

Company Registration No 3889039 (England and Wales)

**GLOUCESTER ESTATES (LANDSBERGER)
LIMITED**

**Directors' report
and Unaudited Financial Statements**

For the year ended 31 March 2011



GLOUCESTER ESTATES (LANDSBERGER) LIMITED

Company Information

Directors

N A Le Quesne
S L Harrop
R Monticelli (appointed 4 August 2011)
R P Surcouf (appointed 4 August 2011)
P H Burgin (resigned 4 August 2011)
J M Luce (resigned 4 August 2011)

Registered office

6th Floor
63 Curzon Street
London
W1J 8PD

Accountants

BDO Alto Limited
Windward House
La Route de la Liberation
St Helier
Jersey
JE1 1BG

GLOUCESTER ESTATES (LANDSBERGER) LIMITED

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GLOUCESTER ESTATES (LANDSBERGER) LIMITED

Company Registration No: 3889039 (England and Wales)

(Incorporated in the United Kingdom)

Directors' Report

The directors of the company present their report to the members together with the unaudited financial statements for the year ended 31 March 2011

Incorporation

The company was incorporated in the United Kingdom and registered in England and Wales on 6 December 1999, company number 3889039

Principal activities

The company is inactive following the sale of its property on 31 May 2009. The results of the company are set out in the profit and loss account. It is intended that the company is dissolved in due course, however at present the directors are unable to ascertain when this will take place.

Reporting currency

The reporting currency of the company is euro

Directors

The directors of the company who held office during the year, and subsequently to the date of this report, were -

N A Le Quesne

S L Harrop

R Monticelli (appointed 4 August 2011)

R P Surcouf (appointed 4 August 2011)

P H Burgin (resigned 4 August 2011)

J M Luce (resigned 4 August 2011)

Secretary

The secretary of the company who held office during the year, and subsequently to the date of this report, was JTC Management Limited

Directors' interests in shares

None of the directors had any interest in the share capital of the company at any time during the year

Principal risks and uncertainties

The principal risk to the company is that it is unable to meet its liabilities going forward as it does not hold any assets, however this is addressed by the support from the parent company to settle liabilities on an ongoing basis

Going Concern

Liabilities as at 31 March 2011 and on an ongoing basis will be met by the parent company, Watermark Holdings Limited, who will continue to provide support for 12 months from the signing of the financial statements. This will avoid exposure to any going concern risk.

Auditors/ Accountants

Auditors Ernst & Young LLP resigned on 8 March 2011. Accountants BDO Alto Limited were appointed on 6 April 2011

GLOUCESTER ESTATES (LANDSBERGER) LIMITED

Company Registration No: 3889039 (England and Wales)

(Incorporated in the United Kingdom)

Directors' Report (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

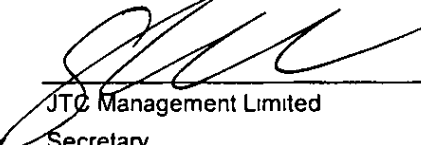
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The above report has been prepared in accordance with the special provisions in part 15 of the Companies Act 2006

On behalf of the board



JTQ Management Limited
Secretary

Registered Office

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London
W1J 8PD



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GLOUCESTER ESTATES (LANDSBERGER) LIMITED

Company Registration No: 3889039 (England and Wales)

REVIEW REPORT TO THE DIRECTORS OF GLOUCESTER ESTATES (LANDSBERGER) LIMITED

We have reviewed the accompanying balance sheet of Gloucester Estates (Landsberger) Limited at 31 March 2011, the profit and loss account and the related notes 1 to 14. These financial statements are the responsibility of the directors. Our responsibility is to issue a report on these financial statements based on our review.

This report is made solely to the company's directors in accordance with the terms of our engagement. Our work has been undertaken so that we may review the financial statements that we have been engaged to review, report to the company's directors that we have done so, and state those matters that we have agreed to state in this report and for no other purpose. To the fullest extent permitted by the law, we do not accept or assume responsibility to anyone other than the company's directors for our work or for this report.

We conducted our review in accordance with the International Standard on Review Engagements 2400. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provided less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements do not give a true and fair view in accordance with United Kingdom Accounting Standards.

