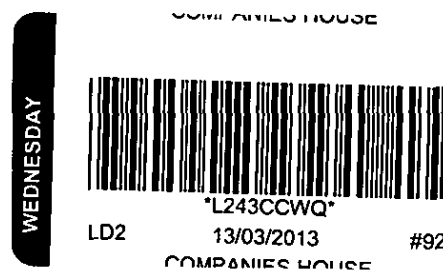


Avanta Properties (No.2) Limited

REPORT AND FINANCIAL STATEMENTS

For the year ended
31 March 2012



Company Registration No 6406288

Avanta Properties (No.2) Limited

DIRECTORS, OFFICERS AND ADVISORS

DIRECTORS

RWM Brook
DAV Alberto
AD Pepper
DJ Kinnaird

COMPANY SECRETARY

P Alexander
RBS Nominees Limited

REGISTERED OFFICE

1 Lyric Square
London
W6 ONB

REGISTERED AUDITOR

Baker Tilly UK Audit LLP
Registered Auditor
Chartered Accountants
25 Farringdon Street
London, EC4A 4AB

Avanta Properties (No.2) Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of Avanta Properties (No 2) Limited for the year ended 31 March 2012

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was property letting

REVIEW OF THE BUSINESS

The directors are satisfied with the result for the year and financial position of the company at the year end

The company's parent company changed to Avanta Nominees Limited on 27 May 2011

GOING CONCERN

The accounts are prepared on a going concern basis, the validity of which depends on the continuing financial support of the parent company and the company's bankers. The directors have not received formal confirmation of continued support. However the directors consider that this support will continue, and enable the provision of sufficient working capital since, taken as a whole, the company's worth will be enhanced by its continuing activities. Should this support be withdrawn the directors consider that the financial statements would not be materially different if drawn up on a break-up basis.

DIVIDENDS

The directors do not recommend the payment of a dividend (2011 £nil)

DIRECTORS

The following directors held office during the year

RWM Brook
DAV Alberto
AD Pepper
DJ Kinnaird

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that 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 it has been communicated to the auditor.

AUDITOR

The auditor, Baker Tilly UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By order of the board


P Alexander
Secretary

7 March 2013

Avanta Properties (No.2) Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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 loss or loss of the company for that period.

In preparing those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and accounting estimates that are reasonable and prudent,
- c 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AVANTA PROPERTIES (NO 2) LIMITED

We have audited the financial statements on pages 6 to 12. 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 auditors

As more fully explained in the Directors' Responsibilities Statement set out on page 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 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

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 the 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 March 2012 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.

Emphasis of matter – going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in the accounting policies on page 8 concerning the company's ability to continue as a going concern. The company incurred a net loss of £924,110 during the year ended 31 March 2012, and at that date, the company had net liabilities of £1,645,729 and it had net current liabilities of £2,713,470. These conditions, along with the other matters explained on page 8 indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

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 in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report

Baker Tilly UK Audit LLP

HOWARD FREEDMAN (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street

London EC4A 4AB

12/12/2013

Avanta Properties (No.2) Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2012

	Note	2012 £	2011 £
TURNOVER	1	109,728	175,817
Cost of sales		-	-
GROSS PROFIT		109,728	175,817
Administrative expenses		(16,270)	(16,388)
OPERATING PROFIT		93,458	159,429
Exceptional item	3	(950,000)	-
Interest payable	5	(57,438)	(68,730)
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(913,980)	90,699
Taxation	6	(10,130)	(24,570)
(LOSS) / PROFIT ON ORDINARY ACTIVITIES AFTER TAX	12	(924,110)	66,129

The operating profit for the year arises from the company's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account

