

Company Registration No 05878379

**Interbay Holdings Ltd.**  
(formerly 5D Holdings Ltd. )

**Directors' Report and Financial Statements**  
**for the year to 31 December 2010**



**ANNUAL REPORT AND FINANCIAL STATEMENTS  
OFFICERS AND PROFESSIONAL ADVISERS**

**Directors**

C A Bell

R J A Duff

W L Hodson

M Parrett

N A Richardson

T Sharma

**Company secretary**

W L Hodson

**Registered office**

Number 1

London Road

Southampton

Hampshire SO15 2AE

**Bankers**

Barclays Bank plc

1 Churchill Place

London E14 5HP

**Auditors**

Grant Thornton UK LLP

Statutory Auditor

Chartered Accountants

London

## **DIRECTORS' REPORT**

The directors present their report on financial statements of the company for the year to 31 December 2010

### **ACTIVITIES AND FUTURE PROSPECTS**

The company's principal activity is acting as a holding company for a group making commercial mortgage loans (the "Interbay Group") The directors do not foresee any changes to the company's activities

### **RESULTS AND DIVIDENDS**

In the year ended 31 December 2010 the company had a result of £nil (2009 loss of £58) and accordingly the directors do not propose to pay a dividend (2009 £nil)

### **DIRECTORS AND THEIR INTERESTS**

The directors who served during the year are as follows

C A Bell

R J A Duff                      Resigned 13 December 2010

W L Hodson

N A Richardson

T Sharma                      Appointed 13 December 2010

No director had, during or at the end of the year, any material interest in a contract which was significant in relation to the company's business

### **CREDITOR PAYMENT**

The policy of the Interbay Group is to agree particular terms with major suppliers and abide by those terms, subject to satisfactory performance by those suppliers Amounts owed to other suppliers are settled in the month following the month in which a valid invoice is received

### **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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 year In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

#### **SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

#### **AUDITORS**

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be reappointed for the next financial year in accordance with Section 487(2) of the Companies Act 2006 unless the company serves notice under Section 488(1) of the Act.

Approved by the Board of Directors  
and signed on behalf of the Board



W L Hodson  
Director  
30 September 2011

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INTERBAY HOLDINGS LTD**

We have audited the financial statements of Interbay Holdings Ltd for the year ended 31 December 2010 which comprise the Profit and Loss account and the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's member, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member as a body, for our audit work, for this report, or for the opinions we have formed.

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

As explained more fully in the Statement of Directors' Responsibilities set out on pages 2 and 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 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 (APB's) Ethical Standards for Auditors.

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

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

### **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 2010 and of its results for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, 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 report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
INTERBAY HOLDINGS LTD (continued)**

**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 prepare the financial statements and the report of the directors in accordance with the small companies regime



Julian Bartlett  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London  
30 September 2011

**PROFIT AND LOSS ACCOUNT**

For the year to 31 December 2010

	Note	2010 £	2009 £
<b>TURNOVER</b>		-	-
Operating expenses	2	-	58
<b>OPERATING LOSS</b>	2	-	(58)
Interest payable and similar costs			
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	-	(58)
Tax on profit /(loss) on ordinary activities	9	-	-
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		-	(58)

All amounts relate to continuing activities

There are no recognised gains or losses other than those included above and therefore a statement of recognised gains and losses has not been presented

The accompanying accounting policies and notes form an integral part of these financial statements

**BALANCE SHEET**

As at 31 December 2010

	Note	2010 £	2009 £
<b>FIXED ASSETS</b>			
Investments	4	<u>100</u> 100	<u>100</u> 100
<b>CURRENT ASSETS</b>			
Cash at bank and in hand		614	614
Debtors	5	<u>447</u>	<u>447</u>
		1,061	1,061
<b>CREDITORS: amounts falling due within one year</b>	6	<u>(613)</u>	<u>(613)</u>
<b>NET CURRENT ASSETS</b>		448	448
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		548	548
<b>NET ASSETS</b>		<u>548</u>	<u>548</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	7	1,000	1,000
Profit and loss account	8	(452)	(452)
<b>SHAREHOLDERS' FUNDS</b>		<u>548</u>	<u>548</u>

These financial statements of Interbay Holdings Ltd , company number 05878379, have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved and authorised for issue by the Board of Directors on 30 September 2011

Signed on behalf of the Board of Directors



William Hodson  
Director

The accompanying accounting policies and notes form an integral part of these financial statements



## **1 ACCOUNTING POLICIES**

The principal accounting policies are summarised below. They have been applied consistently throughout the year and are unchanged from prior year.

### **Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

### **Consolidated financial statements**

The company has used the exemption under Sections 381-383 of the Companies Act 2006 to not prepare consolidated financial statements since the group, of which it is the parent, qualifies as a small group.

### **Going concern**

The directors continue to adopt the going concern basis in preparing the accounts. The directors have formed the view that it is a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future.

### **Investments**

Fixed asset investments are shown at cost less provision for impairment.

### **Debtors**

Debtors are shown at cost less provision for impairment.

### **Taxation**

Current tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have been originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is measured on a non-discounted basis.

### **Cash flow statement**

The company has taken advantage of the exemption under Financial Reporting Standard 1 not to prepare a cash flow statement on the basis that the company is a small company.

## **2 DIRECTORS' REMUNERATION AND OTHER TRANSACTIONS**

None of the Directors received any remuneration from the company or undertook any transactions with it.

