan Ezekiel**

Secretary

21 October 2011

# MINERVA LIMITED

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

YEAR ENDED 30 JUNE 2011

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The Directors are responsible for preparing the Annual Report, the Directors' remuneration 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 Group and Parent Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 Group and the Company and of the profit or loss of the Group 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 IFRSs as adopted by the European Union have been followed, subject to any material
- departures disclosed and explained in the financial statements, and
- 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 the Group and enable them to ensure that the financial statements and the Directors' remuneration report comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Directors, whose names and functions are set out on pages 4 and 5 confirm that, to the best of their knowledge

- the Group financial statements, which have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and loss of the Group, and
- the Business review contained in the Annual Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces

By order of the Board



**Salmaan Hasan**  
Chief Executive  
21 October 2011

# **MINERVA LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MINERVA LIMITED YEAR ENDED 30 JUNE 2011**

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We have audited the financial statements of Minerva Limited for the year ended 30 June 2011 which comprise the Consolidated Income Statement, the Consolidated and Parent Company Statements of Financial Position, the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Cash Flow Statements, the Consolidated and Parent Company Statements of Changes in Equity, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 11, 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 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**

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 group's and the parent 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 Annual Report 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 group's and of the parent company's affairs as at 30 June 2011 and of the group's profit for the year then ended,
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union,
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006, and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matters 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.

# MINERVA LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MINERVA LIMITED (CONTINUED)

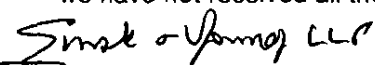
YEAR ENDED 30 JUNE 2011

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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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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



**Eamonn McGrath** (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London  
24 October 2011

# MINERVA LIMITED

## REPORT AND ACCOUNTS

YEAR ENDED 30 JUNE 2011

### Consolidated income statement

	Note	Year to 30 June 2011 £000	Year to 30 June 2010 £000
<b>Continuing operations</b>			
Revenue	2	273,625	12,458
Property outgoings and cost of sales	2	(165,226)	(5,511)
<b>Net property income</b>	2	<b>108,399</b>	<b>6,947</b>
Administrative expenses		(8,915)	(10,127)
Other income		1,285	158
Profit on sale of investment properties	11	994	3,894
Profit on sale of owner occupied property	12	-	3,012
Gain on other financial assets	14	10	3
Movement on revaluation of investment properties	11	39,683	107,934
<b>Operating profit</b>	3	<b>141,456</b>	<b>111,821</b>
Finance costs	6	(45,234)	(45,632)
Finance income	7	3,991	2,905
<b>Net finance costs</b>		<b>(41,243)</b>	<b>(42,727)</b>
<b>Profit before taxation</b>		<b>100,213</b>	<b>69,094</b>
Taxation	8	(8,010)	-
<b>Profit for the year</b>		<b>92,203</b>	<b>69,094</b>
<b>Attributable to:</b>			
Equity shareholders of the parent		63,273	69,114
Non-controlling interest		28,930	(20)
<b>Profit for the year</b>		<b>92,203</b>	<b>69,094</b>
<b>Earnings per share</b>			
- Basic	10	39.3p	42.9p
- Diluted	10	37.7p	41.4p

# MINERVA LIMITED

## REPORT AND ACCOUNTS

YEAR ENDED 30 JUNE 2011

### Consolidated statement of comprehensive income

		Year to 30 June 2011 £000	Year to 30 June 2010 £000
	<i>Note</i>		
<b>Profit for the year</b>		<b>92,203</b>	<b>69,094</b>
<b>Other comprehensive income</b>			
Net gain/(loss) on cash flow hedges	19	<b>10,769</b>	<b>(13,875)</b>
Amortisation of cash flow hedge reserve	6	<b>3,543</b>	<b>6,299</b>
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>14,312</b>	<b>(7,576)</b>
<b>Total comprehensive income for the year</b>		<b>106,515</b>	<b>61,518</b>
<b>Attributable to:</b>			
Equity shareholders of the parent		<b>77,435</b>	<b>61,288</b>
Non-controlling interest		<b>29,080</b>	<b>230</b>
<b>Total comprehensive income for the year</b>		<b>106,515</b>	<b>61,518</b>



# MINERVA LIMITED

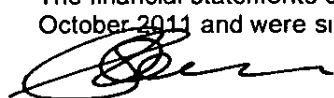
## REPORT AND ACCOUNTS

YEAR ENDED 30 JUNE 2011

### Consolidated statement of financial position

	Note	As at 30 June 2011 £000	As at 30 June 2010 £000
<b>Assets</b>			
<b>Non-current assets</b>			
Investment properties	11	745,960	726,215
Property, plant and equipment	12	42	114
Other financial assets	14	38	47
		746,040	726,376
<b>Current assets</b>			
Trading properties	15	136,446	228,647
Trade and other receivables	16	114,649	26,726
Cash and cash equivalents	17	47,022	54,996
		298,117	310,369
<b>Total assets</b>		<b>1,044,157</b>	<b>1,036,745</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	18	(60,993)	(68,672)
Derivative financial instruments	19	-	(8,776)
Borrowings	19	(116,076)	(1,871)
Provisions for other liabilities and charges	23	(2,975)	(4,111)
		(180,044)	(83,430)
<b>Non-current liabilities</b>			
Borrowings	19	(665,615)	(857,879)
Derivative financial instruments	19	(75,701)	(79,875)
Provisions for other liabilities and charges	23	(1,364)	(1,372)
		(742,680)	(939,126)
<b>Total liabilities</b>		<b>(922,724)</b>	<b>(1,022,556)</b>
<b>Net assets</b>		<b>121,433</b>	<b>14,189</b>
<b>Equity</b>			
Called up share capital	24	40,304	40,294
Share premium account		198,426	198,422
Other reserves		(6,616)	(20,778)
Retained deficit		(139,525)	(203,513)
<b>Total attributable to equity shareholders of the parent</b>		<b>92,589</b>	<b>14,425</b>
<b>Non-controlling interest</b>		<b>28,844</b>	<b>(236)</b>
<b>Total equity</b>		<b>121,433</b>	<b>14,189</b>
<b>Net asset value per share</b>			
- Basic	25	57.4p	8 9p
- Diluted EPRA	25	148.4p	131 8p

The financial statements on pages 14 to 44 were approved by the Board of Directors for issue on 21 October 2011 and were signed on its behalf by

  
Salmaan Hasan  
Director

  
Ivan Ezekiel  
Director

**MINERVA LIMITED**  
**REPORT AND ACCOUNTS**  
**YEAR ENDED 30 JUNE 2011**

**Parent company statement of financial position**

Company number 2649607

	Note	As at 30 June 2011 £000	As at 30 June 2010 £000
<b>Assets</b>			
<b>Non-current assets</b>			
Investment in subsidiary undertakings	13	37,233	36,158
		<b>37,233</b>	<b>36,158</b>
<b>Current assets</b>			
Trade and other receivables	16	35,733	53,814
Cash and cash equivalents		299	299
		<b>36,032</b>	<b>54,113</b>
<b>Total assets</b>		<b>73,265</b>	<b>90,271</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	18	(2,566)	(1,182)
<b>Total liabilities</b>		<b>(2,566)</b>	<b>(1,182)</b>
<b>Net assets</b>		<b>70,699</b>	<b>89,089</b>
<b>Equity</b>			
Called up share capital	24	40,304	40,294
Share premium account		198,426	198,422
Other reserves		21,214	20,499
Retained deficit		(189,245)	(170,126)
<b>Total equity</b>		<b>70,699</b>	<b>89,089</b>

The financial statements on pages 14 to 44 were approved by the Board of Directors for issue on 21 October 2011 and were signed on its behalf by



**Salmaan Hasan**  
Director



**Ivan Ezekiel**  
Director

# MINERVA LIMITED

## REPORT AND ACCOUNTS

YEAR ENDED 30 JUNE 2011

### Statements of changes in equity

Group	Attributable to equity shareholders					Non-controlling interest £000	Total (deficit)/ equity £000
	Share capital £000	Share premium £000	Other reserves £000	Retained deficit £000	Total £000		
<b>1 July 2009</b>	40,294	198,422	(11,232)	(273,910)	(46,426)	253	(46,173)
Profit for the year	-	-	-	69,114	69,114	(20)	69,094
Other comprehensive loss	-	-	(7,826)	-	(7,826)	250	(7,576)
Total comprehensive income	-	-	(7,826)	69,114	61,288	230	61,518
Share based payment	-	-	-	1,283	1,283	-	1,283
Acquisition of non-controlling interest	-	-	(1,720)	-	(1,720)	(719)	(2,439)
<b>1 July 2010</b>	40,294	198,422	(20,778)	(203,513)	14,425	(236)	14,189
Profit for the year	-	-	-	63,273	63,273	28,930	92,203
Other comprehensive income	-	-	14,162	-	14,162	150	14,312
Total comprehensive income	-	-	14,162	63,273	77,435	29,080	106,515
Share capital issued	10	4	-	-	14	-	14
Share based payment	-	-	-	715	715	-	715
<b>30 June 2011</b>	<b>40,304</b>	<b>198,426</b>	<b>(6,616)</b>	<b>(139,525)</b>	<b>92,589</b>	<b>28,844</b>	<b>121,433</b>

Company	Attributable to equity shareholders				
	Share capital £000	Share premium £000	Other reserves £000	Retained deficit £000	Total £000
<b>1 July 2009</b>	40,294	198,422	19,216	(131,342)	126,590
Share based payment	-	-	1,283	-	1,283
Loss for the year	-	-	-	(38,784)	(38,784)
<b>1 July 2010</b>	40,294	198,422	20,499	(170,126)	89,089
Loss for the year	-	-	-	(19,119)	(19,119)
Share capital issued	10	4	-	-	14
Share based payment	-	-	715	-	715
<b>30 June 2011</b>	<b>40,304</b>	<b>198,426</b>	<b>21,214</b>	<b>(189,245)</b>	<b>70,699</b>

