

AB CONSOLIDATED INVESTMENTS LTD

REPORT AND FINANCIAL STATEMENTS

For The Year Ended 31 December 2012

Company Registration No 04703644

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CONTENTS	PAGE
OFFICERS AND PROFESSIONAL ADVISERS	1
DIRECTORS REPORT	2
DIRECTORS RESPONSIBILITY STATEMENT	3
INDEPENDENT AUDITOR'S REPORT	4
PROFIT AND LOSS ACCOUNT	5
BALANCE SHEET	6
NOTES TO THE ACCOUNTS	7

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**OFFICERS AND PROFESSIONAL ADVISERS**

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**DIRECTORS**

Mr Wayne Landing  
Mr Ghassan Tarazi  
Mr Antoine Raphael

**SECRETARY**

Ms Patricia Karrass

**REGISTERED OFFICE**

13-15 Moorgate  
London  
EC2R 6LP

**BANKERS**

Europe Arab Bank plc  
13-15 Moorgate  
London  
EC2R 6LP

**SOLICITORS**

Field Fisher Waterhouse  
35 Vine Street  
London  
EC3N 2AA

**AUDITOR**

Deloitte LLP  
London

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

The Directors present their report and the audited financial statements of AB Consolidated Investments Ltd ("the Company") for the year ended 31 December 2012

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

## PRINCIPAL ACTIVITIES

The business of the Company is that of general partner to the two property funds AB Europroperty Fund LP & EAB Europroperty Fund LP. The funds have been formed to invest in real estate in identified European markets.

## RESULTS, DIVIDENDS AND FUTURE PROSPECTS

The results for the year are as set out in the profit and loss account. The Directors recommend that no dividend be paid in respect of the year ended 31 December 2012 (year ended 31 December 2011: nil). A profit after taxation of € 18 252 (2011: Profit of € 2 771) was made during the year. The Directors consider the results and state of affairs to be satisfactory.

The Directors do not anticipate any significant change in the activities of the Company in the foreseeable future.

## GOING CONCERN

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

## PARENT COMPANY

The Company's immediate and ultimate controlling party was Arab Bank plc, a company registered in Jordan.

## FINANCIAL INSTRUMENTS

The Company's principal financial assets are cash and cash equivalents and trade receivables, and the principal financial liabilities are the trade payables. The Company does not use any derivatives for hedging or speculative purposes. The Company's financial instrument risk is limited to credit risk and liquidity risk, which are managed by the regular monitoring of the Company's customers' bank and suppliers' balances.

## DIRECTORS AND DIRECTORS' INTERESTS

The Directors who served throughout the year, except as noted, were as follows:

Mr Wayne Landing - Chairman	(appointed 08 June 2004)
Mr Nassif Malhame	(resigned 12 December 2012)
Mr Ghassan Tarazi	(appointed 20 September 2012)
Mr Itira Davis	(resigned 04 April 2012)
Mr Antoine Raphael	(appointed 18 March 2013)

## SECRETARY

Ms Patricia Karrass

## CHARITABLE AND POLITICAL CONTRIBUTIONS

No charitable or political contributions were made during the current year (2011: nil).

## AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- (2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with s418 of the Companies Act 2006.

## APPOINTMENT OF AUDITOR

Deloitte LLP are to be re-appointed as the Company's auditors for the forthcoming financial year.

By order of the Board:

  
Ms Patricia Karrass  
Company Secretary

Date 6/5/13.

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**DIRECTORS' RESPONSIBILITY STATEMENT**

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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). 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 judgments 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; and  
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 to 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 AUDITOR'S REPORT TO THE MEMBERS OF AB CONSOLIDATED INVESTMENTS LTD

We have audited the financial statements of AB Consolidated Investments Ltd for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 12. 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 auditor**

As explained more fully in the Directors' Responsibilities Statement, 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 annual report 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

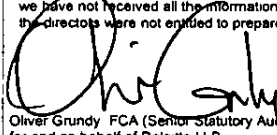
- give a true and fair view of the state of the company's affairs as at 31st December 2012 and of its profit for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities and
- have been prepared in accordance 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 in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report.

