

4 Hardman Square Retail Limited

Company Number 5875491

Report and Financial statements

For the period ended 31 December 2007

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4 Hardman Square Retail Limited

Annual report and financial statements for the period ended 31 December 2007

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Directors

M J Ingall
F P Graham-Watson
G K Trott

Secretary and registered office

J R Ashurst
1 Cavendish Place
London W1G 0QF

Company number

5875491

Auditors

BDO Stoy Hayward LLP
55 Baker Street
London
W1U 7EU

4 Hardman Square Retail Limited

Report of the directors for the year ending 31 December 2007

The directors have pleasure in submitting their report and audited financial statements for the period ending 31 December 2007

Activities, trading review and future developments

The principal activity of the company is property investment

Review of the business

The profit and loss account is set out on page 3 and shows a profit after tax for the period of £49,423. The company has a leasehold interest in an investment property and receives rental income. The directors expect the company's business to continue in the following year.

Directors

The directors of the company during the period were
M J Ingall
F P Graham-Watson
G K Trott

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 which 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,
- * state whether applicable 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 proper accounting records that 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 1985. 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 Stoy Hayward LLP have expressed their willingness to continue in the office and a resolution to re-appoint them will be proposed at the annual general meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the Board



J R Ashurst
Secretary

Date

13 June 2008

4 Hardman Square Retail Limited

Report of the independent auditors

To the shareholders of 4 Hardman Square Retail Limited

We have audited the financial statements of 4 Hardman Square Retail Limited for the period ended 31 December 2007 which comprise the profit and loss account, the balance sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with those financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- * the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the period then ended,
- * the financial statements have been properly prepared in accordance with the Companies Act 1985 and
- * the information given in the directors' report is consistent with the financial statements.

BDO Stoy Hayward LLP

BDO STOY HAYWARD LLP

Chartered Accountants and Registered Auditors
London

Date *13 June 2008*

4 Hardman Square Retail Limited

Profit and Loss account for the period ended 31 December 2007

	Notes	Period ended 31 Dec 07	Period ended 31 Jul 07
		£	£
Net Rental Income	2	49,423	-
Profit on ordinary activities before and after taxation and retained profit for the financial period		<u>49,423</u>	<u>-</u>

All amounts relate to continuing activities

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

The notes on pages 5 to 7 form part of these financial statements

4 Hardman Square Retail Limited

Balance Sheet as at 31 December 2007

	Notes	31 Dec 07	31 Jul 07
		£	£
Fixed Assets			
Investment properties	4	12,750	-
Current Assets			
Debtors	5	49,961	1
Current Liabilities			
Creditors amounts falling due within one year	6	(13,287)	-
Net current assets		<u>36,674</u>	<u>1</u>
Net Assets		<u><u>49,424</u></u>	<u><u>1</u></u>
Represented by:			
Capital and reserves			
Called up share capital	7	1	1
Profit and loss reserve	8	49,423	-
		<u><u>49,424</u></u>	<u><u>1</u></u>

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

These financial statements were approved by the Board of Directors and authorised for issue on 13 June 2008



F P Graham-Watson
Director

The notes on pages 5 to 7 form part of these financial statements

4 Hardman Square Retail Limited

Notes to the accounts

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) Turnover

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

c) Investment properties

All investment properties are valued each year on an open market value basis and the aggregate surplus or temporary deficit arising from such revaluation is transferred to the revaluation reserve. Deficits that are expected to be permanent are taken to the profit and loss account. Acquisitions and disposals of properties are recognised where binding contracts have been exchanged during the accounting period, provided completion takes place prior to approval of the accounts.

d) Depreciation

In accordance with Statement of Standard Accounting Practice No. 19, no depreciation is provided in respect of freehold properties and leasehold properties with over 20 years to run. Although the Companies Act would normally require the systematic depreciation of such assets, the Directors believe that this departure from the statutory rules is necessary for the accounts to give a true and fair view. Depreciation is only one of the many factors reflected in the annual valuation, and it is not practicable to quantify separately the amount which might otherwise have been shown.

e) 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.

4 Hardman Square Retail Limited

Notes to the accounts (continued)

2 Net rental income	Period ended 31 Dec 07 £	Period ended 31 Jul 07 £
Rent receivable	49,961	-
Property outgoings	(538)	-
	<u>49,423</u>	<u>-</u>

3 Taxation on profit on ordinary activities	Period ended 31 Dec 07 £	Period ended 31 Jul 07 £
Reconciliation of current year tax charge		
Profit on ordinary activities at the standard rate of corporation tax in the UK of 30%	14,827	-
Effects of		
Group relief receivable	(14,827)	-
Current tax charge for period	<u>-</u>	<u>-</u>

4 Investment Properties

	Leasehold Property £
At 1 August 2007	-
Additions	12,750
At 31 December 2007	<u>12,750</u>

The investment property was valued by the directors at its open market value on an existing use basis at 31 December 2007

The historical cost of the investment property is £12,750

5 Debtors

	31 Dec 07 £	31 Jul 07 £
Amounts due from group companies	-	1
Prepayments & Accrued Income	49,961	-
	<u>49,961</u>	<u>1</u>

6 Creditors amounts falling due within one year

	31 Dec 07 £	31 Jul 07 £
Trade creditors	632	-
Amounts due to group undertakings	12,655	-
	<u>13,287</u>	<u>-</u>

4 Hardman Square Retail Limited

Notes to the accounts (continued)

7 Share capital

	£
At 31 December 2007 and 1 August 2007	
Authorised	
1,000 Ordinary shares of £1 each	<u>1,000</u>
Allotted, called up and fully paid	
Ordinary shares of £1 each	<u>1</u>

8 Reserves

	Profit and Loss account
	£
Balance at 1 August 2007	-
Retained profit for the period	49,423
As at 31 December 2007	<u>49,423</u>

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 its parent company.

10 Related Party Transactions

Under the provisions of Financial Reporting Standard No 8, details of related party transactions with fellow group companies are not disclosed as the company's results are consolidated in the financial statements of its parent company.

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 the British Virgin Islands.