

# **IVG Developments (Broadway) Limited**

Report and Financial Statements

Year Ended

31 December 2013

Company Number 2514463

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# **IVG Developments (Broadway) Limited**

**Report and financial statements  
for the year ended 31 December 2013**

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### **Director**

D H Gibson

### **Secretary and registered office**

St John's Square Secretaries Limited, Broughton House, 6-8 Sackville Street, London, United Kingdom,  
W15 3DG

### **Company number**

2514463

### **Auditor**

BDO LLP, 55 Baker Street, London, W1U 7EU

# **IVG Developments (Broadway) Limited**

## **Report of the director for the year ended 31 December 2013**

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The director presents his report together with the audited financial statements for the year ended 31 December 2013.

### **Results and dividends**

The loss for the year after taxation amounted to £15,019 (2012 - £4,510,570). A dividend of £Nil was paid during the year (2012 - £10,564,701).

### **Principal activities and review of the business**

The principal activity of the company is property development. The company holds a site which it plans to develop or sell in the forthcoming period. This had a carrying value of £4,618,296 as at 31 December 2013 (2012 - £4,618,296) and is the only property currently within the portfolio.

### **Director**

The following director served during the year:

D H Gibson

### **Director's responsibilities**

The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

# **IVG Developments (Broadway) Limited**

**Report of the director  
for the year ended 31 December 2013 (*continued*)**

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## **Statement of information provided to auditor**

The director has confirmed that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The report of the director 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.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'D H Gibson', with a long horizontal flourish extending to the right.

**D H Gibson**  
Director

# **IVG Developments (Broadway) Limited**

## **Independent auditor's report**

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### **TO THE MEMBERS OF IVG DEVELOPMENTS (BROADWAY) LIMITED**

We have audited the financial statements of IVG Developments (Broadway) Limited for the year ended 31 December 2013 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 director and auditors**

As explained more fully in the statement of director's responsibilities, the director is 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 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 2013 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 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.

# IVG Developments (Broadway) Limited

## Independent auditor's report (*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 director was not entitled to take advantage of small companies' exemption in preparing the director's report and to the exemption from the requirement to prepare a strategic report.

BDO LLP

Stuart Collins (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom

29 September 2014

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

# IVG Developments (Broadway) Limited

## Profit and loss account for the year ended 31 December 2013

	Note	2013 £	2012 £
Other operating costs		-	(194,845)
Exceptional work in progress write down		-	(4,662,297)
Total other operating costs		-	(4,857,142)
Other operating income		10,875	-
Administrative expenses		(15,484)	(31,529)
<b>Operating loss</b>	2	<b>(4,609)</b>	<b>(4,888,671)</b>
Interest receivable and similar income	3	6,754	280,154
Interest payable and similar charges	4	(17,164)	(165,279)
<b>Loss on ordinary activities before taxation</b>		<b>(15,109)</b>	<b>(4,773,796)</b>
Taxation on loss from ordinary activities	5	-	263,226
<b>Loss for the year</b>	11	<b>(15,109)</b>	<b>(4,510,570)</b>

All amounts relate to continuing activities.

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

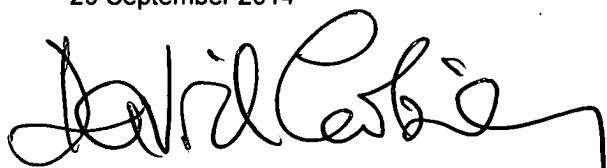
The notes on pages 7 to 12 form part of these financial statements.

# IVG Developments (Broadway) Limited

Balance sheet  
at 31 December 2013

<b>Company number 2514463</b>	<b>Note</b>	<b>2013 £</b>	<b>2012 £</b>
<b>Current assets</b>			
Work in progress	6	4,618,296	4,618,296
Debtors	7	12,750	263,226
Cash at bank and in hand		11,138	60,670
		<u>4,642,184</u>	<u>4,942,192</u>
<b>Creditors: amounts falling due within one year</b>	8	<b>(754,141)</b>	<b>(475,778)</b>
		<u>3,888,043</u>	<u>4,466,414</u>
<b>Net current assets</b>			
<b>Provisions for liabilities</b>			
Other provisions	9	(779,828)	(1,343,180)
		<u>3,108,215</u>	<u>3,123,234</u>
<b>Net assets</b>			
<b>Capital and reserves</b>			
Called up share capital	10	2,000,000	2,000,000
Profit and loss account	11	1,108,215	1,123,234
		<u>3,108,215</u>	<u>3,123,234</u>
<b>Shareholder's funds</b>	13	<b>3,108,215</b>	<b>3,123,234</b>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 September 2014



D H Gibson  
Director

The notes on pages 7 to 12 form part of these financial statements.



# IVG Developments (Broadway) Limited

## Notes forming part of the financial statements for the year ended 31 December 2013

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### 1 Accounting policies

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

For the year ending 31 December 2013 the company reports liabilities and provisions totalling £1,533,969. As a result, at the year end the company is dependent on financial support from its ultimate parent company, IVG Immobilien AG, and on other group companies not demanding repayment of amounts due to them while the directors take steps to realise cash flow from the development or sale of the work in progress asset. After considering current opportunities for the company and making enquiries of the ultimate parent company the directors have a reasonable expectation that the company will have adequate resources to continue as a going concern. As such, the directors continue to adopt the going concern basis in preparing the financial statements.

The following principal accounting policies have been applied:

#### *Taxation*

Corporation tax payable is provided on taxable profits at the current rate. 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.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. 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.

#### *Turnover*

Turnover represents income generated from the sale of development property, net of value added tax. All turnover is generated from within the United Kingdom.

#### *Other operating income*

Other operating income represents rents receivable from tenants, net of value added tax.

