Akari Middleton Limited (formerly Bondcare (Middleton) Ltd)

Report and Financial Statements

Year Ended

6 November 2012

Company Number 03963711

BDO

Akari Middleton Limited (formerly Bondcare (Middleton) Ltd)

Report and financial statements
for the year ended 6 November 2012

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Directors

Tony Lumb
Philip Smith

Secretary and registered office

Philip Smith, 90 High Holborn , London, WC1V 6XX

Company number

03963711

Auditors

BDO LLP, Citypoint, 65 Haymarket Terrace, Edinburgh, EH12 5HD

Akari Middleton Limited (formerly Bondcare (Middleton) Ltd)

Report of the directors
for the year ended 6 November 2012

The directors present their report together with the audited financial statements for the year ended 6 November 2012

Results

The profit and loss account is set out on page 5 and shows the profit for the year

Principal activities

The principal activity of the company during the year was that of property investment

On 19 February 2013 the company changed its name to Akari Middleton Limited

Directors

The directors of the company during the year were

Tony Lumb (appointed 19 June 2012)
Philip Smith (appointed 19 June 2012)
Leib Levison (resigned 19 June 2012)
Jacob Sorotzkin (resigned 19 June 2012)

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

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information The directors are not aware of any relevant audit information of which the auditors are unaware

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting

In preparing this directors' report advantage has been taken of the small companies' exemption

On behalf of the board

Philip Smith

Director

2 August 2013

Akari Middleton Limited (formerly Bondcare (Middleton) Ltd)

Independent auditor's report

To the members of Akari Middleton Limited (formerly Bondcare (Middleton) Ltd)

We have audited the financial statements of Akari Middleton Limited (formerly Bondcare (Middleton) Ltd) for the year ended 6 November 2012 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses 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 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 auditors

As explained more fully in the statement of directors' responsibilities, 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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www frc org uk/auditscopeukprivate

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 6 November 2012 and of its profit 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

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

BDO LLP

Martin Gill (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Edinburgh
United Kingdom

2 August 2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Akari Middleton Limited (formerly Bondcare (Middleton) Ltd)

Profit and loss account
for the year ended 6 November 2012

	Note	2012 £	2011 As restated £
Turnover	3	**92,555**	42,212
Other operating income		**-**	12,329
Depreciation and other amounts written off fixed assets	2	**7,196**	1,167,704
Other operating charges		**1,000**	15,319
Operating profit/(loss)	4	**84,359**	(1,128,482)
Interest payable and similar charges		**(38,409)**	(39,880)
Profit/(loss) on ordinary activities before and after taxation for the financial year		**45,950**	(1,168,362)

The notes on pages 8 to 12 form part of these financial statements

Akari Middleton Limited (formerly Bondcare (Middleton) Ltd)

Statement of total recognised gains and losses
for the year ended 6 November 2012

	Note	2012 £	2011 As restated £
Statement of total recognised gains and losses			
Profit/(loss) for the financial year		**45,950**	(1,168,362)
Prior year adjustments			
Property impairment		**(1,167,704)**	
Total gains and losses recognised since last financial statements		**(1,121,754)**	

The notes on pages 8 to 12 form part of these financial statements

Akari Middleton Limited (formerly Bondcare (Middleton) Ltd)

Balance sheet
at 6 November 2012

Company number 03963711	Note	2012	2012	2011 As restated	2011 As restated
		£	£	£	£
Fixed assets					
Tangible assets	5		**422,100**		429,296
Current assets					
Debtors	6	**92,556**		-	
Creditors: amounts falling due within one year	7	**583,795**		544,385	
Net current liabilities			**(491,239)**		(544,385)
Total assets less current liabilities			**(69,139)**		(115,089)
Capital and reserves					
Called up share capital	8		**100**		100
Profit and loss account	9		**(69,239)**		(115,189)
Shareholders' deficit			**(69,139)**		(115,089)

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the board of directors and authorised for issue on 2 August 2013

Philip Smith
Director

The notes on pages 8 to 12 form part of these financial statements

1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and freehold land & buildings

The following principal accounting policies have been applied

Going Concern

The directors are required to make an assessment of the company's ability to continue as a going concern

Since the year end the group has entered into a reconstruction and refinancing transaction and as part of this all of the company's assets and liabilities, including the freehold land and buildings, have been transferred to Nilerace Limited, a related undertaking at break up value Therefore this company has ceased to operate on 6 November 2012 The financial statements have therefore been prepared on a break up basis with all assets being included within the financial statements at their recoverable amount and all known liabilities accrued for The company ceased to operate from 6 November 2012

Turnover

Turnover is wholly attributable to the principal activity of the company and arises soley within the United Kingdom

Land and buildings

Land and buildings are revalued to market value at the balance sheet date with any surplus taken to the revaluation reserve

The profit or loss on disposal of revalued properties is calculated by reference to net book value and any realised revaluation surplus is transferred to the profit and loss account through reserves

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for investment properties and freehold land, evenly over their expected useful lives It is calculated at the following rates

