

## **Abbey Property Holdings Limited**

Report and Financial Statements

For the year ended

31 December 2009



# **Abbey Property Holdings Limited**

**Annual report and financial statements  
for the year ended 31 December 2009**

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## **Directors**

D Love  
ING Real Estate Investment Management (UK) Limited

## **Secretary**

ING Real Estate Investment Management (UK Investments) Limited

## **Registered office**

60 London wall, London EC2M 5TQ

## **Company number**

4190483

## **Auditors**

BDO LLP, 55 Baker Street, London, W1U 7EU

# Abbey Property Holdings Limited

## Report of the directors for the year ended 31 December 2009

The directors present their report together with the audited financial statements for the year ended 31 December 2009

### Results and dividends

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

A dividend of £7,211,360 was paid during the current year (2008 - £Nil)

### Principal activities, review of business and future developments

The company's principal activity was that of property investment

Both the level of business and year end financial position were satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future

### Directors

The directors of the company during the year were

B R Galan	(resigned 14 May 2010)
P H Kendall	(resigned 14 May 2010)
R N Midmer	(resigned 14 May 2010)
D H Watt	(resigned 14 May 2010)
A L Wilson	(resigned 14 May 2010)
S D Jones	(resigned 14 May 2010)
R S Montaut	(resigned 14 May 2010)
D Love	(appointed 14 May 2010)
ING Real Estate Investment Management (UK) Limited	(appointed 14 May 2010)

### 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 year.

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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

# **Abbey Property Holdings Limited**

## **Report of the directors for the year ended 31 December 2009 (Continued)**

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### **Directors' responsibilities continued**

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.

This report of the directors has been prepared in accordance with the special provisions of Parts 15 and 16 of the Companies Act 2006 relating to small companies.

### **On behalf of the Board**



D Love  
Director

12 August 2010

# **Abbey Property Holdings Limited**

## **Independent auditor's report**

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### **TO THE MEMBERS OF ABBEY PROPERTY HOLDINGS LIMITED**

We have audited the financial statements of Abbey Property Holdings Limited for the year ended 31 December 2009 which comprise the profit and loss account, statement of total recognised gains and losses, 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 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 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**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **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 31 December 2009 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 matters 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.

# Abbey Property Holdings Limited

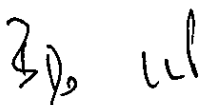
## Independent auditor's report (*Continued*)

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### 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



*Richard Levy (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom*

12 August 2010

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

# Abbey Property Holdings Limited

## Profit and loss account for the year ended 31 December 2009

		Year ended 31 December 2009 £	Period 7 January 2008 to 31 December 2008 £
	Note		
<b>Turnover</b>	2	697,397	948,968
Property expenses		(65,167)	(82)
Administrative expenses		(207,668)	(205,981)
<b>Operating profit</b>		424,562	742,905
Impairment of fixed asset investments		(1,560,054)	-
Permanent diminution in value of investment properties		-	(197,996)
Loss on disposal of investment property		(210,000)	-
Interest receivable		1,348	832
<b>(Loss)/profit on ordinary activities before taxation</b>		(1,344,144)	545,741
Tax on (loss)/profit on ordinary activities	5	(71)	110
<b>(Loss)/profit on ordinary activities after taxation</b>	13,14	(1,344,215)	545,851

All amounts relate to continuing activities

The notes on pages 8 to 14 form part of these financial statements

# Abbey Property Holdings Limited

## Statement of total recognised gains and losses for the year ended 31 December 2009

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		Year ended 31 December 2009 £	Period 7 January 2008 to 31 December 2008 £
	Note		
<b>Statement of total recognised gains and losses</b>			
(Loss)/profit for the financial period	13	(1,344,215)	545,851
Unrealised deficit on revaluation of properties		-	(5,092,004)
		<hr/>	<hr/>
<b>Total gains and losses recognised relating to the period</b>		<b>(1,344,215)</b>	<b>(4,546,153)</b>
		<hr/>	<hr/>