BDO Alto Limited

BDO Alto Limited

Date *5th October 2011*

GLOUCESTER ESTATES (LANDSBERGER) LIMITED

Profit and loss account

For the year ended 31 March 2011

		2011	2010
	Notes	€	€
Property income		-	5,222
Administrative expenses		-	(5,462)
Operating loss	2	-	(240)
Loss on sale of investment property	5	-	(91,572)
Cancellation of lease	8	-	2,142,694
Cancellation of loan	6	-	(2,155,313)
Loans waived			
Loan payable	7	36,955	231,523
Loan receivable	6	-	(44,228)
		36,955	187,295
Loss on foreign exchange		(950)	(131,622)
Interest receivable and similar income		-	7,283
Profit/(loss) on ordinary activities before taxation		36,005	(41,475)
Tax on profit on ordinary activities	4	-	-
Profit/(loss) on ordinary activities after taxation		36,005	(41,475)

All the items dealt with arriving at the above results relate to discontinued operations

The company has no recognised gains and losses other than those included in the profit and loss account and consequently no separate statement of total recognised gains and losses has been prepared

There is no difference between the profit/(loss) for the financial year and its historical cost equivalent

GLOUCESTER ESTATES (LANDSBERGER) LIMITED

Balance sheet As at 31 March 2011

		2011	2010
Notes	€	€	€
Creditors amounts falling due within one year			
U K Corporation tax	-	36,005	
Net current liabilities		-	(36,005)
Net liabilities		-	(36,005)
Capital and reserves			
Share capital	9	3	3
Profit and loss account	10	(3)	(36,008)
Shareholder's deficit - equity interests	11	-	(36,005)

Audit Exemption Statement

For the year ended 31 March 2011 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies

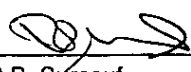
Directors' responsibilities

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts,
- these accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

The financial statements were approved and authorised for issue on behalf of the board of Directors on

4 OCTOBER 2011 and signed on its behalf by


S L Harrop
Director


R P Surcouf
Director

GLOUCESTER ESTATES (LANDSBERGER) LIMITED

Notes to the financial statements

For the year ended 31 March 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards

1.3 Income and expenses

Income and expenses were accounted for on an accruals basis in the prior year. Any liabilities outstanding as at 31 March 2011 have been shown in the accounts of the parent company, Watermark Holdings Limited as expenses of subsidiaries

1.4 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into euro at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account. The sterling exchange rate to the euro at the year end was 1.131778

1.5 Cash flow statements

The company has made use of the small company exemption available under FRS 1 (Revised) 'Cash flow Statements' and has not prepared a cash flow statement

1.6 Taxation

Provision is made in the profit and loss account for all anticipated liabilities to U.K. Taxation

2	Operating loss	2011	2010
		€	€
	Operating loss is stated after charging		
	Directors' fees (see note 12)	-	2,078
	Legal and professional fees	-	3,075

3 Employees

There were no employees during the year (2010: nil)

GLOUCESTER ESTATES (LANDSBERGER) LIMITED

Notes to the financial statements (continued)

For the year ended 31 March 2011

4	Taxation	2011 €	2010 €
	Current tax charge	-	-
	Factors affecting the tax charge for the year		
	Profit/(loss) on ordinary activities before taxation	36,005	(41,475)
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of U K Corporation tax of 28% (2010 28%)	10,081	(11,613)
	Effect of		
	Non deductible expenses	-	629,265
	Non assessable income	(10,347)	(653,812)
	Group relief	266	36,207
	Losses utilised	-	(47)
	Current tax charge	-	-

Group relief surrendered or received between group companies was done without financial consideration, except where there was an external condition to do so

GLOUCESTER ESTATES (LANDSBERGER) LIMITED

Notes to the financial statements (continued)

For the year ended 31 March 2011

5 Investment property

The investment property was situated at Landsberger Allee, Nr 53 Virchowstrasse, 10249 Berlin, Germany

The investment property was sold on 31 May 2009 for a consideration of €2,075,000

On 24 March 2005 a 75 year operating lease was granted on the property to Vermar Verwaltungs-und Markstudien AG. The total premium received was €2,268,750 and based on the requirements of SSAP 21 this was spread over the life of the lease on a straight line basis. The annual amortisation amount per year was €30,250. The operating lease was cancelled on 6 May 2009 and the remaining deferred lease premiums were released to the profit and loss account, resulting in a profit in the prior year's profit and loss account of €2,142,694.

