

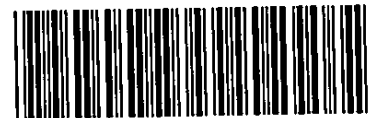
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MANTILLA LIMITED
FINANCIAL STATEMENTS
FOR THE
YEAR ENDED 31 DECEMBER 2009

COMPANY REGISTRATION NUMBER 90676

509311/30

WEDNESDAY



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29/09/2010
COMPANIES HOUSE

COHEN ARNOLD
Chartered Accountants & Registered Auditor
New Burlington House
1075 Finchley Road
LONDON
NW11 0PU

MANTILLA LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

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MANTILLA LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2009

The directors present their report and the financial statements of the company for the year ended 31 December 2009

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the company during the period were property management, letting of furnished apartments and the operation of a health club and brassiere

RESULTS AND DIVIDENDS

The loss for the year amounted to £5,672,772 (2008 £7,450,534) The directors have not recommended a dividend (2008 £Nil)

DIRECTORS

The directors who served the company during the year were as follows

Mr J M Kaplan
Mr K Z Sheikh
Ms C Woon
Mr D E Rico

The company is a wholly owned subsidiary and the directors have no interest in the company

Mr D E Rico was appointed as a director on 1 February 2009

Mr J M Kaplan retired as a director on 1 February 2009

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 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,
- 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 (Jersey) Law 1991 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

MANTILLA LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 DECEMBER 2009

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

AUDITOR

A resolution to re-appoint Cohen Arnold as auditor for the ensuing year will be proposed at the annual general meeting

Signed on behalf of the directors



MR K SHEIKH
Director

Approved by the directors on 7/9/2010

MANTILLA LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
MANTILLA LIMITED

YEAR ENDED 31 DECEMBER 2009

We have audited the financial statements of Mantilla Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, Balance Sheet, Statement of cash flow and the related notes. These financial statements have been prepared in accordance with the Companies (Jersey) Law 1991 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and on the basis of the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Article 110 of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors' responsibilities for preparing the financial statements in accordance with Companies (Jersey) Law 1991 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies (Jersey) Law 1991. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

MANTILLA LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
MANTILLA LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2009

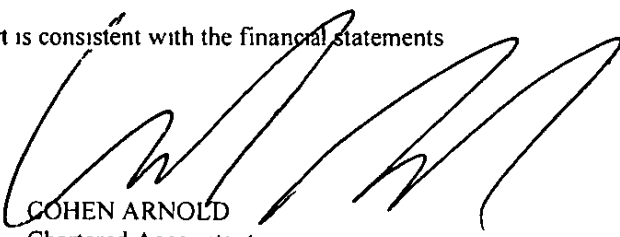
OPINION

In our opinion

- the financial statements have been properly prepared in accordance with the Companies (Jersey) Law 1991, and
- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2009 and of its loss for the year then ended, and
- the information given in the Directors' Report is consistent with the financial statements

New Burlington House
1075 Finchley Road
LONDON
NW11 0PU

16 SEPTEMBER 2010



COHEN ARNOLD
Chartered Accountants
& Registered Auditor

MANTILLA LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2009

	Note	2009 £	2008 £
TURNOVER	3	9,344,097	7,887,977
Cost of Sales		<u>10,386,630</u>	<u>11,504,381</u>
GROSS LOSS		(1,042,533)	(3,616,404)
Distribution Costs		928	14,685
Administrative Expenses		<u>1,374,366</u>	<u>1,595,118</u>
OPERATING LOSS	4	(2,417,827)	(5,226,207)
Interest Receivable and Similar Income		4,533	94,950
Interest Payable and Similar Charges	6	(3,259,478)	(2,319,277)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(5,672,772)	(7,450,534)
Tax on Loss on Ordinary Activities		—	—
LOSS FOR THE FINANCIAL YEAR		(5,672,772)	(7,450,534)
Balance Brought Forward		<u>(18,379,459)</u>	<u>(10,928,925)</u>
Balance Carried Forward		<u>(24,052,231)</u>	<u>(18,379,459)</u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the
year as set out above

