

Registered number: 5972998

**MREF Capitalco Limited**

**Annual report and financial statements**

**for the year ended 31 December 2010**

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# **MREF Capitalco Limited**

## **Annual report and financial statements for the year ended 31 December 2010**

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## Directors and advisers

### Directors

Graham Stanley  
Graham Sidwell  
Marc Gilbard

### Company secretary

Timothy Sanderson

### 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

## Directors' report for the year ended 31 December 2010

The directors present their annual report and the audited financial statements for the year ended 31 December 2010

### Principal activities

The company has not traded within the period and therefore has not made profits or losses during the period

### Results and dividends

The company did not trade during the year. Its profit for the financial year is £nil (2009: £nil). The directors do not recommend the payment of a dividend (2009: £nil).

### Directors

The directors who held office during the year and up to the date of signing the financial statements are given below:

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 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 judgements and accounting estimates that are reasonable and prudent,
- 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' report for the year ended 31 December 2010 (continued)

### Statement of disclosure of information to auditors

So far as each of the directors in office at the date of approval of these financial statements is aware

- there is no relevant audit information of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information 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

### Independent auditors

PricewaterhouseCoopers LLP were appointed as auditors during the year and have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the annual general meeting

By order of the board



Timothy Sanderson  
Company secretary  
12 September 2011

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## **Independent auditors' report to the shareholders of MREF Capitalco Limited**

We have audited the financial statements of MREF Capitalco Limited for the year ended 31 December 2010 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) as applicable to financial statements prepared in accordance with the small companies regime of the Companies Act 2006.

### **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.

### **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 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.

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

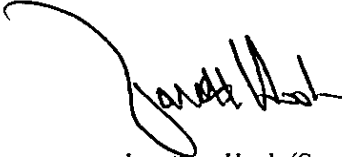
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Independent auditors' report to the shareholders of MREF Capitalco Limited (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 directors' report in accordance with the small companies regime



Jonathan Hook (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

23/9/11

**Profit and loss account for the year ended 31 December 2010**

	Note	2010 £'000	2009 £'000
Turnover		0	0
Administrative expenses		0	0
<b>Operating profit</b>	2	0	0
<b>Profit on ordinary activities before taxation</b>		0	0
Tax on profit on ordinary activities	5	0	0
<b>Profit for the financial year</b>	11	0	0

All activities are continuing activities

There were no recognised gains or losses other than those shown above

There are no differences between the result on ordinary activities before taxation and the result for the financial years stated above and their historical cost equivalents

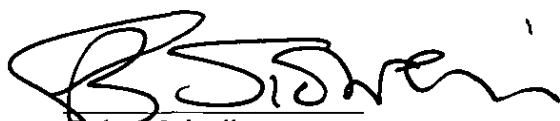


## Balance sheet as at 31 December 2010

	Note	2010 £'000	2009 £'000
<b>Current assets</b>			
Debtors	7	4,186	3,294
Cash at bank and in hand		34	33
		<b>4,220</b>	<b>3,327</b>
<b>Creditors: amounts falling due within one year</b>	8	<b>(4,221)</b>	<b>(3,328)</b>
<b>Net current liabilities</b>		<b>(1)</b>	<b>(1)</b>
<b>Total assets less current liabilities</b>		<b>(1)</b>	<b>(1)</b>
<b>Creditors: amounts falling due after more than one year</b>	9	<b>0</b>	<b>0</b>
<b>Net liabilities</b>		<b>(1)</b>	<b>(1)</b>
<b>Capital and reserves</b>			
Called up share capital	10	0	0
Profit and loss account	11	(1)	(1)
<b>Total shareholders' deficit</b>	12	<b>(1)</b>	<b>(1)</b>

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

The financial statements on pages 6 to 10 were approved by the board of directors on 12 September 2011 and were signed on its behalf by

  
Graham Sidwell  
Director

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## Notes to the financial statements for the year ended 31 December 2010

### 1 Accounting policies

These financial statements have been 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 principle accounting policies, which have been applied consistently throughout the year, are set out below.

#### Cash flow statement

The company is exempt from publishing a cash flow statement as the ultimate parent undertaking prepares consolidated financial statements which are publicly available.

#### Turnover

The company received no income and incurred no expenditure in either the current or the preceding financial period.

#### Deferred taxation

The payment of taxation is deferred or accelerated because of timing differences in the treatment of certain items for taxation and accounting purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen, but not reversed by the balance sheet date, unless such provision is not permitted by FRS 19. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

In accordance with FRS 19 deferred tax is not provided on revaluation gains on land and buildings, unless there is a binding agreement to sell them at the balance sheet date.

### 2 Operating profit

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

### 3 Employee information

There were no employees during either year.

### 4 Directors remuneration

During the years ended 31 December 2010 and 31 December 2009, no director received any emoluments in respect of their services to the company. There were no retirement benefits accruing to the directors for either year.

### 5 Tax on profit on ordinary activities

There was no taxation charge in either year.

### 6 Dividends

There were no dividends paid during either year.

**Notes to the financial statements for the year ended 31 December 2010  
(continued)**
**7 Debtors**

	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
Amounts owed by group undertakings	<b>4,186</b>	<b>3,294</b>

Amounts owed by group undertakings are subject to interest at a margin of 200 basis points over the Bank of England base rate, unsecured and repayable on demand

**8 Creditors: amounts falling due within one year**

	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
Other creditors	<b>4,221</b>	<b>3,328</b>

**9 Creditors: amounts falling due after more than one year**

	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
Amounts owed to group undertakings	<b>0</b>	<b>0</b>

Amounts owed to group undertakings are subject to interest at a margin of 200 basis points over the Bank of England base rate, unsecured and repayable on demand

**10 Called up share capital**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
2 ordinary shares of £1 each	<b>2</b>	<b>2</b>
<b>Allotted and fully paid</b>		
2 (2009 2) ordinary shares of £1 each	<b>2</b>	<b>2</b>

**11 Profit and loss account**

	<b>£'000</b>
At 1 January 2010	<b>(1)</b>
Profit for the financial year	<b>0</b>
At 31 December 2010	<b>(1)</b>

**Notes to the financial statements for the year ended 31 December 2010  
(continued)****12 Reconciliation of movements in shareholders' deficit**

	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
Profit for the financial year	<b>0</b>	<b>0</b>
Opening shareholders' deficit	<b>(1)</b>	<b>(1)</b>
Closing shareholders' deficit	<b>(1)</b>	<b>(1)</b>

**13 Ultimate parent undertaking and controlling party**

Moorfield Real Estate Fund "A" Limited Partnership and Moorfield Real Estate Fund "B" Limited Partnership are the ultimate controlling parties of the company

The company's immediate parent undertaking is MREF Hotels Holdings Limited Limited, a company incorporated in Jersey

The ultimate parent entity is MREF Hotels Limited, a company incorporated in Jersey

The smallest and largest group of undertakings for which group accounts are drawn up and of which the company is a member is MREF Hotels Limited, a company incorporated in Jersey

**14 Related party transactions**

The company has not disclosed related party transactions with fellow subsidiary undertakings in the MREF Hotels group. There are no other material related party transactions.