**MINERVA LIMITED**  
**REPORT AND ACCOUNTS**  
**YEAR ENDED 30 JUNE 2011**

**Consolidated cash flow statement**

		<b>Year to 30 June 2011 £000</b>	<b>Year to 30 June 2010 £000</b>
	<i>Note</i>		
<b>Cash flows from operations</b>	<b>30</b>	<b>99,346</b>	<b>(34,472)</b>
Interest received		453	2,000
Interest paid		(21,613)	(12,053)
<b>Cash flows from operating activities</b>		<b>78,186</b>	<b>(44,525)</b>
<b>Investing activities</b>			
Additions to investment properties		(13,621)	(121,935)
Additions to property, plant and equipment		-	(48)
Acquisition of non-controlling interest		-	(2,439)
Receipts from sale of investment properties		43,654	31,316
Receipts from sale of owner occupied property		-	9,069
Receipts from sale of property, plant and equipment		12	-
<b>Cash flows from investing activities</b>		<b>30,045</b>	<b>(84,037)</b>
<b>Financing activities</b>			
New loans		69,151	131,858
Issue costs of loans		(449)	(933)
Repayment of loans		(184,199)	(28,617)
Cost of early loan repayment		(722)	(1,056)
Issue of share capital		14	-
<b>Cash flows from financing activities</b>		<b>(116,205)</b>	<b>101,252</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(7,974)</b>	<b>(27,310)</b>
Cash and cash equivalents at beginning of year		54,996	82,306
<b>Cash and cash equivalents at end of year</b>		<b>47,022</b>	<b>54,996</b>

**Parent Company cash flow statement**

		<b>Year to 30 June 2011 £000</b>	<b>Year to 30 June 2010 £000</b>
	<i>Note</i>		
<b>Cash flows from operations</b>	<b>30</b>	<b>-</b>	<b>(3,132)</b>
Interest received		-	91
<b>Cash flows from operating activities</b>		<b>-</b>	<b>(3,041)</b>
<b>Net movement in cash and cash equivalents</b>		<b>-</b>	<b>(3,041)</b>
Cash and cash equivalents at beginning of year		299	3,340
<b>Cash and cash equivalents at end of year</b>		<b>299</b>	<b>299</b>

# MINERVA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2011

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### 1 Accounting policies

#### Basis of preparation

Minerva Limited is a limited liability company incorporated and domiciled in the United Kingdom. The Group's financial statements consolidate those of the Company and its subsidiaries ('the Group').

The Group and Parent Company financial statements have been prepared on a going concern basis and in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union ('EU').

The consolidated financial statements of the Group are presented in UK Sterling, the functional and presentational currency of each company within the Group.

#### Accounting standards, amendments and interpretations

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year ending 30 June 2011:

- IAS 24 (amendment), 'Related party transactions'
- IAS 32 (amendment), 'Financial instruments: Presentation'
- IAS 34, 'Interim financial statements'
- IAS 1 (revised), 'Presentation of financial statements'
- IFRS 3 (revised), 'Business combinations'
- IAS 27 (revised), 'Consolidated and separate financial statements'
- Amendment to IFRS 7, 'Financial instruments: Disclosures'
- IFRIC 19, 'Extinguishing financial liabilities with equity instruments'
- IFRIC 13, 'Customer loyalty programmes relating to IAS 18, Revenue'

On adoption of IAS 1, (revised), the Group has elected to present an Income statement and a separate Statement of comprehensive income. In respect of all other new standards, amendments to standards and interpretations, these have not had a significant impact on the Annual Report for the year ended 30 June 2011.

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the year ending 30 June 2011 and have not been adopted early by the Group:

- IAS 1, 'Financial statement presentation – presentation of items of other comprehensive income'
- IAS 12, 'Income taxes'
- IAS 19, 'Employee benefits (amendments)'
- IFRS 9, 'Financial instruments: Classification and measurement'
- IFRS 10, 'Consolidated financial instruments'
- IFRS 11, 'Joint arrangements'
- IFRS 12, 'Disclosure of involvement with other entities'
- IFRS 13, 'Fair value measurement'

Following an initial review it is not anticipated that the adoption of these standards and interpretations will have a material impact on the financial statements in the period of initial application.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in the financial statements.

# MINERVA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2011

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### 1 Accounting policies (cont )

#### Measurement convention

The consolidated financial statements of the Group have been prepared in accordance with EU endorsed IFRS, IFRIC interpretations, the Companies Act 2006 applicable to companies reporting under IFRS, and the historical cost convention as modified by the inclusion of investment properties, other financial assets and financial instruments at fair value

Areas requiring the use of estimates and critical judgement that may impact on the Group's earnings and financial position include

- valuation of investment properties, where the Board has adopted the external valuations carried out by professionally qualified valuers in accordance with the Appraisal and Valuation Standards of the Royal Institution of Chartered Surveyors,
- valuation of derivative financial instruments, where the Board has adopted the valuation carried out by JC Rathbone Associates Limited, finance risk consultants, and
- recognition of a share based payment charge, where the Board has adopted the actuarial estimates produced by Lane Clark & Peacock LLP

Other areas of judgement, risk and uncertainty, which are relevant to an understanding of the financial results and position of the Group, are referred to in the Directors' Report

#### Basis of consolidation

The consolidated financial statements of the Group include the financial results of subsidiaries acquired during the year from the effective date of acquisition, being the date on which the Group obtains control. Business combinations are accounted for under the acquisition method. Intra-group balances and any unrealised gains and losses arising from intra-group transactions are eliminated in preparing the Group's consolidated financial statements. Subsidiaries are those entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are deconsolidated from the date that control ceases.

#### Investments in subsidiaries

Investments in subsidiaries are held in the Company statement of financial position at cost and reviewed annually for impairment. The acquisition and disposal of shares in subsidiaries, while retaining control, is accounted for as transactions within equity. The difference between the fair value of consideration and the movement in interest in subsidiary is recorded in other reserves.

#### Revenue

- Property revenue comprises rental income from operating leases, service charge income and other amounts receivable from tenants. Rental income and lease incentives to tenants are recognised in the income statement on a straight-line basis over the lease term.
- In respect of residential unit sales, revenue, being the fair value of consideration received or receivable, is recognised when the significant risks and rewards of ownership have been transferred to the purchaser. Non-refundable deposits are not recognised as revenue until the sale has been recognised or the deposit forfeited by the purchaser.
- Other income comprises non-property revenue and other sundry amounts earned on an accruals basis.

# **MINERVA LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 30 JUNE 2011**

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### **1 Accounting policies (cont )**

#### **Property expenses**

Refurbishment expenditure in respect of major works is capitalised. Renovation and refurbishment expenditure of a revenue nature is charged to the income statement as incurred.

Costs directly attributable to the arrangement of a lease, which include letting and professional fees, are capitalised and amortised over the lease term.

#### **Exceptional items**

Exceptional items are those significant items of income or expenditure which the Group has disclosed separately because of their quantum or incidence so as to give a clearer understanding of the Group's financial performance.

#### **Investment properties**

Investment properties are properties held for long-term rental income and for capital appreciation and are measured initially at cost, including related transaction costs, and subsequently at fair value. Changes in the fair value of an investment property at the statement of financial position date and its carrying amount prior to re-measurement, are recorded in the income statement.

Additions to properties in the course of development or refurbishment include the cost of finance and directly attributable internal and external costs incurred during the period of development until practical completion.

#### **Trading properties**

Trading properties are properties held for sale and are included in the statement of financial position at the lower of cost and net realisable value. Investment properties reclassified as trading properties are transferred at deemed cost, being the carrying amount at the date of reclassification.

#### **Property transactions**

Purchases and sales are recognised on exchange of contracts provided that, if the exchange is conditional, all material conditions have been satisfied shortly thereafter.

#### **Property, plant and equipment**

This category comprises motor vehicles and fixtures and fittings following the disposal of all owner occupied property in the prior year. These assets are stated at historical cost, or in the case of owner occupied property its carrying value at the date of transfer, less accumulated depreciation and any accumulated impairment. Owner occupied property is depreciated over 50 years and motor vehicles and fixtures and fittings are depreciated on a straight-line basis over their estimated useful lives of between three and five years.

#### **Impairment of non-financial assets**

An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount.

#### **Leases – the Group as a lessee**

Leases are classified according to the substance of the transaction. A lease that transfers substantially all the risks and rewards of ownership to the lessee is classified as a finance lease. All other leases are classified as operating leases.

# **MINERVA LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 30 JUNE 2011**

---

### **1 Accounting policies (cont )**

Rentals payable under operating leases are charged to the income statement over the term of the lease on a straight-line basis

Finance leases are capitalised at the commencement of the lease at the lower of the fair value of the asset and the present value of the minimum lease payments and amortised over the shorter of the lease term and useful economic life. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of interest on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in current and non-current borrowings.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, deposits with banks and short-term liquid investments

#### **Borrowings**

Bank loans are included in the financial statements, initially at fair value, net of transaction costs incurred, which are amortised over the life of the loan. Bank loans are subsequently stated at amortised cost, any difference between the proceeds, net of transaction costs, and the redemption value is recognised in the income statement over the period of the borrowing using the effective interest rate method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the date of the statement of financial position.