#### *Work in progress - development property*

All costs associated with the acquisition and development of property, net of incidental receipts and including interest payable on loans taken out to finance the project, are included in work in progress. Work in progress is carried at the lower of cost and net realisable value. Interest is only capitalised during periods of active development.

#### *Interest rate swap*

An obligation under a swap agreement has crystallised as the loan to which the swap agreement relates has been repaid. The swap is revalued to market value at each year end and provision is made for any change in the liability arising as a charge or credit to the profit and loss account.

#### *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.

# IVG Developments (Broadway) Limited

Notes forming part of the financial statements  
for the year ended 31 December 2013 (continued)

## 2 Operating loss

	2013 £	2012 £
The operating loss is stated after charging:		
Auditor's remuneration:		
- audit services	5,000	-
- taxation services	-	22,000
- company secretarial services	3,653	2,680
	<u>3,653</u>	<u>2,680</u>

Audit fees of £Nil (2012 - £5,000) 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.

## 3 Interest receivable and similar income

	2013 £	2012 £
Group interest	-	280,100
Bank interest	28	54
Other interest	3,643	-
Net movement in swap provision less interest paid (see note 9)	3,083	-
	<u>6,754</u>	<u>280,154</u>

## 4 Interest payable and similar charges

	2013 £	2012 £
Group interest	17,164	700
Net movement swap provision less interest paid (see note 9)	-	164,579
	<u>17,164</u>	<u>165,279</u>

# IVG Developments (Broadway) Limited

Notes forming part of the financial statements  
for the year ended 31 December 2013 (*continued*)

## 5 Taxation on loss from ordinary activities

### a) Analysis of tax charge for year

	2013 £	2012 £
Current tax (note 5(b))	-	-
Deferred taxation	-	-
Over provision in respect of prior year	-	(263,226)
	<hr/>	<hr/>
Tax on loss on ordinary activities	-	(263,226)
	<hr/>	<hr/>

### b) Reconciliation of current year tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	2013 £	2012 £
Loss on ordinary activities before tax	(15,019)	(4,773,796)
	<hr/>	<hr/>
Loss on ordinary activities at standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	(3,492)	(1,169,580)
Effect of:		
Movement in swap provision	(130,979)	12,051
Losses arising in the period not utilised	134,471	15,266
Tax losses carried forward and not recognised for accounting purposes	-	1,142,263
	<hr/>	<hr/>
Current tax charge for the year (note 5(a))	-	-
	<hr/>	<hr/>

The company has tax losses carried forward for the amount of £5,685,638 (2013: £5,107,267) and a potential deferred tax asset of £1,137,128 (2012 - £1,021,453) which has not been recognised in respect of trading losses carried forward available for offset against future trading profits.

# IVG Developments (Broadway) Limited

Notes forming part of the financial statements  
for the year ended 31 December 2013 (continued)

<b>6</b>	<b>Work in progress</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	At 1 January	4,618,296	9,280,593
	Provision against carrying value	-	(4,662,297)
		<hr/>	<hr/>
	At 31 December	4,618,296	4,618,296
		<hr/>	<hr/>
<b>7</b>	<b>Debtors</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	Amounts falling due within one year:		
	Other debtors	12,750	-
	Corporation tax recoverable	-	263,226
		<hr/>	<hr/>
		12,750	263,226
		<hr/>	<hr/>
<b>8</b>	<b>Creditors: amounts falling due within one year</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	Accruals and deferred income	6,246	65,879
	Amounts owed to group undertakings	747,895	409,899
		<hr/>	<hr/>
		754,141	475,778
		<hr/>	<hr/>
<b>9</b>	<b>Other provisions</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	At 1 January	1,343,180	1,676,651
	Decrease in provision	(563,352)	(333,471)
		<hr/>	<hr/>
	At 31 December	779,828	1,343,180
		<hr/>	<hr/>

The above provision relates to interest payable under swap agreements terminating in June 2015. The obligation has crystallised as the loan to which the swap agreement relates was repaid in 2003.

# IVG Developments (Broadway) Limited

Notes forming part of the financial statements  
for the year ended 31 December 2013 (continued)

## 10 Called up share capital

	2013 Number	Allotted, issued and fully paid 2012 Number	2013 £	2012 £
Ordinary shares of £1 each	2,000,000	2,000,000	2,000,000	2,000,000

## 11 Profit and loss account

	2013 £	2012 £
At 1 January	1,123,234	1,398,505
Transfer from capital reduction reserve	-	14,800,000
Dividend paid	-	(10,564,701)
Loss for the year	(15,019)	(4,510,570)
At 31 December	1,108,215	1,123,234

A dividend of £Nil (2012 - £10,564,701) was paid during the year.

## 12 Capital reduction reserve

	2013 £	2012 £
At 1 January	-	-
Capital reductions	-	14,800,000
Transfer to profit and loss account	-	(14,800,000)
At 31 December	-	-

## 13 Reconciliation of movements in shareholder's funds

	2013 £	2012 £
At 1 January	3,123,234	18,198,505
Loss for the year	(15,019)	(4,510,570)
Dividend	-	(10,564,701)
At 31 December	3,108,215	3,123,234

# **IVG Developments (Broadway) Limited**

**Notes forming part of the financial statements  
for the year ended 31 December 2013 (*continued*)**

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## **14 Contingent liabilities**

At the balance sheet date, the company is party to a cross guarantee with its ultimate parent company in respect of bank borrowings for which the property held within work in progress has been charged as security. Subsequent to the year end, this charge has been released.

## **15 Ultimate parent company and controlling party**

The company's immediate parent company is IVG Development (UK) Limited, a company registered in England and Wales. IVG Immobilien AG, a company incorporated in Germany, is regarded by the directors as the ultimate parent company and controlling party, 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.