

IVG Developments (Broadway) Limited

(formerly IVG Asticus (GMS) Limited)

Annual Report

Year ended 31 December 2007

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IVG Developments (Broadway) Limited
(formerly IVG Asticus (GMS) Limited)
Annual Report
Year ended 31 December 2007

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IVG Developments (Broadway) Limited
(formerly IVG Asticus (GMS) Limited)
Directors' Report

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2007

Principal activities, review of the business and future developments

On 2 February 2007, the company acquired a property at Cowcaddens Road, Glasgow, for a consideration of £12.5m. The acquisition was financed internally. On 21 December 2007, part of the property was disposed of for gross proceeds of £3,700,000, realising a surplus over book value of £772,118.

Results

The profit for the year after taxation amounted to £1,192,388 (2006: £1,505,984). The company changed its name to IVG Developments (Broadway) Limited on 27 March 2008. No dividend was paid during the year (2006: £nil).

Directors

The following directors served during the year

Mr P Banerjee	(resigned 12 December 2007)
Mr D H Gibson	
Mr A Okunola	(appointed 12 December 2007)
Mr M Mason	(appointed 12 December 2007)

Statement of information provided to auditors

Each of the directors has confirmed that

- so far as they are 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 a director 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 report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board of Directors and signed on behalf of the Board on 22 August 2008



A Okunola
Director

IVG Developments (Broadway) Limited
(formerly IVG Asticus (GMS) Limited)
Statement of Directors' Responsibilities

The directors are responsible for preparing the annual 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). The financial statements are required 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 period. In preparing these financial statements the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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 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 1985. 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
IVG Developments (Broadway) Limited
(formerly IVG Asticus (GMS) Limited)**

We have audited the financial statements of IVG Developments (Broadway) Limited (formerly IVG Asticus (GMS) Limited) for the year ended 31 December 2007 which comprise the profit and loss account, the balance sheet, and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law 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 have been properly prepared in accordance with the Companies Act 1985. 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 judgments 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 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.

Opinion

In our opinion

- 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 2007 and profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.

PKF(UK)LLP
PKF (UK) LLP
Registered Auditors

London, UK
26 August 2008

IVG Developments (Broadway) Limited
(formerly IVG Asticus (GMS) Limited)
Profit and Loss Account
Year ended 31 December 2007

	Notes	2007 £	2006 £
Turnover	1(c)	3,700,000	-
Other operating income	1(d)	15,285	-
Cost of sales		(2,927,882)	-
		<u>787,403</u>	<u>-</u>
Administrative expenses		(23,385)	(9,506)
Operating profit/(loss)	2	<u>764,018</u>	<u>(9,506)</u>
Interest receivable and similar items	4	741,377	2,149,308
Interest payable and similar charges	5	(182,135)	(256,518)
Profit on ordinary activities before taxation		<u>1,323,260</u>	<u>1,883,284</u>
Taxation	6	(130,872)	(377,300)
Profit for the year	13	<u><u>1,192,388</u></u>	<u><u>1,505,984</u></u>

All amounts relate to continuing operations

There were no recognised gains or losses other than the profit for the year

IVG Developments (Broadway) Limited
(formerly IVG Asticus (GMS) Limited)
Balance Sheet
At 31 December 2007

	Notes	£	2007	£	£	2006	£
Current assets							
Work in progress	7	13,969,025			-		
Debtors	8	2,856,326			19,569,933		
Deferred tax asset	10	176,828			307,700		
Cash at bank and in hand		4,378,261			21,103		
		<u>21,380,440</u>			<u>19,898,736</u>		
Creditors							
Amounts falling due within one year	9	(1,116,690)			(433,244)		
		<u></u>			<u></u>		
Net current assets			20,263,750			19,465,492	
Total assets less current liabilities			20,263,750			19,465,492	
Provisions for liabilities and charges							
Other provisions	11		(631,526)			(1,025,656)	
			<u></u>			<u></u>	
Net assets			19,632,224			18,439,836	
Capital and reserves							
Called up share capital	12		16,800,000			16,800,000	
Profit and loss account	13		2,832,224			1,639,836	
			<u></u>			<u></u>	
Shareholder's funds	14		19,632,224			18,439,836	
			<u></u>			<u></u>	