The notes on pages 8 to 14 form part of these financial statements



# Abbey Property Holdings Limited

## Balance sheet at 31 December 2009

<i>Company number 4190483</i>	<b>Note</b>	<b>2009 £</b>	<b>2009 £</b>	<b>2008 £</b>	<b>2008 £</b>
<b>Fixed assets</b>					
Investment properties	7		-		15,710,000
Investments	8		8,825,633		2,097,047
			<hr/>		<hr/>
			8,825,633		17,807,047
<b>Current assets</b>					
Debtors	9	69,913		242,107	
Cash at bank		156,769		582,079	
		<hr/>		<hr/>	
		226,682		824,186	
<b>Creditors: amounts falling due within one year</b>	10	734,507		1,757,850	
		<hr/>		<hr/>	
<b>Net current liabilities</b>			(507,825)		(933,664)
<b>Total assets less current liabilities</b>			<hr/>		<hr/>
			8,317,808		16,873,383
<b>Creditors: amounts falling due after more than one year</b>	11		47,833		47,833
			<hr/>		<hr/>
<b>Net assets</b>			<hr/>		<hr/>
			8,269,975		16,825,550
<b>Capital and reserves</b>					
Called up share capital	12		1,411,346		1,411,346
Profit and loss account	13		6,858,629		15,414,204
			<hr/>		<hr/>
<b>Shareholders' funds</b>	14		8,269,975		16,825,550
			<hr/>		<hr/>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

The financial statements were approved by the Board of Directors and authorised for issue on 12 August 2010

  
D Love  
Director

The notes on pages 8 to 14 form part of these financial statements

# Abbey Property Holdings Limited

## Notes forming part of the financial statements for the year ended 31 December 2009

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### 1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

#### *Turnover*

Turnover represents net rents charged to outside customers at invoiced amounts less value added tax.

Rents receivable under operating leases are accounted for on a straight line basis over the period of the lease.

#### *Fixed asset investments*

Fixed asset investments are stated at cost less provision for diminution in value.

#### *Investment properties*

Investment properties are accounted for in accordance with SSAP 19, Accounting for Investment Properties. The investment properties are revalued annually at their open market value, such calculations are supported by periodic independent valuations. The surplus or deficit on revaluation is transferred to the revaluation reserve unless a deficit, or its reversal, on an individual property is expected to be permanent, in which case it is recognised in the profit and loss for the year.

No depreciation is provided on investment properties. The directors consider that this accounting policy results in the financial statements giving a true and fair view. The effect of this departure from the Companies Act 2006 has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading.

#### *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 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 are not discounted.

# Abbey Property Holdings Limited

Notes forming part of the financial statements  
for the year ended 31 December 2009 (*Continued*)

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## 1 Accounting policies (*Continued*)

### *Lessor incentives*

Lessor incentives include rent free periods and other incentives given to lessees on entering into lease agreements

Lessor incentives to new tenants to occupy the company's investment properties are treated as revenue expenditure and initially recorded as prepayments. The payments are charged to the profit and loss account evenly over the period to the earlier of the first rent review to the prevailing market rate and the lease end date. Where lessor incentives relate to investment properties the properties are carried at open market value less the amount of the unamortised incentive.

### *Cash flow statement*

The company has taken advantage of the exemption not to prepare a cash flow statement on the basis that a consolidated cash flow statement is published in the parent company's consolidated financial statements.

## 2 Turnover

Turnover is wholly attributed to the principal activity of the company and arises solely within the United Kingdom.

## 3 Employees

The only employees during the year were the directors. No remuneration was paid to any employee.

## 4 Operating Profit

Auditors' remuneration is borne by the parent company.

# Abbey Property Holdings Limited

Notes forming part of the financial statements  
for the year ended 31 December 2009 (*Continued*)

## 5 Taxation on (loss)/profit on ordinary activities

	Year ended 31 December 2009 £	Period 7 January 2008 to 31 December 2008 £
<i>Current tax</i>		
UK corporation tax on (loss)/profits of the period	71	(110)

The tax assessed for the period differs from the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below

	Year ended 31 December 2009 £	Period 7 January 2008 to 31 December 2008 £
(Loss)/profit on ordinary activities before tax	(1,344,144)	545,741
(Loss)/profit on ordinary activities at the standard rate of corporation tax in the UK of 28% (31 December 2008 - 28.5%)	(376,360)	155,536
Effects of		
Expenses not deductible for tax purposes	436,815	-
Rental profits arising under "Real Estate Investment Trust" tax regime	(60,455)	(155,426)
Adjustments in respect of previous periods	71	(110)
Current tax charge/(credit) for period	71	(110)

## 6 Dividends

	Year ended 31 December 2009 £	Period 7 January 2008 to 31 December 2008 £
<i>Ordinary shares</i>		
Interim paid of £6.78 (2008 - £Nil) per share	7,211,360	-

# Abbey Property Holdings Limited

Notes forming part of the financial statements  
for the year ended 31 December 2009 (*Continued*)

<b>7 Investment properties</b>	<b>Freehold £</b>
<i>At valuation</i>	
At 1 January 2009	15,710,000
Disposals	(15,710,000)
	<hr/>
At 31 December 2009	-
	<hr/>

The historical cost of the properties is £Nil (31 December 2008 - £15,907,996)