Freehold property	- 2% straight line

Investment properties

Investment properties are revalued annually to open market value and no depreciation is provided The directors consider that this accounting policy results in the financial statements giving a true and fair view The effect of this departure form the Companies Act 2006 has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading

The aggregate surplus or deficit arising on revaluation is transferred to the revaluation reserve except where a deficit is deemed to represent a permanent diminution if value, in which case it is charged to the profit and loss account

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that

- deferred tax is not recognised on timing differences arising on revalued properties unless the

1 Accounting policies *(continued)*

Deferred taxation (continued)

company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief, and

- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met

Deferred tax balances are not discounted

Prior year adjustments

In the financial statements for the year ended 6 November 2011 freehold property has been incorrectly disclosed as Investment Property in contravention of the clauses included in Statement of Standard Accounting Practice 19 "Accounting for Investment Properties" as the property was let to a group company from September 2011

In addition the properties were impaired in the year ended 6 November 2011 following the tenant, Southern Cross Healthcare Group Plc, defaulting on their lease and entering a Creditors Voluntary Arrangement The properties have been restated at their recoverable amount of £429,296 The effect of this adjustment is to decrease the value of fixed assets by £1,167,704 and the revaluation reserve by the same amount in the year ended 6 November 2011

2 Exceptional item

Exceptional costs in 2011 relate to a property impairment charge of £1,167,704, which the directors believe is required to reflect the recoverable amount of the property as at 6 November 2011

3 Turnover

Turnover arises solely within the United Kingdom

4 Operating profit/(loss)

	2012	2011 As restated
	£	£
This is arrived at after charging		
Depreciation of tangible fixed assets	**7,196**	-
Fees payable to the company's auditor or an associate of the company's auditor for the auditing of the company's annual accounts	**1,000**	1,000
Exceptional item - impairment charge (note 2)	**-**	1,167,704

5 Tangible fixed assets

	Freehold investment property £	Freehold land and buildings £	Total £
Cost or valuation			
At 7 November 2011 as previously stated	1,597,000	-	1,597,000
Prior year adjustment	(1,597,000)	429,296	(1,167,704)
At 7 November 2011 as restated and 6 November 2012	-	**429,296**	**429,296**
Depreciation			
Provided for the year and at 6 November 2012	-	**7,196**	**7,196**
Net book value			
At 6 November 2012	-	**422,100**	**422,100**
At 6 November 2011 as restated	-	429,296	429,296

6 Debtors

	2012 £	2011 £
Amounts owed by group undertakings	**92,556**	-

All amounts shown under debtors fall due for payment within one year

7 Creditors amounts falling due within one year

	2012 £	2011 £
Amounts owed to group undertakings	**581,462**	544,385
Other creditors	**2,333**	-
	583,795	544,385

8 Share capital

	2012 £	2011 £
Allotted, called up and fully paid		
100 ordinary class of £1 each	**100**	100

9 Reserves

	Revaluation reserve £	Profit and loss account £
At 7 November 2011 as previously stated	1,045,914	6,601
Prior year adjustment	(1,045,914)	(121,790)
At 7 November 2011 as restated	-	(115,189)
Profit for the year	-	45,950
At 6 November 2012	**-**	**(69,239)**

10 Contingent liabilities

The company has given a joint and several guarantee together with other group members in respect of group borrowings, included within Nilerace Limited, of £190,132,419 at 6 November 2012

11 Related party disclosures

The group has taken advantage of the exemption contained within FRS8 not to disclose transactions within the group

12 Ultimate parent company and parent undertaking of larger group

The company's ultimate parent company and controlling party at the balance sheet date was Finsbury Trust Corporation Limited, a company registered in Gibraltar From 8 November 2012 the ultimate parent company became AK (SPV) Limited

The largest and smallest group for which consolidated accounts are prepared, is headed by BC, an unlimited liability company registered in England & Wales

13 Post balance sheet events

On 8 November 2012 the company's intermediate holding company, Akari Care Group Limited (formerly BC2 Limited) was sold AK (SPV) Limited The company is therefore no longer one of the Bondcare group companies

Since the year end the group has entered into a reconstruction and refinancing transaction and as part of this all of the company's assets and liabilities, including the freehold land and buildings, have been transferred to Nilerace Limited, a related undertaking at break up value Therefore this company has ceased to operate on 6 November 2012 The financial statements have therefore been prepared on a break up basis with all assets being included within the financial statements at their recoverable amount and all known liabilities accrued for The company ceased to operate from 6 November 2012

14 Prior year adjustment

During the previous financial year the company's tenant, Southern Cross Healthcare Group Plc, defaulted on their lease and entered a Creditors Voluntary Arrangement The directors believe that a resulting impairment to the value and a reclassification to tangible fixed assets of the company's property is required to show a true and fair view of the company's position

The financial statements include a directors valuation, before depreciation, of £429,296 for the recoverable amount for freehold land and buildings as at 6 November 2011 and the comparatives have been restated to reflect this The effect of this adjustment is to decrease the value of fixed assets by £1,167,704 and the revaluation reserve by the same amount in the year ended 6 November 2011