

Registered number: 04309930

MAJESTIC ACQUISITIONS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 DECEMBER 2012**



MAJESTIC ACQUISITIONS LIMITED

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MAJESTIC ACQUISITIONS LIMITED

GENERAL INFORMATION

DIRECTORS

Hugh Meechan
William Purves

COMPANY SECRETARY

Merrill Lynch Corporate Services Limited

REGISTERED OFFICE

2 King Edward Street
London
England
EC1A 1HQ

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

MAJESTIC ACQUISITIONS LIMITED

DIRECTORS' REPORT

For the year ended 31 December 2012

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

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.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the Company is to act as an investment holding company. No future changes in activity are envisaged.

There was no trading activity during the current or prior year.

The directors do not recommend the payment of a dividend for the year ended 31 December 2012 (2011: nil).

RISK MANAGEMENT

As the Company is non-trading and has no plans to recommence trading, the directors consider there to be no risks or uncertainties which require mitigation.

GOING CONCERN

The Company currently has sufficient capital to maintain its operations. Moreover, the directors believe that Merrill Lynch International Bank Limited ("MLIB") would provide capital support to the Company if necessary. MLIB is itself a going concern.

Based on the above, the Company continues to adopt the going concern basis in preparing the financial statements.

DIRECTORS

The directors who served during the year and up to the date of signing this report were as follows:

Hugh Meechan
William Purves

MAJESTIC ACQUISITIONS LIMITED

DIRECTORS' REPORT

For the year ended 31 December 2012

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the 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 Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006

This report was approved by the Board on 22 July 2013 and signed on its behalf by



William Purves
Director

MAJESTIC ACQUISITIONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF MAJESTIC ACQUISITIONS LIMITED

We have audited the financial statements of Majestic Acquisitions Limited (the "Company") for the year ended 31 December 2012 which comprise 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 member 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 to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implication 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,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

MAJESTIC ACQUISITIONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF MAJESTIC ACQUISITIONS 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

H Varley

Heather Varley (Senior Statutory Auditor)
For and on behalf of
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT
22 July 2013

BALANCE SHEET

As at 31 December 2012

	Note	31 December 2012 £	31 December 2011 £
FIXED ASSETS			
Investments	4	20,763,354	20,763,354
TOTAL ASSETS		20,763,354	20,763,354
CURRENT LIABILITIES			
Creditors amounts falling due within one year	5	(294,393)	(294,393)
TOTAL ASSETS LESS CURRENT LIABILITIES		20,468,961	20,468,961
NET ASSETS		20,468,961	20,468,961
CAPITAL AND RESERVES			
Called up share capital	6	1,144	1,144
Share premium account	7	100,000	100,000
Capital reserve	7	38,438,013	38,438,013
Profit and loss account	7	(18,070,196)	(18,070,196)
TOTAL SHAREHOLDER'S FUNDS	8	20,468,961	20,468,961

No profit and loss account has been presented, as there was no income or expenditure during the current or prior year. There were no other recognised gains or losses during the current or prior years and so no separate statement of recognised gains and losses has been presented.

The financial statements were approved and authorised for issue by the Board on 22 July 2013 and signed on its behalf by



William Purves
Director

The notes on pages 7 to 9 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2012

1. ACCOUNTING POLICIES

1.1 Basis of accounting

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the 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 Accounting convention

The financial statements are prepared under the historical cost convention.

1.3 Fixed Assets Investments

Investments held as fixed assets are stated at cost less provisions for impairment. At each reporting date, the Company assesses whether there is any indication that its fixed asset investments are impaired. Impairment tests are done annually or more frequently if events or changes in circumstances indicate that an investment might be impaired.

The amount of any impairment is measured as the difference between the asset's carrying amount and recoverable amount. The recoverable amount is the higher of the net realisable value and the value in use. The carrying amount of the asset is reduced accordingly and the amount of the loss is recognised in the profit and loss account.

