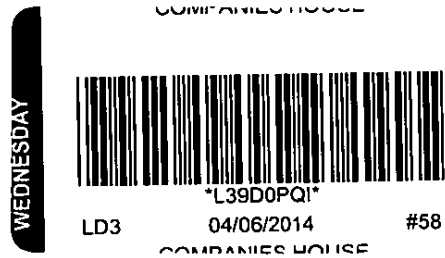


**Allied London (Brunswick) Limited**

**Company number 5261600**

Report and Financial statements

Year ended 31 December 2012



**ALLIED LONDON (BRUNSWICK) LIMITED**

**Report and financial statements for the year ended 31 December 2012**

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**Directors**

M J Ingall  
F P Graham-Watson  
S P Lyell

**Secretary and registered office**

A Campbell  
Level 5, Tower 12, 18-22 Bridge Street,  
Spinningfields, Manchester M3 3BZ

**Company number**

5261600

**Auditors**

BDO LLP  
55 Baker Street  
London W1U 7EU

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

### **Directors' report for the year ended 31 December 2012**

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The Directors have pleasure in submitting their report and audited financial statements for the year to 31 December 2012

#### **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 5 and shows a loss after tax for the year of £180,000 (2011 loss £44,233,314) The company continues to settle the outstanding matters relating to the refurbishment of a property sold in 2007

The company has received notice of a claim in relation to defects found in a property previously owned by the company and disposed in 2007 which the company is vigorously defending A provision of £250,000 has been made in these financial statements against any future costs in defending the company's position

Related undertakings owe the company £44,271,240 as at 31 December 2012 These amounts continue to be fully impaired following a review of the recoverability of the balances Whilst there are no binding legal agreements in place at the approval date of these financial statements, the directors believe that the company will receive funding from another group company if the amounts recovered from related undertakings are not sufficient to settle the company's liabilities as they fall due On this basis, 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  
S P Lyell

#### **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

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

(Continued over)

**ALLIED LONDON (BRUNSWICK) LIMITED**

**Directors' report for the year ended 31 December 2012 (Continued )**


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**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  
Level 5, Tower 12, 18-22 Bridge Street,  
Spinningfields, Manchester M3 3BZ  
Date

## **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 2012 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 Financial Reporting Council's (FRC'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 FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **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 2012 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.

#### **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.

Related undertakings owe the company £44,271,240 as at 31 December 2012. These amounts continue to be fully impaired following a review of the recoverability of the balances. The directors believe that the company will receive funding from another group company if the amounts recovered from related undertakings are not sufficient to settle the company's liabilities as they fall due. No support has been pledged by Capital Holdco Limited or the company's intermediate parent undertakings. In the event that the company's liabilities require settlement, unless the directors are able to secure funding from another party (either from within the group or a third party), or seek partial repayment of the amounts owed from related undertakings, 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



*Alexander Tapp (senior statutory auditor)*

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

*London*

*United Kingdom*

*Date*

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 2012**

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	<b>Notes</b>	<b>2012 £</b>	<b>2011 £</b>
Administrative expenses		(180,000)	(44,233,314)
		<u>          </u>	<u>          </u>
<b>Operating loss</b>	<b>2</b>	(180,000)	(44,233,314)
<b>Loss on ordinary activities before and after taxation</b>	<b>7</b>	(180,000)	(44,233,314)
		<u>          </u>	<u>          </u>
		<u>          </u>	<u>          </u>

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

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

**ALLIED LONDON (BRUNSWICK) LIMITED**

**Company Number' 5261600**

**Balance sheet at 31 December 2012**

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	Notes	2012 £	2011 £
<b>Debtors</b>	4	-	-
<b>Creditors: amounts falling due within one year</b>	5	(296,728)	(116,728)
<b>Net (liabilities) / assets</b>		<u>(296,728)</u> =====	<u>(116,728)</u> =====
<b>Capital and reserves</b>			
Called up share capital	6	1	1
Profit and loss account	7	(296,729)	(116,729)
<b>Shareholders' deficit</b>		<u>(296,728)</u> =====	<u>(116,728)</u> =====

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

These accounts were approved by the board of directors and authorised for issue on



**F P Graham-Watson**  
**Director**

The notes on pages 7 to 9 form part of these 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, and in accordance with applicable accounting standards

**b) Going concern**

The directors have considered the financial position of the company in preparing these financial statements and note it has net liabilities and net current liabilities as at 31 December 2012

Related undertakings owe the company £44,271,240 as at 31 December 2012. These amounts continue to be fully impaired following a review of the recoverability of the balances. The directors believe that the company will receive funding from another group company if the amounts recovered from related undertakings are not sufficient to settle the company's liabilities as they fall due. On this basis, the directors of the company believe it is appropriate to prepare these financial statements on a going concern basis.

However, the directors note that no support has been pledged by Capital Holdco Limited or the company's intermediate parent undertakings. In the event that the company's liabilities require settlement, unless the directors are able to secure funding from another party (either from within the group or a third party), or seek partial repayment of the amounts owed from related undertakings, 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.

**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**

Audit fees are borne by a fellow group undertaking. The company paid no remuneration to the directors. The company had no employees.

Operating loss is calculated after charging the following

	2012 £	2011 £
Includes		
Provision against intercompany debtors	-	44,271,240
Management charge payable to group undertakings	-	150,000
	=====	=====

**3 Taxation on loss on ordinary activities**

	2012 £	2011 £
Reconciliation of current year tax charge		
Loss on ordinary activities at the standard rate of corporation tax in the UK of 24.5% (2011: 26.5%)	(44,100)	(11,721,828)
Effects of		
Expenses not deductible for tax purposes	-	11,731,878
Group relief received and given	44,100	(10,050)
	-----	-----
Current tax charge	-	-
	=====	=====

**4. Debtors**

	2012 £	2011 £
Amounts due from related undertakings	44,271,240	44,271,240
Provision for intercompany debtors	(44,271,240)	(44,271,240)
	-----	-----
	=====	=====

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

	2012 £	2011 £
Trade creditors	46,728	46,728
Other creditors	-	50,000
Accruals and deferred income	250,000	20,000
	-----	-----
	296,728	116,728
	=====	=====

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

<b>6. Share capital</b>	<b>2012 £</b>	<b>2011 £</b>
Authorised		
1000 Ordinary shares of £1 each	1,000 =====	1,000 =====
Allotted, called up and fully paid		
1 Ordinary share of £1	1 =====	1 =====

**7. Reserves**

	<b>£</b>
Balance at 1 January 2012	(116,729)
Loss for the year	(180,000)
	-----
As at 31 December 2012	(296,729) =====

**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.