

(Registered Number 06099505)

IVG Developments (London & UK) Limited

Annual Report and Audited Financial Statements

Year ended 31 December 2012



IVG Developments (London & UK) Limited
Annual Report and Audited Financial Statements
Year ended 31 December 2012

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IVG Developments (London & UK) Limited

Directors' Report

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2012

Principal activity and review of the business

The principal activity of the company is to hold investments in subsidiary undertakings carrying on property development and investment activities

Results and dividends

The loss for the year after taxation amounted to £4,429,996 (2011 £17,030,657 profit) A dividend of £10,564,701 was paid during the year (2011 £37,118,433)

Directors

The following directors served during the year

Mr D H Gibson

Mr M Mason (resigned 17 December 2012)


Statement of information provided to the auditor

Each of the directors has confirmed that

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware, and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information

The report of the directors has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006

By order of the Board



D H Gibson
Director

30.9.13

IVG Developments (London & UK) Limited

Directors' Responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

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 accounting 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,
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements

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

Independent Auditor's Report to the Members of IVG Developments (London & UK) Limited

We have audited the financial statements of IVG Developments (London & UK) 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 auditor

As explained more fully in the directors' responsibilities statement, 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 and express an opinion on 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 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 Financial Reporting Council's website at 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.

Opinion on other matter 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.

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 take advantage of small companies exemption in preparing the directors' report.

BDO LLP

Stuart Collins (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor
London, UK

30 September 2013

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

IVG Developments (London & UK) Limited
Profit and Loss Account
Year ended 31 December 2012

	Notes	2012 £	2011 £
Investment income	5	-	17,039,780
Interest payable and similar charges	3	-	(9,123)
Write down of investments	5	<u>(4,429,996)</u>	<u>-</u>
(Loss)/profit on ordinary activities before taxation	2	(4,429,996)	17,030,657
Tax on (loss)/profit on ordinary activities	4	<u>-</u>	<u>-</u>
(Loss)/profit for the year		<u>(4,429,996)</u>	<u>17,030,657</u>

All amounts relate to continuing activities

The company has no recognised gains or losses other than the loss for the year

IVG Developments (London & UK) Limited

Balance Sheet
31 December 2012
(Registered number 06099505)

	Notes	£	2012	£	£	2011	£
Fixed assets							
Investments	5		3,402,890			18,397,587	
Net assets			<u>3,402,890</u>			<u>18,397,587</u>	
Capital and reserves							
Called up share capital	6		7,500,000			10,000,000	
Profit and loss account	7		(4,097,110)			8,397,587	
Shareholder's funds	9		<u>3,402,890</u>			<u>18,397,587</u>	

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

David Gibson 30.9.2013

D H Gibson
Director

IVG Developments (London & UK) Limited

Notes to the financial statements

Year ended 31 December 2011

1 Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention

Consolidated financial statements

The company is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These accounts therefore prepare information about the company as an individual undertaking and not about its group.

Investments

Fixed asset investments are shown at cost less provision for impairment where the net assets of the subsidiary cannot support the carrying values.

Deferred taxation

As required by Financial Reporting Standard 19 "Deferred Tax", full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation, except for those timing differences in respect of which FRS 19 specifies that deferred tax should not be recognised.

Deferred assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

Related party transactions

The company has taken advantage of the exemptions in FRS 8 'Related Party Disclosures' not to disclose transactions or balances with other wholly owned group undertakings.

2. (Loss)/profit on ordinary activities before taxation

Audit fees of £2,000 (2011: £2,000) and company secretarial fees of £1,130 (2011: £1,980) were borne by a fellow group company. The company had no employees other than its directors during the year. The directors did not receive any remuneration in respect of services to the company during the year.

