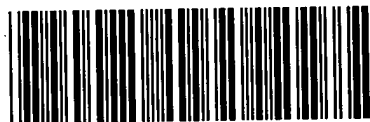


MRB Residential Limited
Financial Statements for the year ended 30 September 2014
together with directors' report and independent auditor's report

Registered Number 07772188

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COMPANIES HOUSE

MRB Residential Limited Company information for the year ended 30 September 2014

Company registration number : 07772188

Registered office :
2 Harewood Place
London
W1S 1BX

Directors :

Adam Bennett
Manish Chande
Robert Mills
Francesco Goedhius
Dennis Vollman

Bankers :

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

Auditors:

Grant Thornton UK LLP
Grant Thornton House
Melton Street Euston Square
London NW1 2EP

MRB Residential Limited
Financial Statements for the year ended 30 September 2014

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MRB Residential Limited
Registered Number 07772188
Directors' report for the year ended 30 September 2014

The directors present their annual report on the affairs of the Company, together with the accounts and auditor's report, for the year ended 30 September 2014.

Principal activity

The principal activity of the company is that of an intermediate holding company.

Results and dividends

The loss for the year was £1,181,000 (2013: £1,125,000). No dividends have been proposed or paid in respect of the year.

Directors

The directors of the Company who served in the year are:

Adam Bennett
Manish Chande
Robert Mills
Francesco Goedhius
Dennis Vollman

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these 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.

MRB Residential Limited**Directors' report for year ended 30 September 2014 (continued)**

The directors confirm that they have complied with the above requirements in preparing the financial statements. The directors are responsible for keeping proper accounting records that 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.

Statement of disclosure of information to auditors

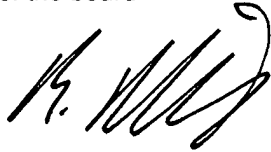
In so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware. The directors have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415 A of the Companies Act 2006.

Auditors

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

On behalf of the board



Robert Mills
Director

6 Cork Street
London
W1S 3NX

23 February 2015

Independent auditor's report to the members of MRB Residential Limited

We have audited the financial statements of MRB Residential Limited for the year ended 30 September 2014 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).

This report is made solely to the company's members, 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 members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 to 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 (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.

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 30 September 2014 and of its loss 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 auditor's report to the members of MRB Residential 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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare the Directors report and the Strategic report.



Philip Westerman
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

6/8/15

MRB Residential Limited
Profit and loss account
For the year ended 30 September 2014

	Note	2014 £'000	2013 £'000
Operating expenses	2	(3)	(30)
Operating loss		<u>(3)</u>	<u>(30)</u>
Finance costs			
Interest payable and similar charges	3	(1,823)	(1,522)
Interest receivable	4	645	427
Loss on ordinary activities before taxation		<u>(1,181)</u>	<u>(1,125)</u>
Tax	5	-	-
Loss for the year after taxation		<u>(1,181)</u>	<u>(1,125)</u>

All of the Company's operations are classified as continuing.

There were no gains or losses in the year other than those included in the above profit and loss account.

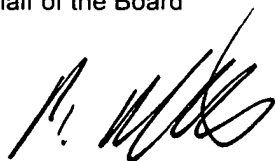
The accompanying notes are an integral part of these financial statements.

MRB Residential Limited
Balance sheet
As at 30 September 2014

	Note	2014 £'000	2013 £'000
Fixed assets			
Investments	6	27,931	27,930
Non-current assets	7	3,672	3,027
		<u>31,603</u>	<u>30,957</u>
Current assets			
Cash at bank and in hand		13	18
		<u>13</u>	<u>18</u>
Creditors: amounts falling due within one year	8	(2)	(2)
		<u>11</u>	<u>16</u>
Net current assets			
Creditors: amounts falling due after more than one year	9	(34,801)	(32,979)
		<u>(3,187)</u>	<u>(2,006)</u>
Net liabilities			
Capital and reserves			
Share capital	10	-	-
Profit and loss account	11	(3,187)	(2,006)
Shareholders' deficit		<u>(3,187)</u>	<u>(2,006)</u>

Signed on behalf of the Board

Robert Mills
Director



23 February 2015

The accompanying notes are an integral part of these financial statements.
Company Number 07772188

MRB Residential Limited
Notes to the financial statements
For the year ended 30 September 2014

1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, is set out below.

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The Directors have a reasonable expectation that the Company will continue in operational existence for the foreseeable future and have, therefore, used the going concern basis in preparing the financial statements. The Company is a wholly-owned subsidiary of MRB Residential Holdings Limited which has net assets of £15.06 million.

(b) Interest receivable and similar income and interest payable

Interest payable and receivable is accounted for on an accruals basis. Interest incurred is capitalised where directly attributable to the property development.

Interest payments are accrued within net interest payable after hedging the interest rate exposure.

(c) Cash flow statement

As permitted under Financial Reporting Standard 1 (Revised), the Company has not prepared a cash flow statement as it is a wholly-owned subsidiary of MRB Residential Holdings Limited, which itself produces a consolidated cash flow statement, in which the cash flow of the Company is included.

(d) Taxation

UK Corporation tax is provided at amounts expected to be paid (or recovered) 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 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 are differences between the Company's taxable profits and its results as stated in the accounts that arise from the inclusion of gains and losses in tax assessments in years different from those in which they are recognised in the accounts.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

(e) Investments

In the Company's accounts, all fixed asset investments (including subsidiary undertakings) are stated at cost less any provision for impairment.