The notes on pages 8 to 15 form part of these financial statements


MANTILLA LIMITED

BALANCE SHEET

31 DECEMBER 2009

	Note	2009 £	2008 £
FIXED ASSETS			
Tangible Assets	7	9,955,179	10,497,650
CURRENT ASSETS			
Stocks	8	10,138	13,087
Debtors	9	483,851	780,109
Cash at Bank and in Hand		2,094,065	7,288,029
		2,588,054	8,081,225
CREDITORS: Amounts falling due within one year	10	2,092,079	2,408,160
NET CURRENT ASSETS		495,975	5,673,065
TOTAL ASSETS LESS CURRENT LIABILITIES		10,451,154	16,170,715
CREDITORS: Amounts falling due after more than one year	11	34,503,275	34,550,064
		(24,052,121)	(18,379,349)
CAPITAL AND RESERVES			
Called-Up Equity Share Capital	14	110	110
Reserves		(24,052,231)	(18,379,459)
DEFICIT	15	(24,052,121)	(18,379,349)

These financial statements were approved by the directors and authorised for issue on 7/9/2010 and are signed on their behalf by


MS C WOON

Company Registration Number 90676

The notes on pages 8 to 15 form part of these financial statements

MANTILLA LIMITED
STATEMENT OF CASH FLOW
YEAR ENDED 31 DECEMBER 2009

	Note	2009 £	2008 £
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	16	(5,204,767)	(6,094,285)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	16	4,533	94,950
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	16	(120,851)	(2,052,834)
CASH OUTFLOW BEFORE FINANCING		(5,321,085)	(8,052,169)
FINANCING	16	127,121	13,441,746
(DECREASE)/INCREASE IN CASH	16	(5,193,964)	5,389,577

The notes on pages 8 to 15 form part of these financial statements

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and in accordance with Companies (Jersey) Law 1991 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), subject to the departures referred to below

Revenue is recognised to the extent that the group obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

Rental income is accounted for on an accruals basis

Revenue is recognised as interest accrues issuing the effective interest method

Turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

All fixed assets are initially recorded at cost

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Equipment - 25% Reducing Balance

MANTILLA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

1 ACCOUNTING POLICIES *(continued)*

Leasehold properties

Leasehold property improvements are included in the balance sheet at professional valuation, carried out at regular intervals, or at Directors' valuation carried out in the intervening years

In accordance with Statement of Standard Accounting Practice No 19

- i) leasehold property improvements are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve, with the exception of permanent diminutions in value which are written off through the profit and loss account, and
- ii) no depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run

This treatment, as regards the company's investment property, may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. Depreciation and amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. COUNTRY OF INCORPORATION

Mantilla Limited is incorporated in the island of Jersey

3. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the company. An analysis of turnover is given below:

	2009	2008
	£	£
United Kingdom	<u>9,344,097</u>	<u>7,887,977</u>

MANTILLA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

4. OPERATING LOSS

Operating loss is stated after charging

	2009	2008
	£	£
Depreciation of owned fixed assets	663,322	590,615
Auditor's remuneration		
- as auditor	<u>8,400</u>	<u>8,400</u>

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to

	2009	2008
	No	No
Number of administrative staff	6	12
Number of rental apartment and health club staff	56	52
Number of maintenance staff	<u>38</u>	<u>38</u>
	<u>100</u>	<u>102</u>

The aggregate payroll costs of the above were

	2009	2008
	£	£
Wages and salaries	386,452	543,644
Social security costs	38,260	53,772
Other pension costs	<u>12,985</u>	<u>18,937</u>
	<u>437,697</u>	<u>616,353</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2009	2008
	£	£
Other interest payable	<u>3,259,478</u>	<u>2,319,277</u>

The other interest payable is due to WB Dolphin Square L L C (see Note 18)

MANTILLA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

7. TANGIBLE FIXED ASSETS

	Leasehold Improvements £	Equipment £	Total £
COST			
At 1 January 2009	7,938,320	4,522,977	12,461,297
Additions	26,893	93,958	120,851
At 31 December 2009	<u>7,965,213</u>	<u>4,616,935</u>	<u>12,582,148</u>
DEPRECIATION			
At 1 January 2009	–	1,963,647	1,963,647
Charge for the year	–	663,322	663,322
At 31 December 2009	<u>–</u>	<u>2,626,969</u>	<u>2,626,969</u>
NET BOOK VALUE			
At 31 December 2009	<u>7,965,213</u>	<u>1,989,966</u>	<u>9,955,179</u>
At 31 December 2008	<u>7,938,320</u>	<u>2,559,330</u>	<u>10,497,650</u>