IVG Developments (London & UK) Limited
Notes to the Financial Statements
Year ended 31 December 2012

3. Interest payable and similar charges

	2012	2011
	£	£
Group interest	<u>-</u>	<u>9,123</u>

4 Tax on (loss)/profit on ordinary activities

Analysis of tax charge for the year	2012	2011
	£	£
UK corporation tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>
Total tax charge	<u>-</u>	<u>-</u>

Reconciliation of current year tax charge

The difference between the total current tax and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows

	2012	2011
	£	£
(Loss)/profit on ordinary activities before tax	<u>(4,429,996)</u>	<u>17,030,657</u>
Tax at 24.5% (2011: 26.5%)	<u>(1,085,349)</u>	<u>4,513,124</u>
Effects of		
Expenses not deductible for tax purposes	1,142,263	5,411,955
Losses arising in the year not utilised	-	2,418
Non taxable income	(56,914)	(9,927,497)
	<u>-</u>	<u>-</u>
Current tax charge for the year	<u>-</u>	<u>-</u>

IVG Developments (London & UK) Limited
Notes to the Financial Statements
Year ended 31 December 2012

5. Fixed asset investments

	Shares in subsidiary undertaking £
Cost and net book value	
At 1 January 2012	18,397,587
Distribution following capital reduction	(10,564,701)
Provision against carrying value	(4,429,996)
	<u>3,402,890</u>
At 31 December 2012	<u>3,402,890</u>

At 31 December 2012, the company has investments in the following subsidiary

Subsidiary undertaking	Country of incorporation	Principal activity	Holding %
IVG Development (UK) Limited	England & Wales	Acquisition and holding of property for commercial letting	100

At 31 December 2012 IVG Development (UK) Limited had capital and reserves of £3,402,890 and made a loss of £4,429,997 in respect of the year then ended

On, 13 December 2012 following a capital reduction, IVG Development (UK) Limited paid a dividend of £10,564,701 to the company and its net assets reduced by the same amount. It is the view of the Directors that the dividend represents a part realisation of the investment as shown above

6. Called up share capital

	2012 £	2011 £
Allotted, issued and fully paid		
7,500,000 (2011 10,000,000 ordinary shares of £1)	<u>7,500,000</u>	<u>10,000,000</u>

On 13 December 2012, following a declaration of solvency by the Directors, a special resolution was passed to reduce the company's issued share capital £2,500,000 nominal value of ordinary shares was transferred to a distributable capital reduction reserve (see note 8)

7. Profit and loss account

	2012 £	2011 £
At 1 January	8,397,587	3,485,362
Transfer from capital reduction reserve (note 8)	2,500,000	25,000,001
Dividend paid	(10,564,701)	(37,118,433)
(Loss)/profit for the year	(4,429,996)	17,030,657
	<u>(4,097,110)</u>	<u>8,397,587</u>
At 31 December	<u>(4,097,110)</u>	<u>8,397,587</u>

A dividend of £10,564,701 (1 409p per share) was paid during the year (2011 £37,118,433). Subsequent to the dividend payment the directors reassessed the value of the investment in subsidiaries and, as per note 5, a provision against the carrying values was made as at 31 December 2012

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Notes to the Financial Statements
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8. Capital reduction reserve

	2012	2011
	£	£
At 1 January	-	-
Capital reduction (note 6)	2,500,000	25,000,001
Transfer to profit and loss account (note 7)	(2,500,000)	(25,000,001)
At 31 December	<u>-</u>	<u>-</u>

9. Reconciliation of movements in shareholder's funds

	2012	2011
	£	£
At 1 January	18,397,587	38,485,363
Dividend paid	(10,564,701)	(37,118,433)
(Loss)/profit for the year	(4,429,996)	17,030,657
At 31 December	<u>3,402,890</u>	<u>18,397,587</u>

10. Ultimate parent company and controlling party

The company's immediate parent undertaking is IVG Development GmbH, a company incorporated in Germany. IVG Immobilien AG, incorporated in Germany, is regarded by the directors as the ultimate parent company and is the parent undertaking of the largest and smallest group for which group accounts are prepared. Group accounts of IVG Immobilien AG are available to the public from Zanderstr 5, D-53177 Bonn, Germany.