<b>8 Investments</b>	<b>Group undertakings £</b>
Book value at 1 January	2,097,047
Additions	15,500,000
Dividends paid	(7,211,360)
Impairment of fixed asset investment	(1,560,054)
	<hr/>
Book value at 31 December 2009	8,825,633
	<hr/>

<b>Company</b>	<b>Country of incorporation</b>	<b>Shares held Class</b>	<b>%</b>
<b>Subsidiary undertakings</b>			
Abbey Business Park Ltd	England and Wales	Ordinary	100
Broom (4116) Ltd	England and Wales	Ordinary	100
City Lands Investment Corporation Ltd	England and Wales	Ordinary	37

<b>9 Debtors</b>	<b>2009 £</b>	<b>2008 £</b>
Trade debtors	-	70,762
Other debtors	69,913	171,345
	<hr/>	<hr/>
	69,913	242,107
	<hr/>	<hr/>

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

# Abbey Property Holdings Limited

Notes forming part of the financial statements  
for the year ended 31 December 2009 (*Continued*)

## 10 Creditors: amounts falling due within one year

	2009 £	2008 £
Accruals and deferred income	2,489	269,137
Amounts due to parent and fellow group undertakings	598,261	1,328,463
Other taxes and social security	-	30,799
Other creditors	133,757	129,451
	<u>734,507</u>	<u>1,757,850</u>

## 11 Creditors: amounts falling due after more than one year

	2009 £	2008 £
6% cumulative preference shares of 45p each	47,833	47,833
	<u>47,833</u>	<u>47,833</u>

The preference shares carry the right to a fixed cumulative dividend of 6% net and rank ahead of all other classes on a winding up or other return of capital in respect of the amount paid thereon together with any arrears of dividend. Holders are entitled to attend and vote at general meetings.

# Abbey Property Holdings Limited

Notes forming part of the financial statements  
for the year ended 31 December 2009 (*Continued*)

## 12 Share capital

	2009 Number	2008 Number	2009 £	2008 £
<i>Allotted, called up and fully paid</i>				
Ordinary shares of 9p each	1,063,162	1,063,162	95,685	95,685
Deferred shares of 9p each	14,618,458	14,618,458	1,315,661	1,315,661
6% cumulative preferences shares of 45p each	106,295	106,295	47,833	47,833
<i>Allotted, called up and nil paid</i>				
'A' ordinary shares of 0 9p each	68,162	68,162	-	-
			1,459,179	1,459,179
			2009 £	2008 £
Equity shares			1,411,346	1,411,346
Shares classified as financial liabilities (note 11)			47,833	47,833
			1,459,179	1,459,179

The deferred shares carry no right to attend or vote at general meetings. The holders are entitled to an amount equal to the amount paid up on a winding up or other return of capital.

Ordinary shares and 'A' ordinary shares carry the right to dividends and to the assets of the company available for distribution on a winding up or other return of capital according to the amount paid up. The 'A' ordinary shares do not entitle the holder to attend or vote at general meetings.

The cumulative preference shares have been classed as non-equity shares in the balance sheet.

# Abbey Property Holdings Limited

Notes forming part of the financial statements  
for the year ended 31 December 2009 (*Continued*)

## 13 Reserves

	Profit and loss account £
At 1 January 2009	15,414,204
Loss for the year	(1,344,215)
Dividends paid	(7,211,360)
	<hr/>
At 31 December 2009	6,858,629
	<hr/>

## 14 Reconciliation of movements in shareholders' funds

	31 December 2009 £	Period 7 January 2008 to 31 December 2008 £
(Loss)/profit for the financial period	(1,344,215)	545,851
Dividends paid	(7,211,360)	-
	<hr/>	<hr/>
	(8,555,575)	545,851
Unrealised deficit on revaluation of properties	-	(5,092,004)
	<hr/>	<hr/>
Net reduction to shareholders funds	(8,555,575)	(4,546,153)
Opening shareholders' funds	16,825,550	21,371,703
	<hr/>	<hr/>
Closing shareholders' funds	8,269,975	16,825,550
	<hr/>	<hr/>

## 15 Related party transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related Party Disclosures', not to disclose transactions with members of the group headed by Rugby Estates Investment Trust Plc on the grounds that 100% of the voting rights in the company are controlled within that group and the company is included in the consolidated financial statements of Rugby Estates Investment Trust Plc

## 16 Ultimate parent company

The largest and smallest group in which the results of the company are consolidated is that headed by Rugby Estates Investment Trust Plc, a company incorporated in the United Kingdom

At 31 December 2009 the ultimate parent company and controlling party was Rugby Estates Investment Trust Plc