Avanta Properties (No.2) Limited

BALANCE SHEET

As at 31 March 2012

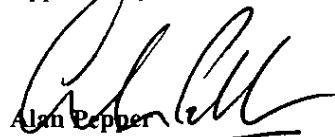
Company Registration No 6406288

	Note	2012 £	2011 £
FIXED ASSETS			
Tangible assets	7	1,100,000	2,050,000
CURRENT ASSETS			
Debtors	8	85,575	38,748
Cash at bank and in hand		55,096	46,836
		140,671	85,584
Creditors Amounts falling due within one year	9	(2,854,141)	(2,831,741)
NET CURRENT LIABILITIES		(2,713,470)	(2,746,157)
TOTAL ASSETS LESS CURRENT LIABILITIES		(1,613,470)	(696,157)
PROVISIONS FOR LIABILITIES	10	(32,259)	(25,462)
NET LIABILITIES		(1,645,729)	(721,619)
CAPITAL AND RESERVES			
Called up share capital	11	1	1
Profit and loss account	12	(1,645,730)	(721,620)
EQUITY SHAREHOLDER'S FUNDS	13	(1,645,729)	(721,619)

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

Approved by the board and authorised for issue on

7 March 2013


Alan Pepper
Director

Avanta Properties (No.2) Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention modified to include the revaluation of investment properties

GOING CONCERN

The accounts are prepared on a going concern basis, the validity of which depends on the continuing financial support of the parent company and the company's bankers. The directors have not received formal confirmation of continued support. However the directors consider that this support will continue, and enable the provision of sufficient working capital since, taken as a whole, the company's worth will be enhanced by its continuing activities. Should this support be withdrawn the directors consider that the financial statements would not be materially different if drawn up on a break-up basis.

TURNOVER

Turnover represents rent receivable and income from the provision of other services in the year.

DEFERRED TAXATION

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 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 tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

INVESTMENT PROPERTIES

Investment properties are accounted for in accordance with SSAP 19, "Accounting for Investment Properties", which provides that these should not be subject to periodic depreciation charges (unless held on lease), but should be shown at open market value. This is contrary to the Companies Act 2006 which states that, subject to any provision for depreciation or diminution in value, fixed assets are normally to be stated at purchase price or production cost. Current cost accounting or the revaluation of specific assets to market value, as determined at the date of their last valuation, is also permitted.

The treatment of investment properties under the Companies Act does not give a true and fair view as these assets are not held for consumption in the business but as investments, the disposal of which would not materially affect any manufacturing or trading operations of the enterprise. In such a case it is the current value of these investments, and changes in that current value, which are of prime importance. Consequently, for the proper appreciation of the financial position, the accounting treatment required by SSAP 19 is considered appropriate for investment properties.

Included in the carrying value of the investment property is capitalised interest of £69,044 (2011 £69,044)

Avanta Properties (No.2) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2012

1 TURNOVER

The company's turnover and loss on ordinary activities before taxation was made in the United Kingdom

2 (LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2012 £	2011 £
(Loss) / profit on ordinary activities before taxation is stated after charging		
Auditors Remuneration - Statutory audit	4,440	4,440
- Tax compliance	1,488	1,488

3 EXCEPTIONAL ITEM

	2012 £	2011 £
Decrease on valuation of investment property	950,000	-

The investment property has been valued at £1,100,000 which has the effect on decreasing the value by £950,000 (2011 £nil) (see note 7)

4 EMPLOYEES

No director received any remuneration from the company during the year Apart from the directors of the company, there were no other employees of the company

5 INTEREST PAYABLE

	2012 £	2011 £
Bank interest payable	(57,438)	(52,778)
Intercompany interest	-	(15,952)
Interest payable (net)	(57,438)	(68,730)

6 TAXATION

	2012 £	2011 £
Current Tax		
UK Corporation tax on loss in the period	3,333	-
Adjustments in respect of previous years	-	-
Total Current Tax	3,333	-
Deferred Taxation		
Origination and reversal of timing differences	6,866	25,526
Effect of changed tax rates on opening position	(1,959)	(64)
Adjustment in respect of prior periods	1,890	(892)
Total deferred tax	6,797	24,570
Tax on (loss) / profit on ordinary activities	10,130	24,570

