

**Allied London (Brunswick) Limited**

**Company number 5261600**

Report and Financial statements

Year ended 31 December 2011

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**ALLIED LONDON (BRUNSWICK) LIMITED**

**Report and financial statements for the year ended 31 December 2011**

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**Directors**

M J Ingall  
F P Graham-Watson  
S P Lyell (appointed 15th July 2011)

**Secretary and registered office**

A Campbell  
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 2011**

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The Directors have pleasure in submitting their report and audited financial statements for the year to 31 December 2011

#### **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 loss after tax for the year of £44,233,314 (2010 profit £327,135). The company continues to settle the outstanding matters relating to the refurbishment of a property sold in 2007

The directors of the company are reliant on the parent company to facilitate financial support which is expected to be continued to be provided during 2013 and the directors of the company have therefore 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

S P Lyell (appointed 15th July 2011)

#### **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 **21 DEC 2012**

## **ALLIED LONDON (BRUNSWICK) LIMITED**

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

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We have audited the financial statements of Allied London (Brunswick) Limited for the year ended 31 December 2011 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](http://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 2011 and of its result 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 disclosures made in note 1 to the financial statements concerning the company's ability to continue as a going concern.

The directors have prepared and considered detailed forecasts and budgets for the period to 31 December 2013. They have also obtained a letter of support from Allied London Properties Limited indicating that it is their current intention to support the Company by ensuring that the intercompany indebtedness in respect of entities within the Allied London Properties Limited group will not be called for repayment unless the company has the funds and working capital to do so. The directors' note that although they expect that the support will continue throughout 2013 it is not guaranteed. In the event that the intercompany debt, which is repayable on demand, is called in, unless the directors are able to secure funding from another party (either from within the group or a third party), the Company will be unable to meet this obligation.

These conditions indicate the existence of a material uncertainty 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)**

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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

*BDO LLP*

*Alexander Tapp (senior statutory auditor)*

*For and on behalf of BDO LLP, statutory auditor*

*London*

*United Kingdom*

*Date*

**21 DEC 2012**

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 2011**

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	Notes	2011 £	2010 £
Administrative expenses		(44,233,314)	(50,000)
<b>Operating loss</b>	2	(44,233,314)	(50,000)
Profit on sale of investment properties		-	377,135
<b>Loss on ordinary activities before and after taxation</b>	7	(44,233,314)	327,135

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**

	Notes	2011 £	2010 £
<b>Current assets</b>			
Debtors	4	-	44,337,912
<b>Creditors amounts falling due within one year</b>	5	(116,728)	(221,326)
<b>Net (liabilities) / assets</b>		<u>(116,728)</u> =====	<u>44,116,586</u> =====
<b>Capital and reserves</b>			
Called up share capital	6	1	1
Profit and loss account	7	(116,729)	44,116,585
<b>Shareholders' deficit</b>		<u>(116,728)</u> =====	<u>44,116,586</u> =====

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

21 DEC 2012



**F P Graham-Watson**  
Director

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

## **ALLIED LONDON (BRUNSWICK) LIMITED**

### **Notes forming part of the financial statements**

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#### **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**

The directors have considered the financial position of the company in preparing these financial statements and note that it has net liabilities and net current liabilities at 31 December 2011

The directors have prepared and considered detailed forecasts and budgets for the period to 31 December 2013. They have also obtained a letter of support from Allied London Properties Limited indicating that it is their current intention current intention to support the Company by ensuring that the intercompany indebtedness in respect of entities within the Allied London Properties Limited group will not be called for repayment unless the company has the funds and working capital to do so. On this basis, the directors believe that it is appropriate to prepare these financial statements on a going concern basis

However, the directors note that whilst they can take comfort from the current support being given from the Allied London Properties Limited, there is no certainty that this will continue throughout 2013. In the event that the intercompany debt, which is repayable on demand, is called in, unless the directors are able to secure funding from another party (either from within the group or a third party), the Company will be unable to meet this obligation

This condition gives rise to a material uncertainty which may cast doubt on the ability of the Company to continue in business. These financial statements do not include any adjustments that may be necessary if the Company is unable to continue in business

**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 profit/(loss)**

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

Operating profit is calculated after charging the following

	2011 £	2010 £
Includes		
Provision against intercompany debtors	44,271,240	-
Management charge payable to group undertakings	150,000	50,000
Reduction in provisions	(187,926)	-
	=====	=====

**3 Taxation on profit on ordinary activities**

	2011 £	2010 £
Reconciliation of current year tax charge		
Profit on ordinary activities at the standard rate of corporation tax in the UK of 26.5% (2010: 28%)	(11,721,828)	91,598
Effects of		
Expenses not deductible for tax purposes	11,731,878	-
Group relief received	(10,050)	(91,598)
	-----	-----
Current tax charge	-	-
	=====	=====

**4. Debtors**

	2011 £	2010 £
Amount due from group undertakings	-	44,337,912
	-----	-----
	-	44,337,912
	=====	=====

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

**5 Creditors amounts falling due within one year**

	2011 £	2010 £
Trade creditors	46,728	46,728
Other creditors	50,000	100,000
Accruals and deferred income	20,000	74,598
	-----	-----
	116,728	221,326
	=====	=====

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

<b>6 Share capital</b>	<b>2011 £</b>	<b>2010 £</b>
Authorised		
1000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
1 ordinary share of £1	<u>1</u>	<u>1</u>

**7 Reserves**

	<b>£</b>
Balance at 1 January 2011	44,116,585
Loss for the year	(44,233,314)
As at 31 December 2011	<u>(116,729)</u>

**8 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.

**9 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.

**10 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.