1.4 Group financial statements

The Company has taken advantage of the exemption in Section 400 of the Companies Act 2006 from the obligation to prepare and deliver group financial statements as it is a wholly owned subsidiary of MLIB which is incorporated and operates in Ireland and prepares consolidated financial statements that are publicly available (Note 10). Accordingly, the company's financial statements present information about it as an individual undertaking and not about its group.

1.5 Cash Flow statement

The Company is exempt from the requirement to prepare a cash flow statement under Financial Reporting Standard 1 (Revised 1996) – "Cash Flow Statements", as a consolidated cash flow statement is included in the publicly available consolidated financial statements of the ultimate parent company, Bank of America Corporation ("BAC").

1.6 Financial liabilities

The Company classifies its financial liabilities as creditors. When a financial liability is recognised initially, the Company measures it at its fair value plus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

After initial recognition, the Company measures all financial liabilities at amortised cost using the effective interest method.

2. AUDITORS' REMUNERATION

Statutory audit fees of £15,000 (2011: £10,000) were borne by a group undertaking in the current and prior years.

3. DIRECTORS AND EMPLOYEES

The directors are employed by a group undertaking and received no remuneration in respect of their services to the Company during the year (2011: £nil). The Company had no employees during the current or prior year.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2012
4. INVESTMENTS

	2012 £	2011 £
Investment in subsidiary	<u>20,763,354</u>	<u>20,763,354</u>

Details of the subsidiary undertaking of the Company are below

Subsidiary undertaking	Country of incorporation	Principal activity	Class and percentage of shares held	
Mortgage Holdings Ltd	Great Britain	Holding company	Ordinary shares	100%

The directors believe that the carrying value of the investments is supported by their underlying net assets

5. CREDITORS: amounts falling due within one year

	2012 £	2011 £
Amounts owed to group companies	<u>294,393</u>	<u>294,393</u>

Amounts owed to group companies do not bear interest and are payable on demand

6. CALLED UP SHARE CAPITAL

	2012 £	2011 £
<i>Allotted, called up and fully paid</i>		
7,196 1p 'A' shares	72	72
1,000 £1 'B' shares	1,000	1,000
7,196 1p 'C' shares	72	72
	<u>1,144</u>	<u>1,144</u>

All classes of shares have equal voting rights, rights to participate in a dividend and rights to participate in a surplus on winding up

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2012
7. RESERVES

Share premium account	£
At 31 December 2012 and 31 December 2011	<u>100,000</u>

Capital Reserves	£
At 31 December 2012 and 31 December 2011	<u>38,438,013</u>

The Capital Reserve represents cash injected into the Company by the parent company, MLIB, which the Company used to repay the liabilities due to the previous beneficial owner

Profit and loss account	£
At 31 December 2012 and 31 December 2011	<u>(18,070,196)</u>

8. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	2012 £	2011 £
Opening shareholder's funds	<u>20,468,961</u>	<u>20,468,961</u>
Closing shareholder's funds	<u>20,468,961</u>	<u>20,468,961</u>

9. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption from related party disclosures available in Paragraph 3(c) of Financial Reporting Standard 8 – "Related Party Disclosures", as both the Company and the related parties are wholly owned subsidiaries of BAC and the consolidated financial statements of the ultimate parent company are publicly available as noted below

There were no related party transactions other than those with group undertakings covered by the exemption noted above

10. PARENT UNDERTAKINGS

The Company's immediate parent company is MLIB, a company incorporated in Ireland, and the ultimate parent company and controlling party is BAC, which is organised and existing under the laws of the State of Delaware in the United States of America. The parent company of the largest group that includes the Company and for which group financial statements are prepared is BAC. Copies of BAC's financial statements can be obtained from the Corporate Secretary's office, 214 North Tryon Street, Charlotte, North Carolina, 28202, U S A. The parent undertaking of the smallest group, including the Company, which prepares group financial statements is MLIB. Copies of the group financial statements of MLIB are available from Merrill Lynch International Bank Limited, Central Park, Leopardstown, Dublin 18, Ireland.