Avanta Properties (No.2) Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

6 TAXATION (continued)	2012	2011
	£	£
Factors affecting tax charge for the period		
The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below		
(Loss)/ profit on ordinary activities before tax	(913,980)	90,699
(Loss) / profit on ordinary activities multiplied by standard rate or corporation tax in the UK of 26% (2011 28%)	(237,635)	25,396
Effects of		
Group relief not paid for	4,206	19,995
Capital allowances in excess of depreciation	237,515	(12,769)
Tax losses utilised	-	(32,622)
Other timing differences	(753)	-
Tax charge for the period	3,333	-
7 TANGIBLE FIXED ASSETS		Investment Property
		£
Valuation		
1 April 2011		2,050,000
Impairments		(950,000)
31 March 2012		1,100,000
<p>The historical cost of the revalued freehold property is £2,787,729 (2011 £2,787,729). The property is revalued every 5 years, which the directors consider necessary in order to show a true and fair view. No depreciation is provided in respect of investment properties. The last professional valuation of the investment property was made on 25 June 2010 by Colliers CRE, Chartered Surveyors, on an existing use open market value basis, in accordance with the Statement of Assets Valuation Practice No 4 and the Guidance Notes of the Royal Institution of Chartered Surveyors. The valuation has been completed by the directors, which has the effect of decreasing net assets by £950,000 (2011 £nil).</p>		
8 DEBTORS	2012	2011
	£	£
Other debtors	26,855	841
Prepayments and accrued income	58,720	37,907
	85,575	38,748

Avanta Properties (No.2) Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

9 CREDITORS: Amounts falling due within one year	2012	2011
	£	£
Bank loan	2,200,000	2,200,000
Trade creditors	194	3,995
Amounts owed to group undertakings	639,674	603,547
Other tax and social security	4,298	10,158
Other creditors	5,641	9,914
Accruals and deferred income	4,334	4,127
	<u>2,854,141</u>	<u>2,831,741</u>

At the balance sheet date the loan was repayable on 31 March 2012. The bank loan is now repayable on demand. Interest is payable at a rate of LIBOR plus 1.75% per annum.

The loan is secured on the property owned by the company. In addition, the company's fellow subsidiary, Avanta Properties (Heathrow) Limited has provided a guarantee to the bank in respect of the loan.

10 PROVISIONS FOR LIABILITIES	2012	2011
	£	£
Deferred Tax		
1 April	25,462	895
Charged to the profit and loss Account	6,797	24,567
31 March	<u>32,259</u>	<u>25,462</u>

The above provision relates to accelerated capital allowances.

11 SHARE CAPITAL	2012	2011
	£	£
Authorised		
100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>
Allotted, issued and fully paid		
1 Ordinary share of £1 each	<u>1</u>	<u>1</u>

12 PROFIT AND LOSS ACCOUNT	2012	2011
	£	£
1 April	(721,620)	(787,749)
(Loss) / profit for the financial year	(924,110)	66,129
31 March	<u>(1,645,730)</u>	<u>(721,620)</u>

Avanta Properties (No.2) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2012

13 RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS	2012	2011
	£	£
(Loss) / profit for the financial year	(924,110)	66,129
Opening shareholder's funds	(721,619)	(787,748)
Closing shareholder's funds	<u>(1,645,729)</u>	<u>(721,619)</u>

14 IMMEDIATE AND ULTIMATE PARENT COMPANY

The company's immediate parent company is Beadon Investments Limited (formerly Avanta Group Limited), a company incorporated in England and Wales. The ultimate parent company is Avanta Nominees Limited, a company incorporated in England and Wales.

15 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in FRS 8 that transactions do not need to be disclosed with companies 100% of whose voting rights are controlled within the group.

16 CONTROL

The company is part of the group controlled by David Alberto.