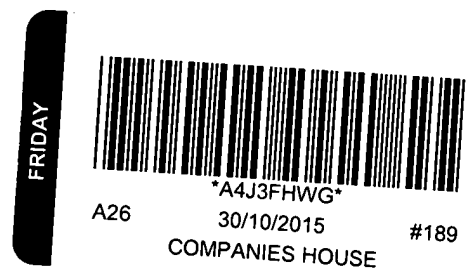


Registered number: 04017777

Moorfield Investment Management Limited

Annual report and financial statements

for the year ended 31 December 2014



Moorfield Investment Management Limited

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Moorfield Investment Management Limited

Company Information

Directors	Marc Gilbard Graham Stanley Graham Sidwell Nicholas Edwards Charles Ferguson-Davie
Company secretary	Saira Johnston
Registered number	04017777
Registered office	Nightingale House 65 Curzon Street London W1J 8PE
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH
Bankers	Lloyds Banking Group Park Lane Branch PO Box 1000 BX1 1LT

Moorfield Investment Management Limited

Strategic report for the year ended 31 December 2014

Introduction

The directors present their strategic report on the Company for the financial year ended 31 December 2014

Principal activity

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

Results, review of business and future developments

In 2014 Moorfield Investment Management Limited generated turnover of £14,365,000 (2013 - £7,800,000) and a profit after tax for the financial year of £196,000 (2013 - £338,000). The profit before tax in the year was £184,000 (2013 - £316,000). The directors intend on maintaining the present activities of the Company in 2015.

Principal risks and uncertainties

Since the Company principally earns income from related entities through the provision of asset and investment management services, the principal risk is that the related investment entities will be unable to meet their obligations due to a general downturn in the real estate market and the inability to raise and invest new funds.

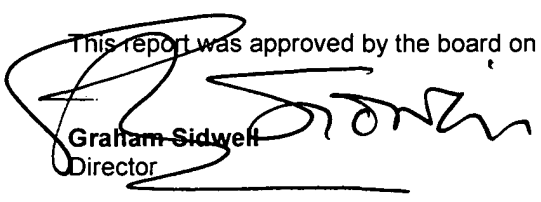
Key performance indicators

The directors consider that an appropriate understanding of the development, performance and position of the entity's business can be achieved from the reported turnover and profit before tax.

This report was approved by the board on

24 April 2015

and signed on its behalf.


Graham Sidwell
Director

Moorfield Investment Management Limited

Directors' report for the year ended 31 December 2014

The directors present their report and the audited financial statements of Moorfield Investment Management Limited (the "Company") for the year ended 31 December 2014.

Dividends

The directors do not recommend the payment of a dividend (2013 - £nil).

Results

The Company's profit for the financial year is £196,000 (2013 - £338,000).

Directors

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

Marc Gilbard
Graham Stanley
Graham Sidwell
Nicholas Edwards
Charles Ferguson-Davie

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, 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 2014**

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 relevant audit information and to establish that the Company's auditors are aware of that information.

This report was approved by the board on

24 April 2015

and signed on its behalf.



Graham Sidwell
Director

Moorfield Investment Management Limited

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

Report on the financial statements

Our opinion

In our opinion, Moorfield Investment Management Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

Moorfield Investment Management Limited's financial statements comprise:

- the Balance sheet as at 31 December 2014;
- the Profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Moorfield Investment Management Limited

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 3, 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) ("ISAs (UK & 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.

What an audit of financial statements involves

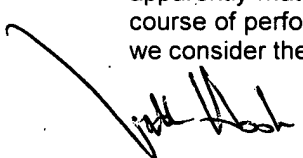
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our 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: 24/4/15

Moorfield Investment Management Limited

**Profit and loss account
for the year ended 31 December 2014**

	Note	2014 £000	2013 £000
Turnover	2	14,365	7,800
Administrative expenses		(14,911)	(8,296)
Other operating income		814	779
		<hr/>	<hr/>
Operating profit	3	268	283
Interest receivable and similar income	6	-	33
Interest payable and similar charges	7	(84)	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation		184	316
Tax on profit on ordinary activities	8	12	22
		<hr/>	<hr/>
Profit for the financial year	12	196	338
		<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 recognised gains and losses has been presented.

There are no material differences 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 9 to 13 form part of these financial statements.