  
Oliver Grundy, FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, UK

6th August 2013

## PROFIT AND LOSS ACCOUNT

For The Year Ended 31st December 2012

	Notes	2012 €	2011 €
Turnover	2	665 675	662 535
Administrative expenses		(678 290)	(662 928)
Operating loss on ordinary activities before interest		(12 615)	(393)
Interest receivable and similar income	3	30 867	3 164
Profit on ordinary activities before taxation	4	18 252	2 771
Taxation on ordinary activities	6	-	-
Profit on ordinary activities after taxation	10	18 252	2 771

The results of the Company as shown above are wholly attributable to continuing operations

The accompanying notes on pages 7 to 9 form an integral part of these financial statements

There are no recognised gains or losses in either the current year or prior year other than those included in the profit and loss account shown above and therefore no separate statement of total recognised gains and losses has been presented

## BALANCE SHEET

As at 31 DECEMBER 2012

	Notes	2012 €	2011 €
<b>CURRENT ASSETS</b>			
Debtors	7	1 592 364	1 124 445
Cash at bank and in hand		291 211	131 795
		<u>1 883 575</u>	<u>1 256 240</u>
<b>CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			
	8	(1 274 569)	(665 486)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>609 006</u>	<u>590 754</u>
<b>NET ASSETS</b>		<u>609 006</u>	<u>590 754</u>
<b>REPRESENTED BY SHAREHOLDERS' FUNDS</b>			
Called up share capital	9 10	136	136
Share premium	10	340 765	340 765
Profit and loss account	10	268 105	249 853
<b>SHAREHOLDERS FUNDS</b>		<u>609 006</u>	<u>590 754</u>

The accompanying notes on pages 7 to 9 form an integral part of these financial statements

These financial statements were approved by the Board of Directors and authorised for issue on 6/8/13. 2012

2013

Signed on behalf of the Board of Directors

W Landing  
Director



## NOTES TO THE ACCOUNTS - 31 DECEMBER 2012

**1 ACCOUNTING POLICIES****1.1 Basis of preparation**

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies are adopted and applied consistently throughout the current and prior years as described below. The financial statements are presented in Euros (€) which is the functional currency of the Company. The financial statements have been prepared on the going concern basis. More information on this is provided in the Directors' Report.

**1.2 Accounting convention**

The financial statements are prepared in accordance with the historical cost convention.

**1.3 Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

**1.4 Cash flow**

The Company is exempt from the requirement to prepare a cash flow statement under Financial Reporting Standard 1 (Revised 1996) - Cash Flow Statements as a consolidated cash flow statement is included in the publicly available consolidated financial statements of the ultimate parent Company Arab Bank plc which is registered in Amman, Jordan.

**1.5 Financial instruments**

The Company classifies a financial instrument as a financial asset, financial liability or an equity instrument in accordance with the substance of the contractual arrangement. An instrument is classified as a liability if it is a contractual obligation to deliver cash or another financial asset, or to exchange financial assets or financial liabilities on potentially unfavourable terms. An instrument is classified as equity if it evidences a residual interest in the assets of the Company after the deduction of liabilities. The Company does not use any derivatives.

**1.6 Taxation**

- Current tax, including UK Corporation tax, is provided at amounts expected to be paid using the tax rates and laws that have been enacted or subsequently enacted by the balance sheet date and any adjustment to tax payable in respect of tax relief within the Arab Bank group.

Current tax assets and liabilities are only offset when they arise in the same tax reporting group and where there is both the legal right and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**2 TURNOVER**

Turnover represents management fees receivable from Guernsey Channel Islands excluding VAT. Turnover is recognised on accrual basis.

## NOTES TO THE ACCOUNTS - 31 DECEMBER 2012 (continued)

**3 INTEREST RECEIVABLE AND SIMILAR INCOME**

Interest income received on cash balances held with the bank €124 (2011 €3 164). Other income comprises of a foreign currency adjustment of €30 743 that arose due to a change in annual financial statements reporting currency in 2008. The reporting currency was changed from GBP to EUR.