#### **Derivative financial instruments**

The Group's derivative financial instruments comprise interest rates swaps, which are entered into in order to manage interest rate risk from its activities, and embedded foreign exchange forward contracts on development activities. All derivative financial instruments are recorded at fair value based on market prices, estimated future cash flows and quoted forward rates as appropriate.

The Group applies hedge accounting where the financial instruments meet the relevant criteria and represent a cash flow hedge. Changes in fair value of such derivatives that are designated and effective as hedges are recognised directly in reserves, to be transferred to the income statement in the period during which the hedge item is recognised in the income statement. Any ineffective portion of hedge accounted instruments is recognised immediately in the income statement as a finance cost. In all other cases movements in the fair value of derivative financial instruments are taken to the income statement. Amounts payable and receivable under such arrangements are included within net finance costs, recognised on an accruals basis.

The fair value of a hedge accounted instrument is classified as a non-current asset or liability when the maturity of the hedged item is more than 12 months. Non-hedging instruments are classified in accordance with their particular maturity profile.

#### **Taxation**

The charge for current taxation is based on the results for the year as adjusted for items which are non-taxable or disallowed having taken into consideration capital allowances, indexation and available tax losses.

Deferred tax is provided in full, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.



# **MINERVA LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 30 JUNE 2011**

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### **1 Accounting policies (cont )**

Deferred tax is calculated on the basis that properties will be realised predominantly through sale and therefore capital gains are reduced by indexation

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised

Income tax is determined using rates and laws that have been enacted or substantively enacted by the statement of financial position date and which are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled

#### **Trade and other receivables**

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. A provision for impairment is established where there is objective evidence that the Group will not be able to collect all amounts due in accordance with the original terms of the receivable. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows. The provision is recorded in the income statement.

#### **Trade and other payables**

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### **Provisions for liabilities and charges**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions are measured at the present value, using a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the obligations. The increase in the provision due to the passage of time is recognised as interest expense.

#### **Share based payment**

The Group provides share based payment in the form of share options and share award plans. These plans are discussed in greater detail in the Remuneration report on pages 7 to 8.

All share based payment arrangements granted after 7 November 2002 that have not vested prior to 1 January 2005 are recognised in the financial statements. The Group uses, where appropriate, either a modified binomial or a Monte Carlo valuation model and the resulting fair values, calculated at each award date, are expensed through the income statement over the vesting period of the share based payments.

The Group revises its estimate of the number of employees expected to remain in service to each vesting date and of the expected satisfaction of any other non-market performance conditions. It recognises the impact of the revision to the original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The grant by the Company of options and awards in the Group's equity instruments to the employees of subsidiary undertakings are treated as capital contributions.

# MINERVA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2011

### 1. Accounting policies (cont.)

#### Share capital

Share capital, which comprises ordinary shares, is classified as equity. Incremental costs attributable to the issue of new subscriptions are shown in equity as a deduction, net of tax, from the proceeds.

#### Retirement benefits

Employer contributions to defined contribution pension schemes of employees are charged to the income statement as incurred.

#### Dividends

Final dividend distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which they are approved. Interim dividends are recognised when paid.

### 2. Net property income

	Year ended 30 June 2011 £000	Year ended 30 June 2010 £000
Trading property sales	254,042	-
Rental income	18,024	11,870
Recoverable property expenses	1,559	588
<b>Revenue</b>	<b>273,625</b>	<b>12,458</b>
Cost of sales on trading properties	(155,412)	-
Property expenses including property provisions	(7,661)	(4,041)
Recoverable property expenses	(1,559)	(588)
Marketing expenses on properties under development	(594)	(882)
<b>Property outgoings and cost of sales</b>	<b>(165,226)</b>	<b>(5,511)</b>
<b>Net property income</b>	<b>108,399</b>	<b>6,947</b>

The chief operating decision maker has been identified as the Board of Directors which, following a review of the Group's internal reporting and the requirements of IFRS 8, 'Operating Segments', considers that the Group operates in one business segment in Great Britain and as such no further segmental information is required.

The Group's minimum lease payments receivable under non-cancellable operating leases, principally in respect of leases over land and buildings, are as follows:

	Year ended 30 June 2011 £000	Year ended 30 June 2010 £000
Less than one year	10,618	10,645
Between one and five years	54,943	37,093
Over five years	202,210	110,493
	<b>267,771</b>	<b>158,231</b>

# MINERVA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2011

### 3. Group operating profit

	Year ended 30 June 2011 £000	Year ended 30 June 2010 £000
Operating profit is stated after charging/(crediting)		
Fees payable to Company's auditors for the audit of Parent Company and consolidated accounts	70	60
Fees payable to the Company's auditor and its associates for other services		
Audit of the Company's subsidiaries pursuant to legislation	40	70
Other services pursuant to legislation	-	37
Tax services	-	-
All other services	-	-
Depreciation charge	65	147
Share based payment	715	1,283
Operating lease rentals – land and buildings	1,180	677
Profit on sale of property, plant and equipment	(4)	-
Property provisions	(1,144)	(148)

### 4. Staff costs

	Year ended 30 June 2011 £000	Year ended 30 June 2010 £000
Average number of employees (including executive Directors) employed by the Group	24	25
	£000	£000
Staff costs (including executive Directors)		
Wages and salaries	2,697	2,716
Discretionary bonuses	451	1,220
Share based payment	715	1,283
Social security costs	439	506
Pensions costs	134	133
	4,436	5,858
Non-executive Directors		
Fees	280	204
Social security costs	33	24
	4,749	6,086

Included in the above, £360,000 of the share based payment charge for the year is attributable to the Directors (2010 £666,000)

# MINERVA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2011

### 5. Directors' remuneration

	Year ended 30 June 2011 £000	Year ended 30 June 2010 £000
Aggregate emoluments	1,594	2,202
Contributions to pension schemes of Directors	123	123

Details of Directors' remuneration, including amounts required to be disclosed by the Large and Medium-sized Companies and Groups (Accounts & Reports) Regulations 2008, is detailed in the Directors' Remuneration Report

### 6. Finance costs

		Year ended 30 June 2011 £000	Year ended 30 June 2010 £000
	Note		
Bank interest and charges		47,772	52,488
Amortisation of loan issue costs		2,513	2,041
Fair value loss on derivative financial instruments			
Non-hedging instruments	19	-	23,137
Ineffectiveness on cash flow hedges		1,369	-
Amortisation of cash flow hedge reserve		3,543	6,299
		4,912	29,436
Interest on obligations under finance leases		558	152
Charges relating to early loan repayment		790	1,338
Capitalised interest and similar charges		(11,311)	(39,823)
		45,234	45,632

### 7. Finance income

		Year ended 30 June 2011 £000	Year ended 30 June 2010 £000
	Note		
Interest on short-term deposits		352	735
Other interest receivable		89	170
Fair value gain on derivative financial instruments			
Non-hedging instruments	19	3,464	1,920
Ineffectiveness on cash flow hedges	19	86	80
		3,550	2,000
		3,991	2,905

# MINERVA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2011

### 8 Taxation

		Year ended 30 June 2011 £000	Year ended 30 June 2010 £000
	Note		
Current tax		8,010	-
Deferred tax	22	-	-
Taxation charge for the year		8,010	-
Profit before taxation		100,213	69,094
Tax on profit at 27.5 per cent (2010: 28 per cent)		27,559	19,346
Expenses not deductible for tax purposes		131	920
Accelerated capital allowances		(1,817)	(2,025)
Differences arising from taxation of chargeable gains and property revaluations		(11,186)	(32,155)
Tax losses and other temporary differences		(6,677)	13,914
Taxation charge for the year		8,010	-

### 9. Loss dealt with by Parent Company

As permitted by Section 408 of the Companies Act 2006, the Company's income statement has not been included in these financial statements. A loss for the year of £19,119,000 (2010: loss of £38,784,000) is dealt with in the financial statements of the Company.

### 10 Earnings per share

Earnings per share is calculated on a weighted average of 161,188,464 ordinary shares of 25 pence each in issue throughout the year (2010: 161,174,373 ordinary shares) and is based on profits attributable to ordinary shareholders of £63,273,000 (2010: £69,114,000).

Diluted earnings per share is calculated after allowing for the exercise of employee share options and incentive awards and is based on 167,634,639 ordinary shares of 25 pence each (2010: 166,980,667 ordinary shares).

### 11. Investment properties

Group	30 June 2011 £000	30 June 2010 £000
At 1 July: Net book value	726,215	502,395
Additions	24,398	142,851
Disposals	(44,336)	(26,965)
Revaluation movement	39,683	107,934
At 30 June: Net book value	745,960	726,215
Recognition of finance lease obligations	(9,571)	(2,126)
Amounts included within prepayments and accrued income	12,911	2,661
At end of year: At valuation	749,300	726,750

The investment properties were valued on a market value basis by CB Richard Ellis Limited, independent external valuers, as at the year end in accordance with the current edition of the Appraisal and Valuation Standards issued by the Royal Institution of Chartered Surveyors.

