REGISTERED NUMBER 04680323 (England and Wales)

ARENA CENTRE (STOCKLEY) LIMITED

REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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COMPANIES HOUSE

Bessler Hendrie
Chartered Accountants
Statutory Auditor
Albury Mill
Mill Lane
Chilworth
Guildford
Surrey
GU4 8RU

ARENA CENTRE (STOCKLEY) LIMITED (REGISTERED NUMBER: 04680323)

CONTENTS OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

ARENA CENTRE (STOCKLEY) LIMITED

COMPANY INFORMATION
for the year ended 31 December 2011

DIRECTORS:	C P Oliver S C Loggie
SECRETARY.	C P Oliver
REGISTERED OFFICE.	10 Ivory House Plantation Wharf London SW11 3TN
REGISTERED NUMBER:	04680323 (England and Wales)
AUDITORS:	Bessler Hendrie Chartered Accountants Statutory Auditor Albury Mill Mill Lane Chilworth Guildford Surrey GU4 8RU

REPORT OF THE DIRECTORS
for the year ended 31 December 2011

The directors present their report with the financial statements of the company for the year ended 31 December 2011

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of rental of serviced offices

DIRECTORS
The directors shown below have held office during the whole of the period from 1 January 2011 to the date of this report

C P Oliver
S C Loggie

GOING CONCERN
The company is reliant on the financial resources of Picasso Investments Limited and other group members The balance sheet includes group borrowings of £58,170 (2010 £486,157), which are financed by loans provided by Lloyds Banking Group and Lehman Commercial Paper Inc (in liquidation) to Picasso Investments Limited The directors believe the company remains a going concern based on the fact that it is supported by Picasso Investments Limited and other group members and the group is operating within the loan covenants prescribed in the loan agreements

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Report of the Directors 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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

REPORT OF THE DIRECTORS
for the year ended 31 December 2011

AUDITORS

The auditor, Bessler Hendrie, Chartered Accountants has indicated its willingness to continue in office

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

ON BEHALF OF THE BOARD:

C P Oliver - Director

28 June 2012

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ARENA CENTRE (STOCKLEY) LIMITED

We have audited the financial statements of Arena Centre (Stockley) Limited for the year ended 31 December 2011 on pages six to twelve 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 a Report of the Auditors 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 set out on page two, 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
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 In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

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 2011 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ARENA CENTRE (STOCKLEY) LIMITED

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 Report of the Directors

Bessler Hendrie

Robert Watkins (Senior Statutory Auditor)
for and on behalf of Bessler Hendrie
Chartered Accountants
Statutory Auditor
Albury Mill
Mill Lane
Chilworth
Guildford
Surrey
GU4 8RU

28 June 2012

ARENA CENTRE (STOCKLEY) LIMITED (REGISTERED NUMBER: 04680323)

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2011

	Notes	2011 £	2010 as restated £
TURNOVER		172,243	168,673
Cost of sales		(8,713)	(16,306)
GROSS PROFIT		163,530	152,367
Administrative expenses		(253,495)	(254,631)
OPERATING LOSS	2	(89,965)	(102,264)
Group loans forgiven	3	541,000	-
		451,035	(102,264)
Interest receivable and similar income		61	52
		451,096	(102,212)
Interest payable and similar charges		(2,111)	(521)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		448,985	(102,733)
Tax on profit/(loss) on ordinary activities	4	-	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		448,985	(102,733)

The notes form part of these financial statements

ARENA CENTRE (STOCKLEY) LIMITED (REGISTERED NUMBER: 04680323)

BALANCE SHEET
31 December 2011

	Notes	2011 £	2010 as restated £
FIXED ASSETS			
Tangible assets	6	519	692
CURRENT ASSETS			
Debtors	7	130,173	70,756
Cash at bank and in hand		3,074	13,872
		133,247	84,628
CREDITORS			
Amounts falling due within one year	8	(133,187)	(533,726)
NET CURRENT ASSETS/(LIABILITIES)		60	(449,098)
TOTAL ASSETS LESS CURRENT LIABILITIES		579	(448,406)
CAPITAL AND RESERVES			
Called up share capital	9	100	100
Profit and loss account	10	479	(448,506)
SHAREHOLDERS' FUNDS		579	(448,406)

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Board of Directors on 28 June 2012 and were signed on its behalf by

C P Oliver - Director

The notes form part of these financial statements

1 ACCOUNTING POLICIES

Accountıng conventıon
The financıal statements have been prepared under the hıstoncal cost conventıon and ın accordance wıth the Fınancıal Reportıng Standard for Smaller Entıtıes (effectıve Apnl 2008)

The financıal statements have been prepared on a goıng concem basıs Thıs ıs consıdered appropnate by the dırectors as the company ıs supported by Pıcasso Investments Lımıted and other group members as a result of cross guarantees, whıch have been gıven ın respect of mortgage financıng on the group's ınvestments ın commercıal property, and the group ıs currently tradıng wıthın ıts loan covenants and ıs profitable

The bank facılıtıes provıded are avaılable untıl 30 June 2013

Changes in accountıng polıcıes
In pnor years the financıal statements of the company have shown the assets and lıabılıtıes ın relatıon to tenants' deposıts