8. STOCKS

	2009 £	2008 £
Stock	<u>10,138</u>	<u>13,087</u>

9. DEBTORS

	2009 £	2008 £
Trade debtors	251,322	422,616
Amounts owed by group undertakings	38,721	40,718
Loan debtors	–	123,078
Other debtors	6,728	7,762
Prepayments and accrued income	187,080	185,935
	<u>483,851</u>	<u>780,109</u>

MANTILLA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

10. CREDITORS. Amounts falling due within one year

	2009 £	2008 £
Trade creditors	478,771	812,195
Taxation and social security	108,911	254,296
Other creditors	<u>1,254,759</u>	<u>1,203,927</u>
	1,842,441	2,270,418
Accruals and deferred income	<u>249,638</u>	<u>137,742</u>
	<u>2,092,079</u>	<u>2,408,160</u>

Bank balances totalling £1,271,030 (2008 £1,202,073) held in the name of the Company are subject to trust in favour of creditors included above

11. CREDITORS. Amounts falling due after more than one year

	2009 £	2008 £
Amounts owed to group undertakings	3,960,696	4,547,964
Other creditors	<u>30,542,579</u>	<u>30,002,100</u>
	<u>34,503,275</u>	<u>34,550,064</u>

Other creditors represent monies due to WB Dolphin Square L L C (see Note 18)

12. GOING CONCERN

The financial statements have been prepared in accordance with accounting principles appropriate to a going concern. The Directors consider this to be appropriate having regard to the continued provision of financial support by the Company's creditors and bankers.

13. RELATED PARTY TRANSACTIONS

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8 otherwise than as shown in these Financial Statements.

The company has taken advantage of the exemption in paragraph 3(c) of Financial Reporting Standard No 8 to exclude details of transactions with group companies.

MANTILLA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

14. SHARE CAPITAL

Authorised share capital:

	2009	2008
	£	£
9,000 Ordinary voting shares of £0 10 each	900	900
1,000 Ordinary non-voting shares of £0 10 each	100	100
	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2009		2008	
	No	£	No	£
Ordinary voting shares of £0 10 each	100	10	100	10
Ordinary non-voting shares of £0 10 each	<u>1,000</u>	<u>100</u>	<u>1,000</u>	<u>100</u>
	<u>1,100</u>	<u>110</u>	<u>1,100</u>	<u>110</u>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009	2008
	£	£
Opening shareholders' deficit	(18,379,349)	(10,928,815)
Loss for the financial year	<u>(5,672,772)</u>	<u>(7,450,534)</u>
Closing shareholders' deficit	<u>(24,052,121)</u>	<u>(18,379,349)</u>

16. NOTES TO THE STATEMENT OF CASH FLOW

RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2009	2008
	£	£
Operating Loss	(2,417,827)	(5,226,207)
Depreciation	663,322	590,615
Decrease/(Increase) in Stocks	2,949	(2,925)
Decrease in Debtors	173,180	735,498
Decrease in Creditors	<u>(3,626,391)</u>	<u>(2,191,266)</u>
Net cash outflow from operating activities	<u>(5,204,767)</u>	<u>(6,094,285)</u>

MANTILLA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

16. NOTES TO THE STATEMENT OF CASH FLOW *(continued)*

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2009 £	2008 £
Interest Received	4,533	94,950
Net cash outflow from returns on investments and servicing of finance	<u>4,533</u>	<u>94,950</u>

CAPITAL EXPENDITURE

	2009 £	2008 £
Payments to Acquire Tangible Fixed Assets	(120,851)	(2,052,834)
Net cash outflow from capital expenditure	<u>(120,851)</u>	<u>(2,052,834)</u>

FINANCING

	2009 £	2008 £
Net Inflow from Short-Term Debtors/Creditors	173,910	32,814
Net Inflow from/(Repayment of) Long-Term Amounts Owed to Group Undertakings	(587,268)	2,108,273
Net Inflow from Long-Term Creditors	540,479	11,300,659
Net cash inflow from financing	<u>127,121</u>	<u>13,441,746</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2009 £	2008 £
(Decrease)/Increase in Cash in the Period	(5,193,964)	5,389,577
Net Inflow from Short-Term Debtors/Creditors	(173,910)	(32,814)
Net Cash Outflow/(Inflow) from Long-Term Amounts Owed to Group Undertakings	587,268	(2,108,273)
Net Cash Inflow from Long-Term Creditors	<u>(540,479)</u>	<u>(11,300,659)</u>
	<u>(5,321,085)</u>	<u>(8,052,169)</u>
Change in Net Debt	(5,321,085)	(8,052,169)
Net debt at 1 January 2009	(28,342,884)	(20,290,715)
Net debt at 31 December 2009	<u>(33,663,969)</u>	<u>(28,342,884)</u>