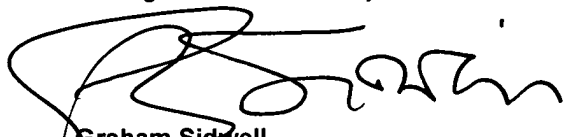
Moorfield Investment Management Limited
Registered number: 04017777

Balance sheet
as at 31 December 2014

	Note	2014 £000	2014 £000	2013 £000	2013 £000
Current assets					
Debtors	9	7,027		3,199	
Cash at bank and in hand		5,151		546	
		<u>12,178</u>		<u>3,745</u>	
Creditors: amounts falling due within one year	10	<u>(6,889)</u>		<u>(402)</u>	
Net current assets			<u>5,289</u>		<u>3,343</u>
Net assets			<u>5,289</u>		<u>3,343</u>
Capital and reserves					
Called up share capital	11		-		-
Share premium account	12		1,755		5
Profit and loss account	12		3,534		3,338
Total shareholders' funds	13		<u>5,289</u>		<u>3,343</u>

The financial statements on pages 7 to 13 were approved by the board of directors on and signed on its behalf by

24 April 2015.


Graham Sidwell
 Director

The notes on pages 9 to 13 form part of these financial statements.

Moorfield Investment Management Limited

Notes to the financial statements for the year ended 31 December 2014

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 is a wholly – owned subsidiary of Stessa Trading Limited, the Company's ultimate parent undertaking. The Company is included in the consolidated financial statements of Stessa Trading Limited, which are publicly available. Consequently the Company has taken advantage of the exemption from preparing a cash flow statement contained in FRS 1 "Cash flow statements".

1.3 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.

1.4 Turnover and other operating income

Turnover represents investment and asset 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 comprise insurance commission fees earned, recognised on an accruals basis.

2. Turnover

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

3. Operating profit

The operating profit is stated after charging:

	2014 £000	2013 £000
Fees payable to the Company's auditors for the audit of financial statements	15	-
Prior year audit fees were borne by another group company.		

Moorfield Investment Management Limited

**Notes to the financial statements
for the year ended 31 December 2014**

4. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2014 £000	2013 £000
Wages and salaries	40	4
Social security costs	8	-
	48	4

The Company had no employees, other than the directors, during the year (2013 - nil).

5. Directors' remuneration

	2014 £000	2013 £000
Aggregate remuneration	40	4

6. Interest receivable and similar income

	2014 £000	2013 £000
Interest receivable from group companies	-	33

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

7. Interest payable and similar charges

	2014 £000	2013 £000
Interest payable to group companies	84	-

8. Tax on profit on ordinary activities

	2014 £000	2013 £000
UK corporation tax credit on profit for the year	(12)	(22)

Moorfield Investment Management Limited

**Notes to the financial statements
for the year ended 31 December 2014**

8. Tax on profit on ordinary activities (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%). The differences are explained below:

	2014 £000	2013 £000
Profit on ordinary activities before taxation	184	316
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%)	40	73
Effects of:		
Adjustments in respect of prior periods	(52)	(95)
Total current tax	(12)	(22)

Factors affecting future tax charges

Further reductions to the UK corporation tax rate were announced in the Autumn 2014 Budget statement. These changes were to reduce tax rates by a further 1% to 20% from 1 April 2015.

9. Debtors

	2014 £000	2013 £000
Amounts owed by related party and group undertakings	7,027	3,025
Other debtors	-	174
	7,027	3,199

Amounts owed by related party and group undertakings are unsecured.

**10. Creditors:
Amounts falling due within one year**

	2014 £000	2013 £000
Amounts owed to group undertakings	6,718	175
Corporation tax	18	73
Other taxation and social security	83	53
Other creditors	70	101
	6,889	402

Amounts owed to group undertakings are unsecured and repayable on demand.

Moorfield Investment Management Limited

Notes to the financial statements for the year ended 31 December 2014

11. Called up share capital

	2014 £000	2013 £000
Allotted and fully paid		
100 (2013 - 3) ordinary shares of £1 each	-	-

12. Reserves

	Share premium account £000	Profit and loss account £000
At 1 January 2014	5	3,338
Profit for the financial year	-	196
Premium on shares issued during the year	1,750	-
At 31 December 2014	1,755	3,534

13. Reconciliation of movements in shareholders' funds

	2014 £000	2013 £000
Opening shareholders' funds	3,343	3,005
Profit for the financial year	196	338
Premium on shares issued during the year	1,750	-
Closing shareholders' funds	5,289	3,343

14. Related party transactions

Under FRS 8 'Related Party Disclosures', the Company is exempt from the requirement to disclose transactions with other wholly owned subsidiaries of the Stessa Trading Limited group.

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

	2014 £'000	2013 £'000
Fees from MREF I	2,929	1,801
Fees from MREF II	7,158	5,727
Fees from MREF III	246	10
Fees from other assets	243	261

Moorfield Investment Management Limited

Notes to the financial statements for the year ended 31 December 2014

14. Related party transactions (continued)

At 31 December 2014, the following amounts are held on the balance sheet:

	2014 £'000	2013 £'000
Fees due from MREF I	2,100	690
Fees due from MREF II	6,513	2
Fees due from MREF III	116	-
Fee refund due to MREF II	-	51

These 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.

15. 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, Maindy, Cardiff, CF14 3UZ.