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

The financial statements were approved and authorised for issue by the board of directors and signed on its behalf on 22 August 2008


A Okunola
Director

IVG Developments (Broadway) Limited
(formerly IVG Asticus (GMS) Limited)
Notes to the Financial Statements
Year ended 31 December 2007

1 Accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards

(b) Deferred taxation

As required by FRS19 "Deferred Tax", full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation, except for those timing differences in respect of which the standard specifies that deferred tax should not be recognised

Deferred assets and liabilities are calculated at the tax rates expected to be effective at the date the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

(c) Turnover

Turnover represents income generated from the sale of development property, net of value added tax. All turnover is generated from within the United Kingdom

(d) Other operating income

Other operating income represents rents received from tenants, net of value added tax

(e) Work in progress – development property

All costs associated with the acquisition and development of development property, net of incidental receipts and including interest payable on loans taken out to finance the project, are included in work in progress. Work in progress is carried at the lower of cost and net realisable value

(f) Interest rate swap

An obligation under a swap agreement has crystallised as the loan to which the swap agreement relates has been repaid. The swap is revalued to market value at each year end and provision is made for any change in the liability arising as a charge or credit to the profit and loss account

2 Operating loss	2007	2006
	£	£
The operating loss is stated after charging		
Auditors' remuneration - for audit services	10,000	8,000
- for taxation services	7,500	-
- for other services	1,080	-
	<u>18,580</u>	<u>8,000</u>

The company had no employees other than its directors during the year. The directors received no remuneration in respect of services to the company during the year

3 Disposal of work in progress

On 21 December 2007 the company sold part of its development property for gross proceeds of £3,700,000 realising a surplus over book value of approximately £772,118

IVG Developments (Broadway) Limited
(formerly IVG Asticus (GMS) Limited)
Notes to the Financial Statements
Year ended 31 December 2007

4 Interest receivable and similar items	2007 £	2006 £
Group interest	158,992	891,060
Bank interest	188,256	390
Release of provision for interest rate swap interest (note 11)	394,129	1,257,858
	<u>741,377</u>	<u>2,149,308</u>
5 Interest payable and similar charges	2007 £	2006 £
Group interest	22,884	13,040
Bank interest	-	243,478
Interest rate swap interest	159,251	-
	<u>182,135</u>	<u>256,518</u>
6 Tax on profit on ordinary activities	2007 £	2006 £
(a) Analysis of tax charge for the period		
Current tax	-	-
Corporation tax at 30% (2006 30%)	-	-
	<u>-</u>	<u>-</u>
Total current tax (note 6(b))	130,872	377,300
Deferred taxation (note 10)	-	-
	<u>130,872</u>	<u>377,300</u>
Tax on profit on ordinary activities	<u>130,872</u>	<u>377,300</u>
	2007 £	2006 £
(b) Reconciliation of current year tax charge		
The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The differences are explained below		
Profit on ordinary activities before tax	1,323,260	1,883,284
Profit on ordinary activities at standard rate of corporation tax in the UK of 30% (2006 30%)	396,979	564,985
Effects of		
Movement in swap provision	(118,239)	(377,300)
Group relief claimed	(278,740)	(187,685)
	<u>-</u>	<u>-</u>
Current tax charge for the year (note 6(a))	<u>-</u>	<u>-</u>

IVG Developments (Broadway) Limited
(formerly IVG Asticus (GMS) Limited)
Notes to the Financial Statements
Year ended 31 December 2007

7 Work in progress

On 2 February 2007, the company acquired a property at Cowcaddens Road, Glasgow, for a consideration of £12.5m. On 21 December 2007, part of the property was disposed of for gross proceeds of £3.7m, realising a surplus over book value of £772,118. The property is held as a current asset.