MANTILLA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

16. NOTES TO THE STATEMENT OF CASH FLOW *(continued)*

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jan 2009 £	Cash flows £	At 31 Dec 2009 £
Net Cash			
Cash in Hand and at Bank	7,288,029	(5,193,964)	2,094,065
Debt			
Debt due Within 1 Year	(1,080,849)	(173,910)	(1,254,759)
Debt due after 1 Year	(34,550,064)	46,789	(34,503,275)
	(35,630,913)	(127,121)	(35,758,034)
Net debt	(28,342,884)	(5,321,085)	(33,663,969)

17 POST BALANCE SHEET EVENTS

After the balance sheet date the Company increased its issued capital by an additional 300,000,000 non-voting ordinary shares of £0.10 each WB Dolphin Square L L C (see Note 18), subscribed for the new ordinary shares by converting into this newly issued ordinary share capital a like sum of loan monies previously owed to it by this company

18 OWNERSHIP AND CONTROL

Dolphin Square Holdings Limited, a company incorporated in Jersey, owns 50% of the voting shares in issue WB Dolphin Square L L C , a company incorporated in Delaware, USA, owns the remaining 50% of the voting shares, as well as 100% of the non-voting ordinary shares in issue

MANTILLA LIMITED
MANAGEMENT INFORMATION
YEAR ENDED 31 DECEMBER 2009

**The following pages do not form part of the statutory financial statements
which are the subject of the independent auditor's report on pages 3 to 4**

MANTILLA LIMITED
DETAILED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2009

	2009	2008
	£	£
TURNOVER	9,344,097	7,887,977
COST OF SALES		
Opening stock and work-in-progress	13,087	10,162
Direct costs - Sports and health club	1,145,249	1,019,382
Direct costs - Bar & Grill	716,291	824,504
Direct costs - Rental apartments	8,471,597	9,646,829
Direct costs - Commercial Lettings	52,054	14,220
Other cost of sales direct costs	(1,510)	2,371
	<u>10,396,768</u>	<u>11,517,468</u>
Closing stock - resale	<u>(10,138)</u>	<u>(13,087)</u>
	<u>10,386,630</u>	<u>11,504,381</u>
GROSS LOSS	<u>(1,042,533)</u>	<u>(3,616,404)</u>
OVERHEADS		
Advertising	928	14,685
Administrative Expenses	<u>1,374,366</u>	<u>1,595,118</u>
	<u>1,375,294</u>	<u>1,609,803</u>
OPERATING LOSS	<u>(2,417,827)</u>	<u>(5,226,207)</u>
Interest Receivable and Similar Income	<u>4,533</u>	<u>94,950</u>
	<u>(2,413,294)</u>	<u>(5,131,257)</u>
Interest on other loans	<u>(3,259,478)</u>	<u>(2,319,277)</u>
LOSS ON ORDINARY ACTIVITIES	<u>(5,672,772)</u>	<u>(7,450,534)</u>

MANTILLA LIMITED
NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2009

	2009		2008
	£	£	£
ADMINISTRATIVE EXPENSES			
Personnel costs			
Wages and salaries	386,452		543,644
Employers national insurance contributions	38,260		53,772
Staff pension contributions	12,985		18,937
		437,697	616,353
Establishment expenses			
Rates and water	4,281		—
Insurance	6,822		31,975
Repairs and maintenance	22,437		10,047
Laundry and Cleaning	235		557
		33,775	42,579
General expenses			
Telephone	3,810		8,999
Computer Costs	76,905		18,647
Printing, stationery and postage	6,107		18,552
Staff training	1,412		19,416
Staff welfare	16,686		3,554
Other staff related expenses	32,426		17,892
Donations	—		2,400
General expenses	31,746		32,724
Entertaining	1,753		3,625
Legal and professional fees	57,263		205,000
Auditors remuneration	8,400		8,400
Depreciation	663,322		590,615
		899,830	929,824
Financial costs			
Bad debts written off	78		131
Bank charges	2,986		6,231
		3,064	6,362
		<u>1,374,366</u>	<u>1,595,118</u>
INTEREST RECEIVABLE AND SIMILAR INCOME			
Bank interest receivable		4,262	94,950
Other similar income		271	—
		<u>4,533</u>	<u>94,950</u>