# MINERVA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 30 JUNE 2011

#### 11 Investment properties (cont )

The total accumulated amount of interest capitalised as part of the cost of investment properties was £84,173,000 (2010 £79,188,000) The average cost of interest capitalised was 4.2 per cent (2010 6.5 per cent)

During the year, the Group disposed of investment properties, realising a net profit on disposal of £994,000 (2010 £3,894,000)

Investment properties include freehold properties with a net book value of £383,376,000 (2010 £397,232,000) and long leasehold properties with a net book value of £362,584,000 (2010 £328,983,000)

#### 12. Property, plant and equipment

Group	Owner occupied property £000	Fixtures and fittings £000	Motor vehicles £000	Total £000
<b>Valuation/cost</b>				
<b>At 1 July 2009</b>	9,160	1,359	257	10,776
Additions	-	48	-	48
Disposals	(9,160)	-	-	(9,160)
<b>At 1 July 2010</b>	-	1,407	257	1,664
Disposals	-	-	(34)	(34)
<b>At 30 June 2011</b>	-	1,407	223	1,630
<b>Depreciation</b>				
<b>At 1 July 2009</b>	3,060	1,284	162	4,506
Depreciation charge	43	55	49	147
Disposals	(3,103)	-	-	(3,103)
<b>At 1 July 2010</b>	-	1,339	211	1,550
Depreciation charge	-	37	28	65
Disposals	-	-	(27)	(27)
<b>At 30 June 2011</b>	-	1,376	212	1,588
<b>Net book value at 30 June 2011</b>	-	31	11	42
<b>Net book value at 30 June 2010</b>	-	68	46	114

During the prior year, the Group disposed of its owner occupied property, realising a profit on disposal of £3,012,000

#### 13 Investment in subsidiary undertaking

	30 June 2011 £000	30 June 2010 £000
<b>At 1 July Net book value</b>	<b>36,158</b>	<b>44,020</b>
Additions	715	1,283
Write back of impairment/(impairment)	360	(9,145)
<b>At 30 June Net book value</b>	<b>37,233</b>	<b>36,158</b>

# MINERVA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2011

### 13. Investment in subsidiary undertaking (cont )

Investments in subsidiaries are held in the statement of financial position at cost and are reviewed for impairment annually. The recoverable amount of the investment is fair value less cost of sale and is determined with reference to the net assets of the subsidiary.

At the year end, the Company was the ultimate holding company of the Group and has the following principal subsidiary undertakings which are consolidated and have as their main activity property investment, development, trading, investment holding or the provision of property related services. Unless otherwise stated all subsidiary undertakings are wholly-owned and registered and operate in Great Britain.

Angelmist Limited	Minerva Corporation Limited
Antares Properties Limited	Minerva (Croydon) Limited
Castlereport Limited	Minerva Dowgate Limited
Chainbill Limited	Minerva (Finance) Limited
Croydon Leisure Limited	Minerva (Holland Park) Limited
Croydon Plaza Limited	Minerva (Kensington) Limited
Croydon Retail Limited	Minerva (Lancaster Gate) Limited
Eagleprint Limited	Minerva Property Holdings plc
Futurestate Limited	Minerva Property Investments Limited
Goldrock Developments Limited	Minerva Property Services Limited
Gradegilt Limited	Minerva Residential Holdings Limited
Hutch Investments Limited	Minerva (Stores) Limited
Jack Cade Limited	Minerva (Ventures) Limited
Jimtrack Limited	Minerva (West End) Limited
Lancaster Gate (Hyde Park) Limited†	Minerva Walbrook Limited Partnership
Larchfield Investments Limited	Minerva (Wandsworth) Limited
Leinster HH LLP	OMD Holdings Limited
LLH One Limited	OMD Holborn Limited
LLH Two Limited	OMD Property (Holborn) Limited
M1 Limited	Park Place (General Partner) Limited
Minerva (Abingdons) Limited	Park Place Limited Partnership*
Minerva Aldgate Limited	Sparrage Properties Limited
Minerva (Ambassador) Limited	St Swithin's House (General Partner) Limited
Minerva Bayswater One Limited	245 Blackfriars Road Limited
Minerva Bayswater Two Limited	245 Blackfriars Road Investments Limited
Minerva (City) Limited	90 High Holborn Limited Partnership*

\*Established according to Jersey Law and operates, through its general partner, in Great Britain.

†74.8 per cent of the issued shares are held by the Group.

### 14 Other financial assets

	30 June 2011 £000	30 June 2010 £000
At 1 July Net book value	47	44
Write back of impairment	10	3
Disposal	(19)	-
<b>At 30 June. Net book value</b>	<b>38</b>	<b>47</b>

# MINERVA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 30 JUNE 2011

#### 14. Other financial assets (cont )

Investments held as other financial assets are traded in active markets and are valued on the basis of quoted market prices at the statement of financial position date, which approximates to fair value

#### 15 Trading properties

Group	30 June 2011 £000	30 June 2010 £000
At 1 July	228,647	181,597
Additions	63,211	47,050
Disposals	(155,412)	-
<b>At 30 June: Book value</b>	<b>136,446</b>	<b>228,647</b>
<b>At 30 June: valuation</b>	<b>243,000</b>	<b>398,100</b>

Trading properties comprise the Lancaster Gate and Odeon Kensington properties, which have been stated at cost in the consolidated statement of financial position but were valued at 30 June 2011 on a market value basis by CB Richard Ellis Limited, independent external valuers, in accordance with the current edition of the Appraisal and Valuation Standards issued by the Royal Institution of Chartered Surveyors. The total accumulated amount of interest capitalised as part of the cost of the properties was £36,503,000 (2010 £30,177,000). The average cost of interest capitalised was 3.4 per cent (2010 6.7 per cent).

Trading properties are wholly owned with the exception of Lancaster Gate, where the Group holds a majority interest in the project and earns profits based on the following tranches:

Profits up to 10% of project costs	95%
Profits between 10% and 15% of project costs	80%
Profits between 15% and 20% of project costs	60%
Profits above 20% of project costs	50%

#### 16. Trade and other receivables

	Group 30 June 2011 £000	Group 30 June 2010 £000	Parent Company 30 June 2011 £000	Parent Company 30 June 2010 £000
Trade receivables	2,050	1,738	-	-
Allowance for doubtful debts	(698)	(75)	-	-
	1,352	1,663	-	-
Other receivables	1,931	5,159	44	101
Amounts owed by subsidiary undertakings	-	-	35,689	53,633
Prepayments and accrued income	13,944	4,204	-	80
Amounts receivable on sales of trading properties	95,672	-	-	-
Deposits on future sales of trading properties	1,750	15,700	-	-
	<b>114,649</b>	<b>26,726</b>	<b>35,733</b>	<b>53,814</b>



# MINERVA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2011

### 16 Trade and other receivables (cont )

	Group 30 June 2011 £000	Group 30 June 2010 £000	Parent Company 30 June 2011 £000	Parent Company 30 June 2010 £000
Movement in allowance for doubtful debt				
At 1 July	75	153	-	-
Allowance	630	55	-	-
Written off	-	(7)	-	-
Recovered	(7)	(126)	-	-
<b>At 30 June</b>	<b>698</b>	<b>75</b>	<b>-</b>	<b>-</b>

Trade receivables comprise rental income and service charges which are due on contracted quarter days with no credit period. Trade receivables are assessed on a tenant by tenant basis and where there is doubt as to recoverability of the debt, a specific allowance is made. Other receivables predominantly comprise recoverable Value Added Tax and other receivable amounts. All significant receivables due to be settled, have been received since 30 June 2011.

There are no current trade or other receivables, over due or past credit terms but not impaired greater than six months old. Group prepayments and accrued income at 30 June 2011 include £1,331,000 of prepaid development expenditure (2010 £682,000).

### 17. Cash and cash equivalents

Cash and cash equivalents include £20,849,000 (2010 £28,753,000) retained in deposit, rent and restricted accounts which is not readily available to the Group for day-to-day commercial purposes.

### 18. Trade and other payables

	Group 30 June 2011 £000	Group 30 June 2010 £000	Parent Company 30 June 2011 £000	Parent Company 30 June 2010 £000
Trade payables	1,119	1,916	-	-
Taxation and social security	11,808	1,099	-	-
Other payables	10,434	5,958	299	299
Accruals and deferred income	28,699	28,819	2,267	883
Deferred income on future sales of trading properties	8,933	30,880	-	-
	<b>60,993</b>	<b>68,672</b>	<b>2,566</b>	<b>1,182</b>

Deferred income on future sales of trading properties relates to deposits received from pre-sales of apartments at Lancaster Gate. Of the total deposits received at 30 June 2011 of £8,933,000 (2010 £30,880,000), £290,000 was held in solicitor's accounts (2010 £15,700,000), £6,888,000 has been applied against the loan (2010 £13,000,000), and £1,755,000 was held within restricted cash and has been applied against the loan since the year end (2010 £2,180,000).

# MINERVA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2011

### 19. Borrowings and derivative financial instruments

Group	30 June 2011 £000	30 June 2010 £000
<b>Borrowings</b>		
<b>Current liabilities</b>		
Bank and other borrowings	116,073	1,869
Finance lease obligations	3	2
	<b>116,076</b>	<b>1,871</b>
<b>Non-current liabilities</b>		
Bank and other borrowings	656,047	855,755
Finance lease obligations	9,568	2,124
	<b>665,615</b>	<b>857,879</b>

#### Maturity of borrowings

	Bank and other borrowings	
	30 June 2011 £000	30 June 2010 £000
Less than one year	116,073	1,869
Between one and two years	110,495	138,546
Between two and five years	511,702	455,261
Over five years	33,850	261,948
	<b>772,120</b>	<b>857,624</b>

Since 30 June 2011, the loans maturing in less than one year have been extended and/or restructured such that there are no loans maturing in the financial year ending 30 June 2011. For further details, see note 31 on post balance sheet events.