**Interbay Holdings Ltd**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year to 31 December 2010**

**3 OPERATING PROFIT**

The fee charged by the company's auditors of £2,000 (2009 £1,998) in respect of the audit of the company's accounts was borne by a subsidiary, 5D Finance Limited

In addition, the group received taxation advisory services from the Auditor's firm amounting to £15,275, which were borne by Interbay Funding Ltd

**4 FIXED ASSET INVESTMENTS**

	<b>Total £</b>
<b>Cost</b>	
At 31 December 2009	100 01
Additions in year	-
At 31 December 2010	<u>100 01</u>
<b>Provision for impairment</b>	
At 31 December 2009	-
Change in year	-
At 31 December 2010	<u>-</u>
<b>Net book value</b>	
At 31 December 2009	<u>100 01</u>
At 31 December 2010	<u>100 01</u>

The company owned the entire share capital of the following subsidiaries, incorporated in the United Kingdom, which undertakes activities of commercial mortgage lending

	<b>Net assets (liabilities) at 31/12/10 £</b>	<b>Profit (loss) for the year to 31/12/10 £</b>	<b>Holding %</b>	<b>Cost £</b>
Interbay Financial I Limited	(12,159,712)	(11,863,422)	100	0 01
Interbay Financial II Limited	4,760,695	2,317,143	100	100 00

The company indirectly holds the ordinary shares of the following subsidiaries, all of which are incorporated in the United Kingdom, through its subsidiaries, Interbay Financial I Limited and Interbay Financial II Limited

	<b>Principal activity</b>	<b>Country of incorporation</b>	<b>Holding of ordinary shares %</b>	<b>Net assets (liabilities) at 31/12/10 £</b>	<b>Profit (loss) for year to 31/12/10 £</b>
Interbay ML, Ltd	Commercial mortgage lending	United Kingdom	100	(8,287,131)	(5,579,117)
Interbay Funding, Ltd	Commercial mortgage lending	United Kingdom	100	21,237,690	2,446,482
5D Finance Limited	Commercial mortgage lending	United Kingdom	100	(10,457,930)	(1,875,170)
5D Lending Ltd	Commercial mortgage lending	United Kingdom	100	(2,402,857)	(452,444)

**Interbay Holdings Ltd**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year to 31 December 2010**

**5 DEBTORS**

The company has the following amounts owing from the following group companies

	2010 £	2009 £
5D Finance Limited	447	447
	<u>447</u>	<u>447</u>

**6 CREDITORS: amounts falling due within one year**

The company has the following amounts owing to the following group companies

	2010 £	2009 £
Interbay Financial I Limited	513	513
Interbay Financial II Limited	100	100
	<u>613</u>	<u>613</u>

**7 CALLED-UP SHARE CAPITAL**

	2010 £
<b>Authorised</b>	
58,801 A Ordinary shares of £0.01 each	588
40,000 B Ordinary shares of £0.01 each	400
1,199 C Ordinary shares of £0.01 each	12
	<u>1,000</u>
<b>Called-up, allotted and fully paid</b>	
58,801 A Ordinary shares of £0.01 each	588
40,000 B Ordinary shares of £0.01 each	400
1,199 C Ordinary shares of £0.01 each	12
	<u>1,000</u>
<b>Ordinary shares</b>	
Balance at 31 December 2009	1,000
Shares issued	-
Balance at 31 December 2010	<u>1,000</u>

A Ordinary shares hold 100% of the voting rights in the company

A and C Ordinary Shares receive preference in the distribution of any profits or capital distributions up to an agreed targeted return, apportioned based on their respective paid up share capital

Returns in excess of the targeted return are paid out 40% to the B shareholders and the balance to the A and C shareholders, the latter apportioned based on their respective paid up share capital

**8 STATEMENT OF MOVEMENT ON RESERVES**

	<b>Profit and loss account £</b>
At 31 December 2009	(452)
Profit for the year	-
At 31 December 2010	<u>(452)</u>

**9 TAXATION ON ORDINARY ACTIVITIES**

**a. Analysis of tax charge for the year**

	<b>2010 £</b>	<b>2009 £</b>
UK corporation tax charge at 30%	-	-
	<u>-</u>	<u>-</u>

**b. Factors affecting the tax charge for the year**

	<b>2010 £</b>	<b>2009 £</b>
Loss on ordinary activities before tax	-	(58)
Tax credit at 28%	-	(16)
Effect of		
Group relief surrendered	-	16
Tax losses not recognised as deferred tax assets	-	-
Current tax charge for the year	<u>-</u>	<u>-</u>

A deferred tax asset in respect of taxable losses carried forward of £110 (2009 £110) has not been recognised

**10 RELATED PARTY TRANSACTIONS**

The company had no related party transactions during the year other than as disclosed in notes 2 to 5

**11 CAPITAL COMMITMENTS**

The company had no capital commitments at 31 December 2010 or 31 December 2009

**12 CONTINGENT LIABILITIES**

There were no contingent liabilities at 31 December 2010 or 31 December 2009

**13 CONTROLLING PARTY**

The immediate parent company is Cabot Square Nominees Limited

In the opinion of the directors, the ultimate controlling party is CS Capital Partners II, LP, incorporated in the United Kingdom with a registered address of 6<sup>th</sup> Floor, 7 St James's Street London SW1A 1EE

CS Capital Partners II, LP, does not consolidate Interbay Holdings Ltd