

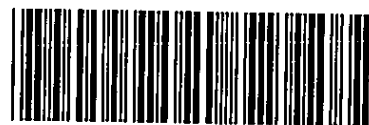
Registered number. 04017777

## **Moorfield Investment Management Limited**

**Directors' report and financial statements**

**for the year ended 31 December 2012**

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# **Moorfield Investment Management Limited**

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## **Moorfield Investment Management Limited**

### **Company Information**

<b>Directors</b>	Graham Stanley Graham Sidwell Marc Gilbard
<b>Registered number</b>	04017777
<b>Registered office</b>	Nightingale House 65 Curzon Street London W1J 8PE
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH
<b>Bankers</b>	Lloyds Banking Group Park Lane Branch PO Box 1000 BX1 1LT

## **Moorfield Investment Management Limited**

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

The directors present their report and the audited financial statements of Moorfield Investment Management Limited (the "Company") for the year ended 31 December 2012

#### **Principal activity**

The Company's principal activity during the year was that of provision of investment management services to group and other related party undertakings

#### **Results**

The Company's profit for the financial year is £292,000 (2011 - £275,000)

#### **Directors**

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

Graham Stanley  
Graham Sidwell  
Marc Gilbard

#### **Statement of directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

**Moorfield Investment Management Limited**

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

**Statement of disclosure of information to auditors**

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

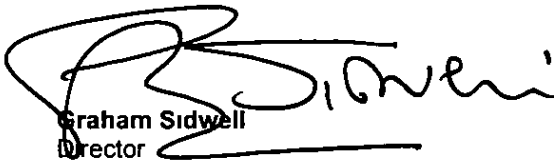
- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditors in connection with preparing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

**Small companies' exemption**

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

This report was approved by the board on

25 April 2013 and signed on its behalf

  
Graham Sidwell  
Director

## **Moorfield Investment Management Limited**

### **Independent auditors' report to the members of Moorfield Investment Management Limited**

We have audited the financial statements of Moorfield Investment Management Limited for the year ended 31 December 2012 which comprise the Profit and loss account, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of directors' responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

#### **Scope of the audit of the financial statements**

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

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

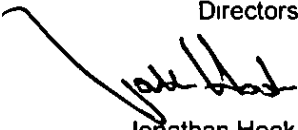
**Moorfield Investment Management Limited**

**Independent auditors' report to the members of Moorfield Investment Management Limited**

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' report



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

Date 26 April 2013

**Moorfield Investment Management Limited**

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

	<b>Note</b>	<b>2012 £000</b>	<b>2011 £000</b>
<b>Turnover</b>	1,2	<b>7,434</b>	4,258
Administrative expenses		<b>(7,833)</b>	(4,638)
Other operating income		<b>758</b>	606
		<hr/>	<hr/>
<b>Operating profit</b>	3	<b>359</b>	226
Interest receivable and similar income	6	<b>28</b>	49
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		<b>387</b>	275
Tax on profit on ordinary activities	7	<b>(95)</b>	-
		<hr/>	<hr/>
<b>Profit for the financial year</b>	11	<b>292</b>	275
		<hr/>	<hr/>

All amounts above relate to continuing operations

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

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

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



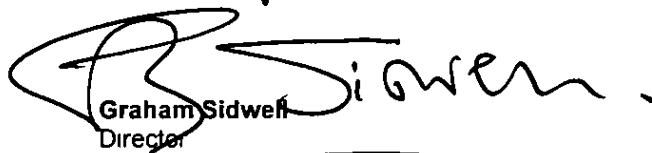
**Moorfield Investment Management Limited**  
**Registered number 04017777**

**Balance sheet**  
**as at 31 December 2012**

	Note	£000	2012 £000	£000	2011 £000
<b>Current assets</b>					
Debtors	8	3,209		2,648	
Cash at bank and in hand		10		73	
		<u>3,219</u>		<u>2,721</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(214)</u>		<u>(8)</u>	
<b>Net current assets</b>			<u>3,005</u>		<u>2,713</u>
<b>Net assets</b>			<u>3,005</u>		<u>2,713</u>
<b>Capital and reserves</b>					
Called up share capital	10		-		-
Share premium account	11		5		5
Profit and loss account	11		<u>3,000</u>		<u>2,708</u>
<b>Total shareholders' funds</b>	12		<u>3,005</u>		<u>2,713</u>

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

25 April 2013.

  
Graham Sidwell  
Director

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

## **Moorfield Investment Management Limited**

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

#### **1. Accounting policies**

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

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

##### **1.2 Cash flow statement**

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

##### **1.3 Turnover and other operating income**

Turnover represents property management fees, net of value added tax. Turnover is recognised when, and to the extent that, the company obtains the right to consideration in exchange for its performance.

Other operating income comprises insurance commission fees earned, recognised on an accrual basis.

##### **1.4 Debtors**

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

##### **1.5 Administrative expenses**

Administrative expenses comprise amounts invoiced for services received.

#### **2. Turnover**

Turnover relates to the Company's main activity which is carried out in the United Kingdom.

#### **3. Operating profit**

Audit fees were borne by a related undertaking in both years.