MRB Residential Limited
Notes to the financial statements (continued)
For the year ended 30 September 2014

2 Operating expenses

Operating loss is stated after charging:

2014 2013
£'000 £'000

Auditor's remuneration:

- statutory audit of the Company

4 2

The Company has no employees other than the directors, who did not receive remuneration in the year (2013 £nil).

3 Interest payable

2014 2013
£'000 £'000

A Loan Notes interest

1,178 1,095

B Loan Notes interest

645 427

1,823 1,522

The A Loan Notes interest relates to a £10,000,000 loan from MRB Residential Holdings Limited to the Company. At 30 September 2014 £3,151,603 (2013: £1,973,545) interest had been accrued. Interest on the Loan notes is compounded semi-annually in arrears on 30 June and 31 December. Interest is accrued at a rate of 10% per annum and the loan matures on 22 November 2016. The loan notes were listed on the Channel Islands stock exchange on 20 February 2014.

The B Loan Notes interest relates to a £2,600,000 loan from MRB Residential Holdings Limited to the Company. At 30 September 2014 £1,072,333 interest (2013: £427,275) interest had been accrued. Interest on the Loan notes is compounded quarterly in arrears. Interest is accrued at a rate of 20% per annum and the loan matures on 22 November 2016. The loan notes were listed on the Channel Islands stock exchange on 20 February 2014.

4 Interest receivable

2014 2013
£'000 £'000

B Loan Notes interest

645 427

The B Loan Notes interest relates to a £2,600,000 loan with £645,058 (2013: £427,275) MRB Residential Partners LLP to the Company. At 30 September 2014 £1,072,333 interest had been capitalised. Interest is accrued at a rate of 20% per annum and the loan matures on 22 November 2016.

MRB Residential Limited
Notes to the financial statements (continued)
For the year ended 30 September 2014

5 Taxation

a) Tax on profit on ordinary activities

	2014	2013
	£'000	£'000
Corporation tax charge:		
-current taxation	-	-
Total tax on loss on ordinary activities	-	-

Factors affecting the tax for the year

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	2014	2013
	£'000	£'000
Loss on ordinary activities before tax	(1,181)	(1,125)
Tax charge at UK corporation tax rate of 21% (2013: 23.5%)	248	264
Unutilised losses carried forward	(248)	(264)
Current tax charge	-	-

6 Investments

The subsidiary undertaking is incorporated in England and Wales and the registered office is 6 Cork Street, London W1S 3NX.

Subsidiary entities:
MRB Residential Partners LLP

Principal activity:
Property development

Shareholding:
78.125%

Investments in subsidiary undertakings

	2014	2013
	£'000	£'000
Brought forward	27,930	27,930
Additions	1	-
At 30 September	27,931	27,930

MRB Residential Limited
Notes to the financial statements (continued)
For the year ended 30 September 2014

7 Non-current assets

	2014	2013
	£'000	£'000
B Loan notes	<u>3,672</u>	<u>3,027</u>

In the year the company subscribed to £2,600,000 of loan stock and received £1,072,333 of interest in the year. At the year end included within the balance is £427,275 of accrued interest. Interest accrues quarterly in arrears at 20% per annum and the loan matures on 22 November 2016.

8 Creditors: amounts falling due within one year

	2014	2013
	£'000	£'000
Accruals	<u>2</u>	<u>2</u>

9 Creditors: amounts falling due after more than one year

	2014	2013
	£'000	£'000
A Loan notes	10,000	10,000
B Loan notes	2,600	2,600
Accrued loan interest on A loan notes	3,152	1,974
Accrued loan interest on B loan notes	1,071	427
Amount due to parent undertaking	<u>17,978</u>	<u>17,978</u>
	<u>34,801</u>	<u>32,979</u>

MRB Residential Limited
Notes to the financial statements (continued)
For the year ended 30 September 2014

The loan notes relate to a £10,000,000 loan from the Parent undertaking to MRB Residential Limited. At 30 September 2014 £3,151,603 (2013: £1,973,546) interest had been accrued. Interest on the Loan notes is compounded semi-annually in arrears on 30 June and 31 December. Interest is accrued at a rate of 10% per annum and the loan matures on 22 November 2016.

The loan notes relate to a £2,600,000 loan from the Parent undertaking to MRB Residential Limited. At 30 September 2014 £1,072,333 interest had been accrued. Interest on the Loan notes is accrued quarterly in arrears. Interest is accrued at a rate of 20% per annum and the loan matures on 22 November 2016.

The amount due to the Parent undertaking is an unsecured interest free loan.

10 Called-up share capital

	2014	2013
	£	£
Issued		
1 ordinary share of £1	<u>1</u>	<u>1</u>

11 Reserves

	2014	2013
	£'000	£'000
Brought forward	(2,006)	(881)
Loss for the year / period	<u>(1,181)</u>	<u>(1,125)</u>
Reserves for the year	<u>(3,187)</u>	<u>(2,006)</u>

12 Ultimate controlling party

The Company is a wholly owned subsidiary of MRB Residential Holdings Limited, which in turn is owned by three joint venture partners Brockton Capital 1 (Tenenbaum) Limited ("Brockton") (16%), RCBG Residential Holdings Limited (formerly BH Jerseyco Holdings Limited) (29.12%) and MoREOF BG Residential Holdings Limited (54.88%).

13 Related Party Transactions

The Company has taken advantage of the exemptions under FRS8 and has not disclosed transactions with fellow group undertakings.

14 Contingent liabilities

There were no contingent liabilities at 30 September 2014 or at 30 September 2013.