
MAJESTIC ACQUISITIONS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

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MAJESTIC ACQUISITIONS LIMITED

COMPANY INFORMATION

DIRECTORS

H. Meechan
D. Marks (appointed 8 November 2013)

COMPANY SECRETARY

Merrill Lynch Corporate Services Limited

REGISTERED NUMBER

04309930

REGISTERED OFFICE

2 King Edward Street
London
United Kingdom
EC1A 1HQ

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

MAJESTIC ACQUISITIONS LIMITED

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MAJESTIC ACQUISITIONS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

In accordance with The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the directors present their strategic report in respect of Majestic Acquisitions Limited (the "Company") for the year ended 31 December 2013.

BUSINESS REVIEW

The principal activity of the Company is to act as an investment holding company and this is expected to continue in future years.

There was no trading activity during the current or the prior year. No dividends were received during the year from its subsidiary company (2012: £Nil).

The directors do not recommend the payment of a dividend for the year ended 31 December 2013 (2012: £Nil).

PRINCIPAL RISKS AND UNCERTAINTIES

Bank of America Corporation ("BAC") takes a comprehensive approach to risk management by fully integrating risk management with strategic, financial and customer/client planning so that goals and responsibilities align.

The risk management approach has five components:

- Risk culture;
- Risk appetite and philosophy;
- Risk governance and organization;
- Risk transparency and reporting; and
- Risk management processes.

The seven key types of risk faced by BAC businesses as defined in the BAC Risk Framework are market, credit, operational, liquidity, reputational, strategic and compliance risks. 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.

FINANCIAL KEY PERFORMANCE INDICATORS

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

Total net assets are £20,468,961 (2012: £20,468,961).

BAC manages its operations on a divisional basis. For this reason, the Company's director believes that further key performance indicators for the Company are not necessary.

This report was approved by the board on 9 July 2014 and signed on its behalf.

D. Marks
Director



MAJESTIC ACQUISITIONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report and the financial statements for the year ended 31 December 2013.

DIRECTORS' RESPONSIBILITIES STATEMENT

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 elected to prepare 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 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;
- 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.

DIRECTORS

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

H. Meechan
W. Purves (resigned 8 November 2013)
D. Marks (appointed 8 November 2013)

MATTERS COVERED IN THE STRATEGIC REPORT

Details regarding a review of the business, including future developments, principal risks and uncertainties and any significant events after the balance sheet date are provided in the strategic report on page 1.

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 directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that directors have taken all the steps that ought to have been taken as directors in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

MAJESTIC ACQUISITIONS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013**

This report was approved by the board on 9 July 2014 and signed on its behalf.

A handwritten signature in black ink, appearing to be 'D. Marks', written over a horizontal line.

D. Marks
Director

MAJESTIC ACQUISITIONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF MAJESTIC ACQUISITIONS LIMITED

REPORT ON THE FINANCIAL STATEMENTS**Our opinion**

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the Company's affairs as at 31 December 2013 and of its result 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Majestic Acquisitions Limited, comprise:

- The Balance sheet as at 31 December 2013;
- 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 their preparation 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.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("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.

In addition, we read all the financial and non-financial information in the Directors' Report, Strategic 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report and Strategic 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

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.

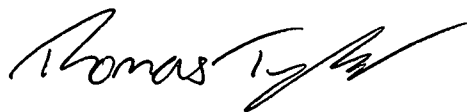
RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement 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 ISAs (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 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 the 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.



Thomas Tyler (Senior Statutory Auditor)

for and on behalf of

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

7 More London Riverside
London
SE1 2RT

9 July 2014

**BALANCE SHEET
AS AT 31 DECEMBER 2013**

	Note	2013 £	2012 £
FIXED ASSETS			
Investments	4	20,763,354	20,763,354
CREDITORS: amounts falling due within one year	5	(294,393)	(294,393)
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
Other reserves	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

PROFIT AND LOSS ACCOUNT

No profit and loss account has been presented, as there has been no income or expenditure during the current or preceding years. There were no other recognised gains or losses during the current or preceding year - see note 2 and 3.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 July 2014.



D. Marks
Director

The notes on pages 7 to 10 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

1. ACCOUNTING POLICIES

The principal accounting policies, which have been applied consistently throughout the current and prior year, are set out below.

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The financial statements have been prepared under the historical cost convention.

1.2 Going concern

The directors have a reasonable expectation, based on current and anticipated future position, that the Company will continue in operational existence for the foreseeable future. The financial statements have, therefore, been prepared on a going concern basis.

1.3 Investments

Investments held as fixed assets are stated at cost less provisions for impairment.

At each reporting date, the Company reviews the carrying amounts of its investments to determine whether there is any indication that those assets have suffered an impairment loss.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of the net realisable value and the value in use. In the event of impairment, 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 the Company is a wholly owned subsidiary of Merrill Lynch International Bank Limited ("MLIB"), which prepares group financial statements that include the Company. Accordingly, these financial statements present information about it as an individual undertaking and not about its group.

1.5 Cash flow statement

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the BAC group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with Financial Reporting Standard 1 (Revised 1996) Cash Flow Statements.

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 asset or 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.

MAJESTIC ACQUISITIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

2. 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 (2012: £nil). The Company had no employees during the current or prior year.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Statutory audit fees of £15,000 (2012: £15,000) were borne by a group undertaking in the current and prior year.

During the year, no director received any emoluments (2012: £nil).

4. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2013 and 31 December 2013	20,763,354
Net book value	
At 31 December 2013	20,763,354
At 31 December 2012	20,763,354

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Mortgage Holdings Limited	Ordinary	100%

Name	Business
Mortgage Holdings Limited	Investment holding company

The directors believe that the carrying value of the investment is supported by its underlying net assets.

Principal subsidiaries

The principal subsidiaries of the Company are Mortgages Plc, a company whose principal activity is the origination of mortgage loans and the immediate sale of the beneficial interest in those loans; the provision of management services to companies owning portfolios of mortgage assets, and Mortgages 1 Limited, a company whose principal activity is the origination of mortgage loans and the immediate sale of the beneficial interest in those loans (inactive).

MAJESTIC ACQUISITIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

5. CREDITORS:**Amounts falling due within one year**

	2013 £	2012 £
Amounts owed to affiliated companies	<u>294,393</u>	<u>294,393</u>

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

6. CALLED UP SHARE CAPITAL

	2013 £	2012 £
Allotted, called up and fully paid		
7,196 'A' shares of £0.01 each	72	72
1,000 'B' shares of £1 each	1,000	1,000
7,196 'C' shares of £0.01 each	72	72
	<u>1,144</u>	<u>1,144</u>

The 'A', 'B' & 'C' ordinary shares rank pari passu in all respects.

7. RESERVES

	Share premium account £	Profit and loss account £
At 1 January 2013 and 31 December 2013	<u>100,000</u>	<u>(18,070,196)</u>

Capital Reserve

	£
At 1 January 2013 and 31 December 2013	<u>38,438,013</u>

The Capital Reserve represents cash injected into the Company by the parent company, Merrill Lynch International Bank Limited ("MLIB"), which the Company used to repay the liabilities due to the previous beneficial owner.

8. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	2013 £	2012 £
Shareholder's funds at 1 January and 31 December	<u>20,468,961</u>	<u>20,468,961</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

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 disclosed in note 10.

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

10. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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 ("U.S.A.").

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 company of the smallest group that includes the Company and for which group financial statements are prepared is MLIB. Copies of the group financial statements of MLIB are available from Merrill Lynch International Bank Limited, Central Park, Leopardstown, Dublin 18, Ireland.