#### **4. Employee information**

The Company had no employees during the year (2011 - nil).

#### **5. Directors' remuneration**

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

**Moorfield Investment Management Limited**

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

**6. Interest receivable**

	2012 £000	2011 £000
Interest receivable from group companies	28	49

Interest is charged at 3% on the balance with Moorfield Group Limited

**7 Tax on profit on ordinary activities**

	2012 £000	2011 £000
UK corporation tax charge on profit for the year	95	-

**Factors affecting tax charge for the year**

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

	2012 £000	2011 £000
Profit on ordinary activities before taxation	387	275
Profit on ordinary activities multiplied by standard rate in the UK of 24.5% (2011 - 26.5%)	95	73
<b>Effects of:</b>		
Group relief claimed and not paid for	-	(73)
<b>Total current tax</b>	95	-

**Factors affecting future tax charges**

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

**8. Debtors**

	2012 £000	2011 £000
Amounts owed by related party and group undertakings	3,074	2,534
Other debtors	135	114
	3,209	2,648

**Moorfield Investment Management Limited**

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

**8. Debtors (continued)**

Amounts owed by related party and group undertakings are unsecured and repayable on demand

**9. Creditors  
Amounts falling due within one year**

	<b>2012 £000</b>	<b>2011 £000</b>
Corporation tax	<b>95</b>	-
Other taxation and social security	<b>119</b>	8
	<b>214</b>	<b>8</b>

**10. Called up share capital**

	<b>2012 £000</b>	<b>2011 £000</b>
<b>Allotted and fully paid</b>		
3 ordinary shares of £1 each	-	-

**11. Reserves**

	<b>Share premium account £000</b>	<b>Profit and loss account £000</b>
At 1 January 2012	<b>5</b>	<b>2,708</b>
Profit for the financial year	-	292
At 31 December 2012	<b>5</b>	<b>3,000</b>

**12. Reconciliation of movements in shareholders' funds**

	<b>2012 £000</b>	<b>2011 £000</b>
Opening shareholders' funds	<b>2,713</b>	<b>2,438</b>
Profit for the financial year	<b>292</b>	275
Closing shareholders' funds	<b>3,005</b>	<b>2,713</b>

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

**13 Related party transactions**

Under FRS 8, the Company is exempt from the requirement to disclose transactions with other wholly owned subsidiaries of the Stessa Trading Ltd group

During the year, the Company had the following transactions with other related parties

- Management fees of £238,509 (2011 - £230,860) were charged to WB Westway Limited Partnership to cover property management expenses,
- Management fees of £286,215 (2011 - £274,686) were charged to Jewel Hotels Unit Trust I to cover property management expenses,
- Management fees of £76,445 (2011 - £73,366) were charged to Jewel Hotels Unit Trust II to cover property management expenses,
- Management fees of £17,598 (2011 - £16,889) were charged to Diamant Limited to cover property management expense,
- Management fees of £1,101,883 (2011 - reimbursed £351,883) were charged to MREF Hotels Limited to cover property management expenses,
- Management fees of £4,910,194 (2011 - £3,562,196) were charged to Moorfield Real Estate Fund II GP Limited to cover property management expenses,
- Management fees of £129,644 (2011 - £150,857) were charged to Skypark Unit Trust to cover property management expenses,
- Management fees of £94,526 (2011 - £85,441) were charged to MREF II WRH Limited Partnership to cover property management expenses,
- Management fees of £109,927 (2011 - £61,016) were charged to MREF II PM Limited to cover property management expenses,
- Management fees of £98,423 (2011 - £18,620) were charged to MREF II Towers Property Company Limited to cover property management expenses,
- Management fees of £22,917 (2011 - £nil) were charged to UK Logistics GP Limited to cover property management expenses,
- Management fees of £23,330 (2011 - £23,759) were charged to Safestay Limited to cover property management expense,
- Management fees of £9,373 (2011 - £8,885) were charged to George Chollerford Limited to cover property management expense,
- Management fees of £4,953 (2011 - £4,741) were charged to Eden Arms Rushyford Limited to cover property management expense,
- Management fees of £24,514 (2011 - £23,526) were charged to St George Harrogate Limited to cover property management expense,
- Management fees of £227,454 (2011 - £nil) were charged to MREF II Salisbury Property Company Limited to cover property management expense,
- Management fees of £58,333 (2011 - £42,000) were charged to MREF II MH Sarl to cover property management expenses,
- Management fees of £nil (2011 - £33,000) were charged to Moorfield UK Venture I Sarl to cover property management expense,

The above entities are considered to be related party undertakings on the basis that the ultimate parent company has significant equity investments in each, or a fellow subsidiary undertaking acts as General Partner

## **Moorfield Investment Management Limited**

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

#### **14. Immediate and ultimate parent undertaking and ultimate controlling party**

The immediate parent company is Moorfield Group Limited

The ultimate parent undertaking and ultimate controlling party is Stessa Trading Limited which is registered in England and Wales and is the parent undertaking of the smallest and largest group to consolidate these financial statements

Group accounts are available on payment of the appropriate fee from Companies House, Crown Way, Mandy, Cardiff, CF14 3UZ