Updated guıdance (TECH 03/11 as ıssued by ICAEW on 25 October 2011) on accountıng for servıce charge transactıons ın the financıal statements of companıes has recently been ıssued Thıs guıdance ıs consıdered to be current best practıce and states that such monıes should not be recognısed ın the financıal statements as these are held on trust on behalf of the tenants In order to comply wıth the current best practıce, a change of accountıng polıcy has been adopted and these financıal statements do not ınclude any balances ın relatıon to tenants' deposıts

The above change ın accountıng polıcy ıs merely a change ın the presentatıon of the statutory accounts and does not have any ımpact on the net asset posıtıon of the company

Turnover
Turnover ıs recognısed at the faır value of the consıderatıon receıved or receıvable for sale of servıces ın the ordınary nature of the busıness, excludıng value added tax Rental ıncome from operatıng leases ıs recognısed on a straıght lıne basıs over the term of the lease

Rent free penods or other ıncentıves receıved for enterıng ınto a lease are accounted for over the penod of the lease so as to spread the benefit receıved over the lease term or, ıf shorter, the penod endıng when prevaılıng market rentals wıll become payable

Tangıble fixed assets
Depreciatıon ıs provıded at the followıng annual rates ın order to wnte off each asset over ıts estımated useful lıfe

Office equıpment	-25% on cost
Computer equıpment	-33% on cost

contınued

1 **ACCOUNTING POLICIES - continued**

Deferred tax

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

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

2 **OPERATING LOSS**

The operating loss is stated after charging/(crediting)

	2011	2010 as restated
	£	£
Depreciation - owned assets	173	213
Auditors' remuneration	3,000	4,000
Operating lease income	(144,722)	(148,715)
Directors' remuneration and other benefits etc	-	-

3 **EXCEPTIONAL ITEMS**

Group debt of £541,000 was written off in order to facilitate the group refinancing process which completed in December 2011

4 **TAXATION**

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2011 nor for the year ended 31 December 2010

The company has trading losses available to carry forward of £337,668 (2010 £337,668)

5 **PRIOR YEAR ADJUSTMENT**

As a result of the change in accounting policy set out in note 1, the comparatives have been restated to exclude the assets and liabilities in relation to tenants' deposits, consequently current assets and current liabilities in the comparative figures have each been reduced by £26,068

6 TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST	
At 1 January 2011 and 31 December 2011	16,849
DEPRECIATION	
At 1 January 2011	16,157
Charge for year	173
At 31 December 2011	16,330
NET BOOK VALUE	
At 31 December 2011	519
At 31 December 2010	692

7 DEBTORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 as restated £
Trade debtors	34,936	22,099
Amounts owed by group undertakings	27,764	-
Other debtors	67,473	48,657
	130,173	70,756

8 CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 as restated £
Trade creditors	51,033	11,607
Amounts owed to group undertakings	58,170	486,157
Taxation and social security	-	18,334
Other creditors	23,984	17,628
	133,187	533,726

continued

9 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid

Number	Class	Nominal value	2011	2010 as restated
			£	£
100	Ordinary	£1	100	100

10 RESERVES

	Profit and loss account
	£
At 1 January 2011	(448,506)
Profit for the year	448,985
At 31 December 2011	479

11 ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary undertaking of Picasso Investments Limited, a company registered in England and Wales The ultimate parent company is Lehman Commercial Paper Inc (in liquidation), which was incorporated in the US and has filed for voluntary bankruptcy

The largest and smallest group of which this company is a member for which group accounts are drawn up is headed by Picasso Investments Limited Copies of the consolidated financial statements can be obtained from The Registrar of Companies, Crown Way, Cardiff, CF14 3UZ

12 CONTINGENT LIABILITIES

At 31 December 2011, the company had together with other group companies, guaranteed certain Bank of Scotland plc and Lehman Commercial Paper Inc (in liquidation) loans by means of an unlimited multilateral cross guarantee The liability in respect of these bank loans was £39,781,400 (2010 £36,280,521)

The company is part of a VAT group along with the following group companies

- Picasso Investments Limited
- Picasso Investments 1 Limited
- Picasso Investments (Arena) Limited
- Arena Centre (Stockley) Limited
- Picasso Investments (Maidenhead) Limited
- Picasso Investments (Pier) Limited
- Picasso Investments (Plantation Wharf) Limited

Each of these companies is liable to the group VAT creditor

continued

13 RELATED PARTY DISCLOSURES

The company has taken advantage of the exemptions provided by the provisions of the Financial Reporting Standard for Smaller Entities relating to members of a group that prepares publicly available consolidated financial statements, and has not disclosed transactions with fellow group undertakings

During the year management fees of £nil (2010 £49,200) were charged to this company by Cube Real Estate Limited and management fees of £49,200 (2010 £nil) were charged by Cube Consulting Limited Both of these companies have C P Oliver and S C Loggie as directors

14 ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Lehman Commercial Paper Inc (in liquidation) by virtue of its shareholding in Picasso Investments Limited

15 DEFERRED TAX

No deferred tax asset has been recognised in these Accounts in respect of losses carried forward and decelerated capital allowances This is on the basis that there is insufficient evidence when the asset will be recoverable, which depends upon the company's future taxable profits

	Amount unprovided	
	2011	2010
	£	£
Tax losses carried forward	81,040	87,794
Decelerated capital allowances	1,278	1,719
	82,318	89,513