**4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

Profit on ordinary activities before taxation is stated after charging

	2012 €	2011 €
<b>Auditor's remuneration</b>		
- Audit fees for the audit of the Company's statutory accounts	11 116	10 827
- Non-audit fees	1 471	3 128
Management recharges	<u>608 412</u>	<u>598 511</u>

Management recharges consist of expenses incurred by Europe Arab Bank plc and Arab Bank (Switzerland) Ltd on behalf of the Company and recharged periodically.

The Company had no employees in the current year or prior period. All staff are employed by Europe Arab Bank plc. Their costs are recharged by Europe Arab Bank plc to the Company.

All interest receivable / payable is due from / to Europe Arab Bank plc, a Group company.

**5 DIRECTORS' EMOLUMENTS**

The Directors of the Company are employees of Europe Arab Bank plc and the Company does not have any other employees. No fees are paid directly to these Directors (2011: nil). However, Europe Arab Bank plc charges the Company as part of the management fees a portion relating to the other employees and Directors' services to the company. These amounts are disclosed in salaries and other emoluments below. The Company does not provide any pension for its Directors or those of other group companies.

Salaries and other emoluments	<u>30 656</u>	<u>51 756</u>
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**6 TAXATION**

<b>Analysis of tax on ordinary activities</b>	2012 €	2011 €
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United Kingdom corporation tax at 24.5% (2011: 26.5%) based on the profit for the year

**Factors affecting tax charge for the current year**

The tax assessed for the year differs from that resulting from applying the standard rate of corporation tax in the UK 24.5% (2011: 26.5%).

The differences are explained below:

	2012 €	2011 €
Profit on ordinary activities before tax	<u>18 252</u>	<u>2 771</u>
Tax (charge)/credit at 24.5% (2011: 26.5%) thereon	(4 472)	(734)
Utilisation of tax losses		-
Current tax (charge)/credit for year	<u>(4 472)</u>	<u>(734)</u>
Group Relief obtained (surrendered) for nil consideration	4 472	734
Current tax charge for year	<u>-</u>	<u>-</u>

Europe Arab Bank plc has sufficient tax losses to offset taxes payable by the company.

## NOTES TO THE ACCOUNTS 31 DECEMBER 2012 (continued)

**7 DEBTORS**

	2012 €	2011 €
Prepayments and accrued income relating to Group companies	1 592 364	1 124 445
	<u>1 592 364</u>	<u>1 124 445</u>

**8 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2012 €	2011 €
Accruals and deferred income relating to Group companies	(1 274 569)	(665 486)
	<u>(1 274 569)</u>	<u>(665 486)</u>

**9 CALLED UP SHARE CAPITAL**

	2012 €	2011 €
Authorised allotted called-up and fully paid		
Share Capital - 100 (2011 100) ordinary shares of £1 each converted to Euro at 1.36	136	136
	<u>136</u>	<u>136</u>

**10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	Share capital €	Share premium €	Profit and loss account €	2012 TOTAL €	2011 TOTAL €
At beginning of year	136	340 765	249 853	590 754	587 983
Profit for the year	-	-	18 252	18 252	2 771
At end of year	<u>136</u>	<u>340 765</u>	<u>268 105</u>	<u>609 006</u>	<u>590 754</u>

**11 RELATED PARTY TRANSACTIONS**

The Company is exempt from the requirement to disclose related party transactions under paragraph 3(c) of Financial Reporting Standard 8 as a subsidiary 90% or more of whose voting rights are controlled within the group and consolidated within the publicly available consolidated financial statements of the ultimate parent Company Arab Bank plc which is registered in Amman Jordan. There are no other related party transactions requiring disclosure.

**12 ULTIMATE PARENT COMPANY AND CONTROLLING PARTY**

The Company is a wholly owned subsidiary undertaking of Arab Bank plc registered in Amman Jordan. Arab Bank plc is the ultimate parent company and controlling party and is the parent undertaking of the smallest and largest group of undertakings for which group accounts are drawn up. Group accounts can be obtained from 15 Moorgate London EC2R 6LP.