	Finance lease obligations (net of future finance charges)			
	30 June 2011 £000	30 June 2010 £000	30 June 2011 £000	30 June 2010 £000
Less than one year	437	153	3	2
Between one and two years	514	153	3	3
Between two and five years	1,965	459	11	10
Over five years	42,089	9,160	9,554	2,111
	<b>45,005</b>	<b>9,925</b>	<b>9,571</b>	<b>2,126</b>
Future finance charges on leases	(35,434)	(7,799)	-	-
	<b>9,571</b>	<b>2,126</b>	<b>9,571</b>	<b>2,126</b>

# MINERVA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2011

### 19 Borrowings and derivative financial instruments (cont )

#### Undrawn facilities

At 30 June 2011 the Group had undrawn loan facilities maturing as follows

	30 June 2011 £000	30 June 2010 £000
<b>Group</b>		
Less than one year	17,867	-
Between one and two years	40,576	3,844
Between two and five years	48,162	86,445
Over five years	-	49,014
	<b>106,605</b>	<b>139,303</b>

Included within the analysis of undrawn facilities are development loan facilities, which, although committed, have conditions that need to be satisfied prior to drawdown

#### Interest rate risk profile of borrowings

Fixed and floating rate borrowings of the Group as at 30 June 2011 are analysed as follows

	30 June 2011		30 June 2010	
	Total £000	Weighted average interest rate %	Total £000	Weighted average interest rate %
Swapped fixed-rate borrowings	563,857	6.5	803,218	6.5
Floating rate borrowings	208,263	2.1	54,406	2.2
<b>Total borrowings</b>	<b>772,120</b>		<b>857,624</b>	

Swapped fixed arrangements have the effect of transforming floating rate liabilities into fixed rate liabilities. The weighted average interest rate shown for fixed rate liabilities at 30 June 2011 is 6.5 per cent (2010 6.5 per cent) and includes loan margins ranging from 1.0 per cent to 2.0 per cent with all inclusive interest rates ranging from 5.2 per cent to 6.7 per cent (2010 5.2 per cent to 7.4 per cent). The weighted average period of the Group's swapped fixed-rate borrowings was 3.3 years at 30 June 2011 (2010 3.1 years).

Floating rate borrowings at 30 June 2011 incurs interest at margins between 1.2 per cent and 2.0 per cent over LIBOR (2010 1.2 per cent and 1.75 per cent).

# MINERVA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2011

### 19 Borrowings and derivative financial instruments (cont )

#### Derivative financial instruments

	Assets £000	Liabilities £000	Total £000
<b>At 1 July 2009</b>	419	(54,058)	(53,639)
Movement in fair value recognised in equity			
Effectiveness on cash flow hedges	-	(13,875)	(13,875)
Movement in fair value recognised in income statement			
Ineffectiveness on cash flow hedges	-	80	80
Movement on non-hedging instruments	(419)	(20,798)	(21,217)
<b>At 1 July 2010</b>	-	(88,651)	(88,651)
Movement in fair value recognised in equity			
Effectiveness on cash flow hedges	-	10,769	10,769
Movement in fair value recognised in income statement			
Ineffectiveness on cash flow hedges	-	(1,283)	(1,283)
Movement on non-hedging instruments	-	3,464	3,464
<b>At 30 June 2011</b>	-	(75,701)	(75,701)

#### Fair value estimation

All derivative financial instruments are carried at fair value in the statement of financial position, following a valuation as at 30 June 2011 undertaken by JC Rathbone Associates Limited. Fair value is calculated using the present value of the estimated future cash flows. For these financial instruments fair value approximates to carrying value.

#### Fair value hierarchy

As of 1 April 2009, the Group adopted amendments to IFRS 7 'Financial Instruments: Disclosures'. IFRS 7 requires disclosures of how the Group's financial instruments measured at fair value fit within the following fair value hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1),
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2),
- inputs for the asset or liability are not based on observable market data (level 3)

The Group considers that all financial instruments outlined above fall within level 2 of the hierarchy.

# MINERVA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2011

### 20. Financial assets and liabilities carrying values

	As at 30 June 2011 £000	As at 30 June 2010 £000
<b>Group</b>		
<b>Non-current assets</b>		
Held for trading financial assets		
Other financial assets at fair value	38	47
	38	47
<b>Current loans and receivables</b>		
Trade and other receivables at amortised cost less impairment	114,649	26,726
Cash and cash equivalents	47,022	54,996
	161,671	81,722
<b>Total financial assets</b>	161,709	81,769
<b>Current liabilities</b>		
Financial liabilities measured at amortised cost		
Trade and other payables	(52,508)	(36,631)
Borrowings	(116,077)	(1,871)
Provisions for other liabilities and charges	(2,975)	(4,111)
Held for trading financial liabilities		
Derivative financial instruments used for hedging at fair value	-	(8,705)
Derivative financial instruments not used for hedging at fair value	-	(71)
	(171,560)	(51,389)
<b>Non-current liabilities</b>		
Financial liabilities measured at amortised cost		
Borrowings	(665,615)	(857,879)
Provisions for other liabilities and charges	(1,364)	(1,372)
Held for trading financial liabilities		
Derivative financial instruments used for hedging at fair value	(38,912)	(39,622)
Derivative financial instruments not used for hedging at fair value	(36,789)	(40,253)
	(742,680)	(939,126)
<b>Total financial liabilities</b>	(914,240)	(990,515)
	As at 30 June 2011 £000	As at 30 June 2010 £000
<b>Company</b>		
<b>Current loans and receivables</b>		
Trade and other receivables at amortised cost less impairment	35,733	53,814
Cash and cash equivalents	299	299
<b>Total financial assets</b>	36,032	54,113
<b>Current liabilities</b>		
Trade and other payables at amortised cost	(2,566)	(1,182)
<b>Total financial liabilities</b>	(2,566)	(1,182)

# MINERVA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2011

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### 21 Financial risk management

In the normal course of business, the Group is exposed to interest rate risk, liquidity risk, credit risk and to a lesser extent currency risk, which it seeks to mitigate through a combination of sound business practices and use of derivative financial instruments

The Group's risk management policies and practices are as follows

#### Interest rate management

The Group has a portfolio of floating rate debt. Interest rate swaps are generally used to alter the interest rate profile of the Group's debt, having the effect of transforming floating rate liabilities into fixed rate liabilities. The Group has well established practices to monitor the interest rates prevailing on current borrowings. Further details relating to derivative financial instruments are given in note 19.

#### Sensitivity to interest rates

The Group's exposure to changes in interest rates relates to the effect of a rate change on the fair value of the Group's derivative financial instruments and the cost of servicing the Group's floating rate borrowings. Based on the 30 June 2011 statement of financial position, a 50 basis point rise in interest rates could equate to a £13,439,000 net gain (2010 £16,476,000), conversely a 50 basis point fall could result in a net loss of £13,439,000 (2010 £16,476,000).

In the circumstances where there is a 50 basis point rise, a gain of £6,308,000 (2010 £7,496,000) in respect of the net gain would be expected to go through the income statement and a gain of £7,131,000 (2010 £8,980,000) would be taken to equity. In the circumstances where there is a 50 basis points fall, a loss of £6,308,000 (2010 £7,496,000) in respect of the net loss would be allocated to the income statement with a loss of £7,131,000 (2010 £8,980,000) going through equity.

#### Credit risk management

Principal financial assets comprise investments, trade and other receivables and cash and deposits.

The credit risk in respect of cash and deposits is limited and mitigated since the counterparties are principally reputable banks with a minimum Standard and Poor's long term credit rating of A.

The level of credit risk attaching to the remaining financial assets is low, given their relative size. Other financial assets predominantly comprise rental and service charge income due from tenants, recoverable Value Added Taxation and deposits receivable in respect of future trading property sales. The credit risk attaching to these assets is mitigated by a combination of an assessment of a tenant's, purchaser's or, supplier's financial standing before credit is advanced, the holding deposits and/or guarantees and rental contracts requiring rent to be paid in advance.

#### Liquidity management

Cash reserves are monitored to ensure adequate resources are available to provide the Group with security, liquidity and the flexibility during the development phase of its projects, whilst also enabling it to invest in new opportunities.

The Group seeks, where possible, to borrow on a non-recourse or limited-recourse basis, with a view to maintaining an appropriate maturity profile that supports the Group's operations. Borrowings usually comprise variable rate loans in the first instance.

# MINERVA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2011

### 21 Financial risk management (cont.)

#### Capital risk management

The Group seeks to manage its capital in a way to safeguard its ability to continue as a going concern, provide returns for shareholders and benefits for other stakeholders

In order to achieve these objectives, the Group may adjust the dividends paid to shareholders, return capital to shareholders, issue new shares or purchase, develop or sell assets

The capital structure of the Group consists of net debt and shareholders' equity. Shareholders' equity comprises share capital, reserves and retained earnings and is disclosed in the Group Statement of changes in equity. Net debt comprises borrowings, which are disclosed in note 19 less cash which is disclosed in the Statement of financial position.