In the prior year, expenses in relation to the sale of the property resulted in a loss on sale of €91,572 reflected in the profit and loss account.

6 Loans receivable

In the prior year, a loan to Vermar Verwaltungs-und Markstudien AG, was unsecured, bore interest at the rate of EURIBOR 3M + 1%. The loan of €2,155,313 was cancelled on 6 May 2009 following the cancellation of the lease with Vermar Verwaltungs-und Markstudien AG. A further balance of €44,228 was written off as at 31 March 2010.

7 Loan payable

The loan due to Gloucester Estates (Holdings) Limited of €36,955 (2010: €231,523) was unsecured, interest free and was written back as at 22 March 2011 (2010: 31 March 2010).

8 Cancellation of lease

Following the cancellation of the lease on 6 May 2009, the balance of deferred lease premiums of €2,142,694 was written back to the profit and loss account in the prior year (Note 5).

9	Share capital	2011	2010
		€	€
	Authorised		
	100 ordinary shares of £1 each	158	158
	Issued		
	2 ordinary shares of £1 each (at historical exchange rate)	3	3

GLOUCESTER ESTATES (LANDSBERGER) LIMITED

Notes to the financial statements (continued)

For the year ended 31 March 2011

10	Movement on reserves	Profit and Loss account €
	Brought forward	(36,008)
	Profit for the financial year	36,005
	Carned forward	(3)

11	Reconciliation of movements in equity shareholder's funds/(deficit)	2011 €	2010 €
	Profit/(loss) for the financial year	36,005	(41,475)
	Net addition to/(reduction) in equity shareholder's funds	36,005	(41,475)
	Opening equity shareholder's (deficit)/funds	(36,005)	5,470
	Closing equity shareholder's funds/(deficit)	-	(36,005)

12 Related party transactions

The following transactions are considered to be with related parties,

	Relationship	2011 €	2010 €
Interest receivable			
Watermark Holdings Limited	Intermediate parent company	-	1,950
Directors' fees			
JTC Management Limited	Common control	-	2,078
Loan waived			
Gloucester Estates (Holdings) Limited	Immediate parent company	36,955	231,523

The Gloucester Estates (Holdings) Limited loan payable was created when Gloucester Estates (Holdings) Limited paid the brought forward tax liability on behalf of the company in the current year

Expenses met by related party

Watermark Holdings Limited	Intermediate parent company	6,457	9,772
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Included within expenses met by related parties is Directors' fees payable to JTC Management Limited (common control) of £2,000 (2010 £1,800)

GLOUCESTER ESTATES (LANDSBERGER) LIMITED

Notes to the financial statements (continued)

For the year ended 31 March 2011

13 Ultimate holding company and controlling party

In the opinion of the directors, the immediate parent company is Gloucester Estates (Holdings) Limited and the ultimate holding company is Warwick Square Limited

The parent of the largest group for which the accounts are prepared, of which the company is a member is Warwick Square Limited

The company's immediate holding company is incorporated in United Kingdom, and the ultimate holding company is incorporated in Jersey, Channel Islands

The company is ultimately owned by JTC Trustees Limited as Trustee of the Warwick Square Trust (which owns 95.31% of Warwick Square Limited), which is a discretionary trust constituted under the laws of Jersey, Channel Islands. Although in the opinion of the Directors, the company is under the fiduciary control of JTC Trustees Limited acting in its capacity as Trustee of the Warwick Square Trust, for accounts disclosure purposes, there is no ultimate controlling party since the criteria contained within the definition of "control" in FRS 8 Related Party Disclosures are not satisfied by any one party

14 Going concern

The financial statements have been prepared on the going concern basis as the directors have received assurances from Watermark Holdings Limited that all liabilities on an ongoing basis will be settled directly by them for the foreseeable future. The total liabilities outstanding as at 31 March 2011 of €3,002 (€1,981 in respect of accountancy fees and €1,021 in respect of professional fees) (2010: €9,772, €8,986 in respect of audit fees and €786 in respect of professional fees) are reflected as liabilities in the parent company, Watermark Holdings Limited.