8 Debtors	2007 £	2006 £
Amounts falling due within one year:		
Amounts due from ultimate parent company	2,705,572	19,569,933
Trade debtors	150,754	-
	<u>2,856,326</u>	<u>19,569,933</u>

9 Creditors	2007 £	2006 £
Amounts falling due within one year:		
Amount due to group undertaking	-	404,367
Accruals and deferred income	603,705	28,877
Other creditors including taxation and social security	512,985	-
	<u>1,116,690</u>	<u>433,244</u>

10 Deferred taxation	£
At 1 January 2007 - asset	307,700
Released in the year	(130,872)
	<u>176,828</u>
At 31 December 2007 - asset	<u>176,828</u>

The deferred tax balance comprises the following, provided at 28% (2006: 30%) where appropriate

	2007 £	2006 £
Tax relief on provision for interest rate swaps	176,828	307,700
	<u>176,828</u>	<u>307,700</u>

IVG Developments (Broadway) Limited
(formerly IVG Asticus (GMS) Limited)
Notes to the Financial Statements
Year ended 31 December 2007

11 Other provisions	£
At 1 January 2007	1,025,656
Released in the year	(394,130)
	<hr/>
At 31 December 2007	631,526
	<hr/>

The above provision relates to interest payable under a swap agreement. This obligation has crystallised as the loan to which the swap agreement relates was repaid in 2003. It is likely that this provision will be utilised within the next twelve months.

12 Called up share capital	2007	2006
	£	£
Authorised		
20,000,000 ordinary shares of £1 each	20,000,000	20,000,000
	<hr/>	<hr/>
Allotted, issued and fully paid		
16,800,000 ordinary shares of £1 each	16,800,000	16,800,000
	<hr/>	<hr/>

13 Profit and loss account	£
At 1 January 2007	1,639,836
Profit for the year	1,192,388
	<hr/>
At 31 December 2007	2,832,224
	<hr/>

14 Reconciliation of movements in shareholder's funds	2007	2006
	£	£
At 1 January 2007	18,439,836	16,933,852
Profit for the year	1,192,388	1,505,984
	<hr/>	<hr/>
At 31 December 2007	19,632,224	18,439,836
	<hr/>	<hr/>

15 Event occurring after the end of the year

On 28 February 2008 the company secured loan facilities with HSBC Bank Plc and Landesbank Berlin AG. The committed amount of the facility is £72 million, £36million in two phases. Security, by way of a fixed and floating charge, has been given on the assets of the company. An interest rate of LIBOR plus a margin of 1.55% as well as a negligible mandatory cost is payable on the utilised amounts of the facility. The loan is repayable in full by February 2012, with the first instalment for repayment due on sale of phase one development. Issue costs of £522,478 will be capitalised and amortised on a straight-line basis over the term of the facility.

An interest rate swap at 4.81% is now in place to hedge against the floating element of interest.

IVG Developments (Broadway) Limited
(formerly IVG Asticus (GMS) Limited)
Notes to the Financial Statements
Year ended 31 December 2007

16 Ultimate parent company and ultimate controlling party

The company's immediate parent undertaking is IVG Development (UK) Limited (formerly IVG Asticus Real Estate Limited), a company registered in England and Wales

IVG Immobilien AG, a company incorporated in Germany is regarded by the directors as the ultimate parent company and ultimate controlling party, and is the parent undertaking of the largest and smallest group, for which group accounts are prepared. Group accounts of IVG Immobilien AG are available to the public from Zanderstr 5, D-53177 Bonn, Germany

No disclosure has been made within these financial statements of any transactions or balances with group companies by virtue of the exemptions allowed by Financial Reporting Standard No 8