#### Maturity analysis of the undiscounted contractual cash flows relating to financial liabilities

Group	Trade and other payable £000	Borrowings £000	Derivative financial instruments £000	Provisions £000	Total £000
<b>30 June 2011</b>					
Less than one year	52,508	136,566	24,208	2,975	216,257
Between one and two years	-	131,730	20,433	369	152,532
Between two and five years	-	546,056	26,147	1,062	573,265
Over five years	-	125,012	8,526	170	133,708
Total contracted cash flows	52,508	939,364	79,314	4,576	1,075,762
Carrying value	52,508	781,691	75,701	4,339	914,240
<b>30 June 2010</b>					
Less than one year	36,631	23,588	29,104	4,111	93,434
Between one and two years	-	163,464	21,103	312	184,879
Between two and five years	-	520,255	36,596	938	557,789
Over five years	-	329,771	8,164	467	338,402
Total contracted cash flows	36,631	1,037,078	94,967	5,828	1,174,504
Carrying value	36,631	859,750	88,651	5,483	990,515

Parent Company undiscounted contractual cash flows relating to financial liabilities comprise trade and other payables, which are due within one year are disclosed in note 18

# MINERVA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2011

### 22. Deferred tax

Group	Accelerated capital allowances £000	Tax losses £000	Temporary differences £000	Derivative financial instruments £000	Total £000
<b>At 1 July 2009</b>	4,448	(13,047)	8,599	-	-
Movement in income statement	(1,565)	(11,864)	13,429	-	-
Movement in equity	-	-	-	-	-
<b>At 1 July 2010</b>	2,883	(24,911)	22,028	-	-
Movement in income statement	1,563	19,515	(21,078)	-	-
Movement in equity	-	-	-	-	-
<b>At 30 June 2011</b>	<b>4,446</b>	<b>(5,396)</b>	<b>950</b>	-	-

Deferred tax assets in respect of losses available against future taxable income, not recognised at the statement of financial position date, amount to £19,040,000 (2010 £2,524,000) Deferred tax assets in respect of contingent losses not recognised at the date of the statement of financial position amount to £29,870,000 (2010 £49,890,000)

In addition, the Group has not recognised deferred tax assets in respect of capital losses generated in the prior year These capital losses, totalling in the region of £300,000,000, which are subject to HMRC agreement, should be available to offset future capital gains if and when they arise

A number of changes to the UK Corporation tax system were announced in the 22 June 2010 and 23 March 2011 Budget Statements The Finance (No 2) Act 2010 included legislation to reduce the main rate of corporation tax from 28% to 27% from 1 April 2011 A further reduction to the main rate was substantively enacted on 29 March 2011 to reduce the rate from 1 April 2011 to 26% with further 1% reductions per annum to 23% by 1 April 2014 The change to 26% had been enacted at the balance sheet date and its impact has therefore been included in these financial statements

### 23. Provisions for other liabilities and charges

Group	30 June 2011 £000	30 June 2010 £000
<b>At 1 July</b>	<b>5,483</b>	<b>5,631</b>
Credit to income statement	(1,144)	(148)
<b>At 30 June</b>	<b>4,339</b>	<b>5,483</b>
Less non-current portion	(1,364)	(1,372)
<b>Current portion</b>	<b>2,975</b>	<b>4,111</b>

A provision has been made in relation to a residual leasehold interest considered to be onerous, potential remaining obligations arising from the Group's historic development activities, and other property costs All provisions are considered current, with the exception of the onerous lease, which is due to expire in December 2016



# MINERVA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2011

### 24 Called up share capital

	At 30 June 2011 £000	At 30 June 2010 £000	At 30 June 2011 Number	At 30 June 2010 Number
<b>Authorised</b>				
Ordinary shares of 25p each	75,000	75,000	300,000,000	300,000,000
<b>Issued and fully paid</b>				
Ordinary shares of 25p each	40,304	40,294	161,216,376	161,174,373

Since 30 June 2011, 6,574,971 shares have been issued bringing the total shares in issue to 167,791,347

At 30 June 2011, options and awards granted to employees over the following number of shares in the Company remained outstanding

Scheme	Date of Grant	At 1 July 2010 Number	Granted during year Number	Forfeited/ cancelled during year Number	At 30 June 2011 Number	Exercise price Pence
2001 Sharesave Scheme	27 Oct 2008	476,893	-	(59,738)	417,155	32 14p
		476,893	-	(59,738)	417,155	

Scheme	Date of Award	At 1 July 2010 Number	Awarded during year Number	Forfeited/ lapsed during year Number	At 30 June 2011 Number	Market price on date of award Pence
2005 Executive Incentive Plan	11 Sep 2007	1,399,220	-	(1,399,220)	-	256 25p
	16 Oct 2007	7,745	-	(7,745)	-	218 75p
	27 Oct 2008	6,593,195	-	-	6,593,195	27 00p
		8,000,160	-	(1,406,965)	6,593,195	

At 30 June 2011 the following options granted to subscribe for new ordinary shares of 25 pence each under the Company's Sharesave Scheme remained outstanding

First exercisable date	30 June 2011 Number of shares	Subscription price Pence
December 2011	328,559	32 14p
December 2013	88,596	32 14p

The following awards of conditional shares have been granted under the 2005 Executive Incentive Plan and remain outstanding at 30 June 2011

Vesting date	30 June 2011 Number of shares	Subscription price Pence
October 2011	6,593,195	nil

# MINERVA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2011

### 24 Called up share capital (cont )

The fair value of grants and awards are measured by Lane Clark & Peacock LLP using a combination of Monte Carlo simulation models and modified binomial models, taking into account the terms and conditions upon which instruments were granted. The fair value is recognised over the expected vesting period. No awards were granted in the year. The main assumptions of the pricing model are as follows:

	2005 Executive Incentive Plan	2001 Sharesave Scheme	2001 Sharesave Scheme
Grant date	27 Oct 2008	27 Oct 2008	27 Oct 2008
Exercise price	nil	32 14p	32 14p
Expected life (years)	3	3	5
Expected volatility per annum	88%	88%	70%
Expected dividend yield per annum	0%	0%	0%
Risk free rate per annum	3.6%	3.7%	4.1%

Expected volatility was determined by reference to the historical volatility of the Minerva plc share price over a period consistent with expected life of the award and reflects the assumption that the historical volatility is indicative of future trends, but may not necessarily be the actual outcome.

The 2005 Executive Incentive Plan has a performance condition based on the Company's Total Shareholder Return ('TSR') measured against a Comparator Group of companies. This is a 'market condition' for the purpose of IFRS 2 and, as such, it is allowed for in the calculation of the fair value. The assumptions used were based on an analysis of the historic volatility of each comparator company's share price return as well as the statistical correlations between the historic TSRs of the different shares.

For both the Discretionary Share Option Scheme and Sharesave Scheme awards, the fair values take into account an assumed pattern of early exercise, dependent on the level of share prices during the exercise period.

### 25 Net asset value per share

	30 June 2011 £000	30 June 2010 £000
<b>Basic net asset value</b>	<b>92,589</b>	<b>14,425</b>
Adjustment for Group's estimated share of unrecognised revaluation surplus on trading properties	<b>81,041</b>	118,038
Group's share of fair value deficit on derivative financial instruments	<b>75,701</b>	88,501
<b>Diluted EPRA net asset value</b>	<b>249,331</b>	<b>220,964</b>

# MINERVA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2011

### 25 Net asset value per share (cont )

	30 June 2011 Number	30 June 2010 Number
<b>Basic</b>	<b>161,216</b>	<b>161,174</b>
Potential share awards	6,754	6,437
<b>Diluted</b>	<b>167,970</b>	<b>167,611</b>

	30 June 2011 Pence	30 June 2010 Pence
<b>Basic net asset value per share</b>	<b>57.4</b>	<b>8.9</b>
Potential share awards	(2.3)	(0.3)
<b>Diluted net asset value per share</b>	<b>55.1</b>	<b>8.6</b>
Adjustment for		
Group's estimated share of unrecognised revaluation surplus on trading properties	48.2	70.4
Group's share of fair value deficit on derivative financial instruments	45.1	52.8
<b>Diluted EPRA net asset value per share</b>	<b>148.4</b>	<b>131.8</b>

Diluted EPRA net asset value is a measure of the Group's financial position that incorporates the Group's pre-tax share of the unrecognised revaluation surplus of its trading properties, having taken into account the estimated share attributable to non-controlling interest and fair value deficit of the Group's derivative financial instruments

The dilution effect of the potential share awards reduces Diluted EPRA net asset value per share by 6.3 pence (2010 5.3 pence) to 148.4 pence (2010 131.8 pence)

### 26. Dividends

No dividend was proposed or paid in respect of the year ended 30 June 2011 (2010 £nil)

### 27 Capital commitments

Capital commitments contracted, but not provided for, at 30 June 2011 relating to the Group's development activities were £10,056,000 (2010 £44,281,000)

### 28. Commitments under operating leases

Total commitments under non-cancellable operating leases

	30 June 2011 £000	30 June 2010 £000
Less than one year	1,246	1,147
Between one and five years	4,681	4,442
Over five years	4,883	5,874
	<b>10,810</b>	<b>11,463</b>

# MINERVA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2011

### 29 Contingent liabilities

The Company has guaranteed external borrowings of some of its subsidiary undertakings, which at the statement of financial position date amounted to £22,974,000 (2010 £22,051,000). In addition, the Company has guaranteed certain loan interest obligations of its subsidiary undertakings.

### 30 Cash flows from operations

	30 June 2011 £000	30 June 2010 £000
<b>Group</b>		
Profit before taxation	100,213	69,094
Net finance costs	41,243	42,727
Operating profit	141,456	111,821
Depreciation	65	147
Property provisions	(380)	(148)
Movement on revaluation of investment properties	(39,683)	(107,934)
Profit on sale of investment properties	(994)	(3,894)
Profit on sale of owner occupied property	-	(3,012)
Profit on sale of property, plant and equipment	(4)	-
Profit on sale of trading properties	(98,630)	-
Amortisation of lease incentives, letting fees and other non-cash items	(10,026)	(626)
Share based payment	715	1,283
Trading property proceeds received, net of additions	94,820	(31,792)
Decrease/(increase) in trade and other receivables	4,260	(1,793)
Increase in trade and other payables	7,747	1,476
<b>Cash flows from operations</b>	<b>99,346</b>	<b>(34,472)</b>

	30 June 2011 £000	30 June 2010 £000
<b>Parent Company</b>		
Loss before taxation	(19,119)	(38,784)
Net finance costs	-	(7)
Operating profit	(19,119)	(38,791)
Impairment of investment in subsidiary undertaking	(360)	9,145
Impairment of amount owed by subsidiary undertakings	13,909	44,661
(Decrease)/increase in trade and other receivables	4,186	(18,698)
Increase in trade and other payables	1,384	551
<b>Cash flows from operations</b>	<b>-</b>	<b>(3,132)</b>

### 31. Post balance sheet events

Certain post balance sheet events are disclosed in the Directors' Report and Directors' Remuneration Report. In addition, following the acquisition of the Company by Jupiter, loans scheduled to mature in the financial year ending 30 June 2012 were extended and/or restructured, such that there are no loans now scheduled to mature during the year ending 30 June 2012.

