

Allied London (Brunswick) Limited

Company number 5261600

Report and Financial statements

Year ended 31 December 2010

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ALLIED LONDON (BRUNSWICK) LIMITED

Report and financial statements for the year ended 31 December 2010

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Directors

M J Ingall
F P Graham-Watson

Secretary and registered office

Suresh Gorasia
33 Cork Street,
London, W1S 3NQ

Company number

5261600

Auditors

BDO LLP
55 Baker Street
London W1U 7EU

ALLIED LONDON (BRUNSWICK) LIMITED

Directors' report for the year ended 31 December 2010

The Directors have pleasure in submitting their report and audited financial statements for the year to 31 December 2010

Activities and future developments

The principal activity of the company is property investment, although the company held no property at the balance sheet date

Review of the business

The profit and loss account is set out on page 3 and shows a profit after tax for the year of £327,135. The company continues to settle the outstanding matters relating to the refurbishment of a property sold in 2007. The directors continue to look for other investment opportunities.

The directors of the company are reliant on the parent company for banking facilities. Whilst there are no binding legal agreements in place at the approval date of these financial statements, the directors are confident that the group will be able to conclude ongoing negotiations satisfactorily in relation to extending and increasing the group's loan facilities and the deferment of payment to a significant creditor of the group. Therefore the directors of the company have prepared the financial statements on a going concern basis (Refer to Note 1).

Directors

The members of the Board during the year were

M J Ingall

F P Graham-Watson

Directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 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.

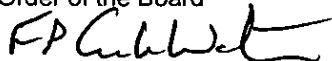
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

Auditors

All the current directors have taken all the steps 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.

By Order of the Board



F P Graham-Watson
Director

33 Cork Street
London W1S 3NQ

Date 29th September 2011

ALLIED LONDON (BRUNSWICK) LIMITED

Independent Auditor's Report to the Members of Allied London (Brunswick) Limited

We have audited the financial statements of Allied London (Brunswick) Limited for the year ended 31 December 2010 which comprise the profit and loss account, 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

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 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 2010 and of its profit 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 going concern disclosures made in note 1 to the financial statements concerning the company's reliance on the banking facilities of the parent company. The parent company's directors are in discussion with the lender to extend and increase its current bank facilities and with a significant creditor of the group to defer settlement of outstanding balances. At the date these financial statements were approved there is no binding agreement with the lender or creditor. This matter indicates the existence of a material uncertainty over the ability of the parent company to provide support 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 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.

(Continued over)

ALLIED LONDON (BRUNSWICK) LIMITED

Independent Auditor's Report to the Members of Allied London (Brunswick) Limited (Continued)

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

BDO LLP.

Alexander Tapp (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor

London

United Kingdom

Date

30th September 2011

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

ALLIED LONDON (BRUNSWICK) LIMITED**Profit and loss account for the year ended 31 December 2010**

	Notes	2010 £	2009 £
Property recoveries		-	41,313
Net Rental Income		-	41,313
Administrative expenses	3	(50,000)	(100,000)
Operating (loss)	2	(50,000)	(58,687)
Profit on sale of investment properties		377,135	71,096
Profit on ordinary activities before and after taxation		327,135	12,409

All amounts relate to continuing activities

All recognised gains and losses are included in the profit and loss account

The result for the year represents the movement on shareholders' funds

ALLIED LONDON (BRUNSWICK) LIMITED

Company Number. 5261800

Balance sheet at 31 December 2010

	Notes	2010 £	2009 £
Current assets			
Debtors	5	44,337,912	44,394,165
Creditors amounts falling due within one year	6	(221,326)	(604,714)
Net assets		43,789,451	43,789,451
		=====	=====
Capital and reserves			
Called up share capital	7	1	1
Profit and loss account	8	44,116,585	43,789,450
Shareholders' funds – equity		44,116,586	43,789,451
		=====	=====

These financial statements were approved by the Board and authorised for issue on



29th September 2011

F P Graham-Watson
Director

The notes on pages 6 to 8 form part of these financial statements

Notes forming part of the financial statements

1 Accounting policies

The following principal accounting policies have been applied in the preparation of these financial statements

a) Accounting convention

These accounts have been prepared under the historical cost convention, as modified by the revaluation of certain assets

b) Going concern

In preparing the financial statements the directors are required to make an assessment of the company's ability to continue to trade as a going concern. The company does not operate its own banking facilities and is reliant on the banking facilities of its parent undertaking.

The main consideration in forming their opinion is the assessment of ongoing discussions by the parent company with the lender in relation to extending and increasing the group's loan facilities that are due to expire in December 2011 and ongoing discussions with a significant creditor of the group to defer settlement of its outstanding balances.

There is currently no binding agreement with the creditors and lender and the directors of the parent company are confident that they will be able to conclude negotiations satisfactorily with the creditor and the lender. Therefore the directors of the company have prepared the financial statements on a going concern basis.

These conditions indicate the existence of material uncertainties 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.

c) Turnover

Turnover is stated net of VAT and comprises rental income and commissions and fees receivable. This is attributable to the company's principal activity wholly undertaken in the United Kingdom.

d) 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 to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

ALLIED LONDON (BRUNSWICK) LIMITED**Notes forming part of the financial statements (continued)****2 Operating (loss)**

The company has no employees. The directors received no remuneration in the year. Audit fees are borne by the parent company.

3 Administrative expenses

	2010 £	2009 £
Includes		
Management charge payable to group undertakings	50,000	100,000
	=====	=====

4 Taxation on profit on ordinary activities

	2010 £	2009 £
Reconciliation of current year tax charge		
Profit on ordinary activities at the standard rate of corporation tax in the UK of 28% (2009: 28%)	91,598	3,475
Effects of		
Group relief received	(91,598)	(3,475)
Current tax charge	-	-
	=====	=====

5 Debtors

	2010 £	2009 £
Trade debtors	-	21,189
Amount due from group undertakings	44,337,912	44,372,365
Other debtors	-	611
	44,337,912	44,394,165
	=====	=====

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

6 Creditors: amounts falling due within one year

	2010 £	2009 £
Trade creditors	46,728	51,409
Other creditors	100,000	308,707
Accruals and deferred income	74,598	244,598
	221,326	604,714
	=====	=====

ALLIED LONDON (BRUNSWICK) LIMITED**Notes forming part of the financial statements (continued)**

7 Share capital	2010 £	2009 £
Authorised		
1000 Ordinary shares of £1 each	1,000 =====	1,000 =====
Allotted, called up and fully paid		
1 ordinary share of £1	1 =====	1 =====

8 Reserves

	£
Balance at 1 January 2010	43,789,450
Profit for the year	327,135

As at 31 December 2010	44,116,585 =====

9 Cash flow statement

A cash flow statement has not been prepared as the company is a wholly owned subsidiary undertaking of Arrow Property Investments Limited and its funds are managed as part of that company's funds. A group cash flow statement is included in the accounts of Arrow Property Investments Limited.

10 Related Party Transactions

The company has taken advantage of the exemption allowed by Financial Reporting Standard No 8, not to disclose details of related party transactions with entities that are included in the consolidated financial statements of Arrow Property Investments Limited and are 100% owned.

11 Ultimate Parent Company

Arrow Property Investments Limited, a company registered in England, is the parent company of the largest group of which this company is a member and where accounts are publicly available. Copies of the consolidated financial statements of Arrow Property Investments Limited are available from Companies House. The directors consider the ultimate parent company to be Capital Holdco Limited, a company registered in British Virgin Islands.