

1 The Avenue Developments Limited

Company Number 5931958

Report and Financial statements

For the year ended 31 December 2011

FRIDAY



A1095F80

A57

21/12/2012

#366

COMPANIES HOUSE

1 The Avenue Developments Limited
Report and financial statements for the year ended 31 December 2011

Contents

Page

1	Report of the directors
2	Independent auditors' report
3	Profit and Loss Account
4	Balance Sheet
5-6	Notes to the accounts

Directors

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

Secretary and registered office

A Campbell
1st Floor, 33 Cork Street,
London W1S 3NQ

Company number

5931958

Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

1 The Avenue Developments Limited

Report of the directors for the year ending 31 December 2011

The directors present their report and audited financial statements of the company for the year ending 31 December 2011

Activities and future developments

The principal activity of the company is property development

Review of the business

The company's profit and loss account is set out on page 3 and shows a profit of £450,000 (2010 loss £1,644,056) for the year. The company has constructed a building in Manchester, which was completed during the prior year.

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 directors of the company during the financial year were

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

Directors' responsibilities

The directors are responsible for preparing the directors' 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

Date

21 DEC 2012

1 The Avenue Developments Limited

Independent Auditor's Report to the Members of 1 The Avenue Developments Limited

We have audited the financial statements of 1 The Avenue Developments Limited for the year ended 31 December 2011 which comprise the profit and loss account, the balance sheets and the related notes. The financial 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 2011 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 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 director's 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 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

21 DEC 2012

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

1 The Avenue Developments Limited

Profit and Loss account for the year ended 31 December 2011

	Notes	2011	2010
		£	£
Turnover			1,884,714
Cost of sales		-	(2,067,770)
Gross profit/(loss)		-	(183,056)
Administrative expenses		450,000	(20,000)
Onerous lease provision			(1,441,000)
Profit/(Loss) before and after tax and retained for the year	2, 3	<u>450,000</u>	<u>(1,644,056)</u>

All amounts relate to continuing activities and all recognised gains and losses are included above
The result for the year represents the movement on shareholders' funds

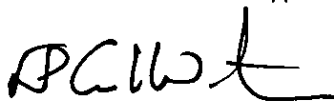
The notes on pages 5 to 6 form part of these financial statements

1 The Avenue Developments Limited
Company Number: 5931958
Balance Sheet as at 31 December 2011

	Notes	2011	2010
		£	£
Current Assets			
Debtors	4	34,635	781,603
Current Liabilities			
Creditors amounts falling due within one year	5	(1,202,570)	(2,399,538)
Net current liabilities		<u>(1,167,935)</u>	<u>(1,617,935)</u>
Net Liabilities		<u>(1,167,935)</u>	<u>(1,617,935)</u>
Represented by			
Capital and reserves			
Called up share capital	6	1	1
Profit and loss account	7	(1,167,936)	(1,617,936)
Shareholders deficit		<u>(1,167,935)</u>	<u>(1,617,935)</u>

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

21 DEC 2012



F P Graham-Watson
Director

The notes on pages 5 to 6 form part of these financial statements

1 The Avenue Developments 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

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 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 principally comprises the reimbursement of construction costs. This is attributable to the company's principal activity and arises wholly 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.

2 Operating profit/(loss)

The company has no employees. The audit fee is borne by another group undertaking. The directors did not receive any remuneration in the year (2010: £Nil).

Operating profit includes the following	2011 £	2010 £
Reduction in onerous lease provision	450,000	-

3 Taxation on profit/(loss) on ordinary activities

	2011 £	2010 £
Reconciliation of current year tax charge		
Profit/(Loss) on ordinary activities at the standard rate of corporation tax in the UK of 26.5% (2010: 28%)	119,250	(460,336)
Effects of:		
Group relief received or given	(119,250)	460,336
Current tax charge for the year	-	-

1 The Avenue Developments Limited

Notes to the accounts

4 Debtors	2011	2010
	£	£
Amounts due from fellow subsidiary undertaking	13,767	13,767
VAT recoverable	20,868	767,836
	<u>34,635</u>	<u>781,603</u>

The amounts are all due within one year

5 Creditors amounts falling due within one year	2011	2010
	£	£
Trade creditors	320,014	-
Amounts due to group undertakings	419,045	491,348
Onerous lease	75,602	1,267,426
Accruals and Deferred Income	387,909	640,764
	<u>1,202,570</u>	<u>2,399,538</u>

6 Called up share capital	2011	2010
	£	£
Authorised		
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid		
Ordinary shares of £1 each	<u>1</u>	<u>1</u>

7 Profit and loss account	£
Balance at 1 January 2011	(1,617,936)
Profit/(loss for the year)	450,000
Balance at 31 December 2011	<u>(1,167,936)</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 whose 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.