# **MINERVA LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 30 JUNE 2011**

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### **31 Post balance sheet events (cont )**

Jupiter Holdco (BVI) Limited ('Jupiter Holdco') also provided the Company with a new facility of up to £40 million to meet costs, including those associated with the Company's acquisition by Jupiter and amendment or extension of certain existing loan facilities. The funding was provided in the form of deep discount bonds issued by the Company and subscribed for by Jupiter Holdco at a discount to their nominal value, which will be equivalent on maturity to an interest rate of 20 per cent per annum on the relevant subscription price. The Company has a right to ask Jupiter Holdco to convert the redeemable value of the bonds to fully paid shares in the Company before the maturity date on 31 December 2012.

### **32 Related party transactions**

The Group has not entered into any transactions with related parties other than with key management who are considered to be the executive Directors. The share awards and options granted to executive Directors in the year are disclosed in the Remuneration report on pages 7 and 8.

During the year the Company was charged £4,678,000 of management fees by subsidiaries (2010 £7,608,000). Amounts advanced by the Company to subsidiary undertakings, are disclosed in note 16 and are unsecured, interest free and repayable on demand. The Company received intra-group dividends of £nil during the year (2010 £22,400,000).

# MINERVA LIMITED

## REPORT AND ACCOUNTS

### FURTHER INFORMATION

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<b>Directors</b>	Ivan Ezekiel Tim Garnham Paul Goswell Salmaan Hasan Wilson Lamont John Robertson Colin Wagman		
<b>Registered Office</b>	42 Wigmore Street London W1U 2RY		
<b>Auditors</b>	Ernst & Young LLP 1 More London Place London SE1 2AF		
<b>Principal bankers</b>	Barclays Bank PLC 1 Churchill Place London E14 5HP	HSH Nordbank AG London Branch Moorgate Hall 155 Moorgate London EC2M 6UJ	Lloyds Banking Group plc 25 Gresham Street London EC2V 7HN
	Deutsche Postbank AG London Branch 61 Queen Street London EC4R 1AF	Landesbank Berlin London Branch 1 Crown Court London EC2V 6LR	Nationwide Building Society Kings Park Road Moulton Park Northampton NN3 6NW
<b>Solicitors</b>	Berwin Leighton Paisner LLP Adelaide House London Bridge London EC4R 9HA	Nabarro LLP Lacon House 84 Theobald's Road London WC1V 8RW	Slaughter and May One Bunhill Row London EC1Y 8YY
	Jones Day LLP 21 Tudor Street London EC4Y 0DJ	Oiswang LLP 90 High Holborn London WC1V 6XX	
<b>Principal property assets</b>	<i>The Walbrook Building</i> London EC4	<i>Croydon Estate</i> London Borough of Croydon	
	<i>The St Botolph Building</i> London EC3	<i>Westerhill Road</i> Bishopbriggs, Glasgow	
	<i>Lancaster Gate</i> London W2		
	<i>Ram Brewery</i> London SW18		
	<i>Odeon Kensington</i> London W8		

Registered number LP011236

**MINERVA WALBROOK LIMITED PARTNERSHIP**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2011**

THESE ACCOUNTS  
FOR PART OF THE  
PARTNERSHIP  
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**MINERVA WALBROOK LIMITED PARTNERSHIP**

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**MINERVA WALBROOK LIMITED PARTNERSHIP**

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**PARTNERSHIP INFORMATION**

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<b>PARTNERS</b>	General Partner Limited Partner
<b>PRINCIPAL OFFICE</b>	42 Wigmore Street London W1U 2RY
<b>ACCOUNTANTS</b>	Ernst & Young LLP 1 More London Place London SE1 2AF

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## **MINERVA WALBROOK LIMITED PARTNERSHIP**

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### **REPORT OF THE GENERAL PARTNERS**

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#### **Formation and purpose**

The Minerva Walbrook Limited Partnership was established under a Partnership Deed ("the Partnership Deed") on 27 March 2006 and was registered as a Limited Partnership in accordance with the provisions of Section 8 of the Limited Partnerships Act 1907

The Limited Partnership is managed by the General Partner, who is responsible for investment and management decisions and the business affairs of the Partnership

The Limited Partnership was formed to acquire, hold, develop, manage and let commercial property and to carry on property investment activities (including property development with a view to its retention as a development) in accordance with the objectives set out in the Business Plan

The initial term of the Limited Partnership will expire on 1 February 2106, unless all Partners agree to extend the Limited Partnership, in which case the Limited Partnership shall continue until such new termination date as the Partners shall determine

#### **Review of activities**

The Limited Partnership

In line with its formation and purpose, the Limited Partnership has carried on the development of the Walbrook office scheme in Central London. The financial statements on pages 5 to 11 set out the results for the year ended 30 June 2010 and reflect the state of the Limited Partnership's affairs at that date

The Partners

The General Partner during the year was St Swithin's House (General Partner) Limited and the Limited Partners in the period were St Swithin's House Unit Trust and Granite House Unit Trust. The Operator of the Partnership is Ogier Corporate Administration Limited

#### **Constitution and governance**

The Limited Partnership is bound by the Limited Partnership Deed ('The Partnership Deed') dated 27 March 2006

#### **Capital contributions**

The capital contributions of the Partners are set out in Note 8 to the financial statements

#### **Rights and entitlements**

##### **General Partner and Operator**

The General Partner has overall responsibility for the management and control of the business of the Limited Partnership. This includes ensuring that the Limited Partnership is always operated and administered by an Operator appropriately authorised to do so under The Financial Services and Markets Act 2000 'FSMA'. The Operator shall operate and administer the Limited Partnership insofar as such operation and administration requires authorisation pursuant to FSMA, and shall carry out such functions set out in the Operator's Agreement as the Limited Partnership may require

Matters relating to Directors to the Board of the General Partner such as appointment, resignation and removal are regulated in accordance with the Shareholders' agreement and the Articles of Association of the General Partner

All Partners Distributions are made to Partners in proportion to their respective holdings. Where available, distributions of the net operating income are to be made quarterly, subject to certain restrictions under the Partnership Deed

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## MINERVA WALBROOK LIMITED PARTNERSHIP

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### Independent auditors and disclosure of information to auditors

So far as the General Partner is aware, there is no relevant audit information of which the Limited Partnership's auditors are unaware, and the General Partner has taken all the steps that they ought to have taken as a General Partner in order to make itself aware of any relevant audit information, and to establish that the Limited Partnership's auditors are aware of that information

On 1 September 2011 PricewaterhouseCoopers LLP resigned as auditors of the Company and Ernst and Young LLP were appointed as auditors. A resolution to reappoint Ernst and Young LLP as auditors will be put to the annual general meeting

### Statement of the General Partner's Responsibilities

The General Partner is responsible for preparing the financial statements in accordance with applicable law and regulations

Company law as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 (the "Regulations") requires the general partner to prepare financial statements for each financial year. Under that law the general partner has prepared the partnership financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law as applied to qualifying partnerships the general partner 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 partnership and of the profit or loss of the partnership for that period. In preparing these financial statements, the members are required to

- Select suitable accounting policies and then apply them consistently,
- Make judgments and estimates that are reasonable and prudent,
- State whether applicable accounting standards have been followed. Subject to any material departures disclosed and explained in the financial statements, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Partnership will continue in business

The general partner is responsible for keeping adequate accounting records that are sufficient to show and explain the partnership's transactions and disclose with reasonable accuracy at any time the financial position of the partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to qualifying partnerships by the Regulations. They are also responsible for safeguarding the assets of the partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Signed on behalf of



**St Swithin's House (General Partner) Limited**  
**Salmaan Hasan**  
Director  
2 December 2011

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**MINERVA WALBROOK LIMITED PARTNERSHIP**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TO MINERVA WALBROOK LIMITED PARTNERSHIP**

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We have audited the financial statements of Minerva Walbrook Limited Partnership for the year ended 30 June 2011 which comprises the Profit and Loss Account, the Balance Sheet and the related notes 1 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 partnership, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the partnership 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 partnership, as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of the General Partner and auditors**

As explained more fully in the General Partner's Responsibilities Statement set out on page 3, the General partners 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**

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 qualifying partnership's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the members, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the General Partners 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 qualifying partnership's affairs as at 30 June 2011 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 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008.

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to qualifying partnerships 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 members' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

*Ernst & Young LLP*

Matthew Williams (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP  
Statutory Auditors  
London  
2 December 2011

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**MINERVA WALBROOK LIMITED PARTNERSHIP**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 JUNE 2011**

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		2011 £	2010 £
<b>TURNOVER</b>			
Rental income	2	168,317	-
<b>COST OF SALES</b>			
Property outgoings	2	(1,571,672)	(516,777)
<b>NET RENTAL OUTGOINGS</b>	2	(1,403,355)	(516,777)
<b>OTHER INCOME</b>			
Bank interest receivable	4	70	2
		(1,403,285)	(516,775)
<b>EXPENSES</b>			
Administration expenses		(1,191,580)	(914,408)
<b>NET LOSS FOR THE YEAR</b>		(2,594,865)	(1,431,183)

All of the Partnership's activities during the year related to continuing operations

There is no difference between the loss for the year stated above and their historical cost equivalents

**PARTNERS' APPROPRIATION ACCOUNT**

	2011 £	2010 £
General Partner	(519)	(286)
Limited Partner	(2,594,346)	(1,430,897)
	(2,594,865)	(1,431,183)

**MINERVA WALBROOK LIMITED PARTNERSHIP**

**BALANCE SHEET  
AS AT 30 JUNE 2011**

	Note	£	2011 £	£	2010 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	5		261,926,296		240,231,657
<b>CURRENT ASSETS</b>					
Debtors	6	803,490		1,338,238	
<b>CREDITORS DUE WITHIN ONE YEAR</b>	7	(17,575,429)		(14,557,670)	
<b>NET CURRENT LIABILITIES</b>			(16,771,939)		(13,219,432)
<b>NET ASSETS</b>			245,154,357		227,012,225
<b>REPRESENTED BY</b>					
<b>PARTNERS' ACCOUNTS</b>					
Partners' capital and current accounts	8	278,995,698		281,590,563	
Revaluation reserve	9	(33,841,341)		(54,578,338)	
			245,154,357		227,012,225
<b>Partners' funds</b>			245,154,357		227,012,225

The financial statements on pages 5 to 11 are signed on its behalf by



**St Swithin's House (General Partner) Limited**  
**Salmaan Hasan**  
Director



**St Swithin's House (General Partner) Limited**  
**Ivan Ezekiel**  
Director

2 December 2011

Registered number LP011236

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## MINERVA WALBROOK LIMITED PARTNERSHIP

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

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#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention

The financial statements have been prepared in accordance with the historical cost convention, as modified by the inclusion of investment properties at valuation, with accounting standards currently applicable in the United Kingdom and the Companies Act 2006, as applied to qualifying partnerships by the Partnership (Accounts) Regulations 2008 (the "Regulations") There have been no new accounting policies in the period which have had an impact on the financial statements A summary of the more important accounting policies is set out below

##### 1.2 Measurement convention

Areas requiring the use of estimates and critical judgement that may impact on the Limited Partnership's earnings include the valuation of investment properties, where the General Partner's has relied upon external valuation carried out by professionally qualified valuers in accordance with the Appraisal and Valuation Standards of the Royal Institution of Chartered Surveyors

##### 1.3 Going concern

The Limited Partnership has received a letter of support from its ultimate parent during the period, Minerva Limited, stating that it is its current intention to make available such funds as may be necessary by the Limited Partnership to meet its day-to-day expenses as they fall due for a period of 12 months from the date of approval of the financial statements For this reason the Members continue to adopt the going concern basis in preparing the financial statements

##### 1.4 Investment property

Investment properties are included in the financial statements at valuation The aggregate surplus from original cost is transferred to a revaluation reserve Any aggregate unrealised deficit from original cost is charged to the profit and loss account if, in the opinion of the Partners, the deficit represents a permanent diminution in value On realisation any gain or loss is calculated by reference to the carrying value at the last balance sheet date and is included in the profit and loss account Any balance in the revaluation reserve is transferred to the profit and loss account reserve

In accordance with SSAP 19 (Revised) 'Accounting for investment properties', investment properties are revalued annually No provision is made for depreciation or amortisation of properties held for investment purposes The Companies Act 2006 requires all properties to be depreciated, but that requirement conflicts with the generally accepted principle set out in SSAP 19 (Revised) The Partners consider that, as the properties are held for long-term investment, a true and fair view is given by following SSAP 19 (Revised) Depreciation is only one of the many factors reflected in the annual valuation of properties and the amount of depreciation or amortisation which might otherwise have been charged cannot be separately identified or quantified in a meaningful way Additions to properties in the course of development or refurbishment include the cost of finance and directly attributable internal and external costs incurred during the period of development until practical completion

##### 1.5 Taxation

The Limited Partnership is not subject to taxation Any Partner liable to taxation on its participation in the Limited Partnership is responsible for settling these liabilities independently of the Limited Partnership

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**MINERVA WALBROOK LIMITED PARTNERSHIP**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2011**

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**1. ACCOUNTING POLICIES (continued)**

**1.6 Cash flow statement**

The results of the Limited Partnership are fully consolidated within the results of Minerva Limited and the cash flows of the Limited Partnership are included in the consolidated cash flow statement of that company. Consequently the Limited Partnership is exempt under the terms of FRS 1 (revised 1996) 'Cash flow statements' from publishing its own cash flow statement.

**1.7 Turnover**

Turnover comprises rental income and recoverable property expenses receivable from tenants.

Rental income is recognised after treating lease incentives that do not enhance the property as a revenue reduction and spread evenly over the period to the earlier of the first rent review or the lease term. The Company's turnover is derived wholly in the UK from its principal activity.

Recoverable property expenses, which are treated as turnover and as property outgoings, are principally service charge costs and insurance recoverable from tenants.

Benefits received and receivable by the tenant as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

**2. NET RENTAL OUTGOINGS**

	2011 £	2010 £
<b>TURNOVER</b>		
Rental income	168,317	-
	<u>168,317</u>	
<b>COST OF SALES</b>		
Property outgoings	(1,502,239)	(432,770)
Marketing expenses on properties under development	(69,433)	(84,007)
	<u>(1,571,672)</u>	<u>(516,777)</u>
<b>NET RENTAL OUTGOINGS</b>	<u><u>(1,403,355)</u></u>	<u><u>(516,777)</u></u>

**3. OPERATING LOSS**

Audit fees amounting to £1,200 (2010: £1,200) are borne by a fellow Group undertaking. The fees are reflective of the fact the Limited Partnership is part of a large Group. No salaries were paid during the year (2010: £NIL).



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**MINERVA WALBROOK LIMITED PARTNERSHIP**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2011**

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**4. OTHER INCOME**

	2011 £	2010 £
Bank interest receivable	70	2
	<u>70</u>	<u>2</u>

**5. INVESTMENT PROPERTY**

	2011 £	2010 £
<b>Freehold</b>		
At beginning of year net book value and valuation	240,231,657	126,261,764
Additions	957,642	37,934,631
Surplus on revaluation	20,736,997	76,035,262
	<u>261,926,296</u>	<u>240,231,657</u>
At end of year net book value	261,926,296	240,231,657
Amounts included within prepayments and accrued income	473,704	518,343
	<u>262,400,000</u>	<u>240,750,000</u>
At end of year valuation	262,400,000	240,750,000

The investment properties were valued on an open market value basis by CB Richard Ellis Limited, independent external valuers, as at the period end, in accordance with the current edition of the Appraisal and Valuation Standards issued by the Royal Institution of Chartered Surveyors. The historical cost of the properties at 30 June 2011 was £295,767,637 (2010: £294,809,995) and there was no capitalised interest included in this cost.

**6. DEBTORS**

	2011 £	2010 £
Taxation and social security	277,826	569,739
Other debtors	51,960	250,156
Prepayments and accrued income	473,704	518,343
	<u>803,490</u>	<u>1,338,238</u>
	803,490	1,338,238

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**MINERVA WALBROOK LIMITED PARTNERSHIP**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2011**

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**7. CREDITORS**

**Amounts falling due within one year**

	2011 £	2010 £
Amounts owed to group undertaking	14,618,661	10,761,884
Other creditors	2,222,199	2,338,634
Accruals and deferred income	734,569	1,457,152
	<u>17,575,429</u>	<u>14,557,670</u>

Amounts due to group undertakings are unsecured, interest free and repayable on demand

**8 PARTNERS' CAPITAL AND CURRENT ACCOUNTS**

	General Partner £	Limited Partner £	Total £
At 1 July 2010	(162)	281,590,725	281,590,563
Loss for the year	(519)	(2,594,346)	(2,594,865)
At 30 June 2011	<u>(681)</u>	<u>278,996,379</u>	<u>278,995,698</u>

**9. RESERVES**

	Revaluation reserve £
At 1 July 2010	(54,578,338)
Revaluation surplus in the year	20,736,997
At 30 June 2011	<u>(33,841,341)</u>

**10. CAPITAL COMMITMENTS**

Capital commitments contracted, but not provided for, at 30 June 2011 were £82,000 (2010 £301,000)

**11 OWNERSHIP AND CONTROL**

The Limited Partnership is managed by the General Partner on behalf of the Partners who exercise control. These undertakings were ultimately owned by Minerva Limited (previously Minerva plc) throughout the period. Copies of the consolidated financial statements of Minerva Limited are publicly available. See Post Balance Sheet Events (note 13) for details of the change of control subsequent to the year end.

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## **MINERVA WALBROOK LIMITED PARTNERSHIP**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

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#### **12. RELATED PARTY TRANSACTIONS**

The Limited Partnership is a subsidiary undertaking of which 100% of the voting rights are controlled within the Group and it has taken advantage of the exemption in FRS 8 'Related party disclosures' are not to disclose any transactions or balances with entities that are part of the Group

#### **13. POST BALANCE SHEET EVENTS**

Jupiter Properties 2011 UK Limited ('Jupiter'), a company jointly owned by funds advised by AREA Property Partners (UK) Limited ('Area') and a subsidiary of DV4 Limited, which is advised by Delancey Real Estate Asset Management Limited ('Delancey'), acquired the entire issued share capital of Minerva plc following the declaration that its offer was wholly unconditional on 19 August 2011. Consequently, on 19 September 2011, the listing of Minerva Shares on the Official List and the admission to trading in Minerva Shares on the London Stock Exchange's market for listed securities was cancelled. On 17 October 2011, Minerva plc was re-registered as a private limited company under section 97 of the Companies Act 2006.