

Avanta Victoria Street Limited

REPORT AND FINANCIAL STATEMENTS

Year ended
31 March 2009



Company Registration No. 5081019

Avanta Victoria Street Limited

DIRECTORS, OFFICERS AND ADVISORS

DIRECTORS

DAV Alberto
AD Pepper
RWM Brook
DJ Kinnaird
G Evans

SECRETARY

P Alexander
RBS Nominees Limited

REGISTERED OFFICE

1 Lyric Square
London
W6 ONB

REGISTERED AUDITOR

Baker Tilly UK Audit LLP
Registered Auditor
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

Avanta Victoria Street Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of Avanta Victoria Street Limited for the year ended 31 March 2009.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the provision of managed office space.

REVIEW OF THE BUSINESS

The directors are satisfied with the result for the year and the financial position of the company at the year end.

DIVIDENDS

The directors recommended and paid a dividend of £750,000 during the year (2008: £nil).

PRIOR YEAR ADJUSTMENT

During the year the company appreciated that it needed to follow industry practice and therefore amended an accounting error such that all pre-opening costs in relation to a newly acquired building are capitalised as part of the cost of that building. The impact of this change in accounting policy is disclosed in the notes to the accounts.

DIRECTORS

The following directors have held office during the year:

DAV Alberto	
A D Pepper	
RWM Brook	
S Dempsey	(Resigned 12 June 2009)
DJ Kinnaird	(Appointed 25 September 2008)
G Evans	(Appointed 25 September 2008)

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

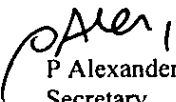
The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

The auditor, Baker Tilly UK Audit LLP, Chartered Accountants, has indicated their willingness to continue in office.

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


P Alexander
Secretary
19 August 2009

Avanta Victoria Street Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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 which 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 requirements of 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AVANTA VICTORIA STREET LIMITED

We have audited the financial statements on pages 5 to 11.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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 opinion we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and 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 are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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 or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 judgements 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 at 31 March 2009 and of its profit for the year then ended and 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.



BAKER TILLY UK AUDIT LLP
Registered Auditor
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

19 August 2009

Avanta Victoria Street Limited
PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2009

	Note	2009 £	2008 £ (restated)
TURNOVER	1	4,196,013	4,228,950
Cost of sales		(300,705)	(296,377)
GROSS PROFIT		3,895,308	3,932,573
Administrative expenses		(2,581,821)	(3,042,917)
OPERATING PROFIT		1,313,487	889,656
Interest receivable (Net)	4	296,863	90,329
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	1,610,350	979,985
Taxation	5	11,484	25,038
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	14	1,621,834	1,005,023
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES			
Profit for the financial year		1,621,834	1,005,023
Prior year adjustments		254,568	-
Total recognised gains and losses recognised since last financial report		1,876,402	1,005,023

The operating profit for the period arises from the company's continuing operations.

Avanta Victoria Street Limited

BALANCE SHEET

31 March 2009

	Note	2009 £	2008 £ (restated)
FIXED ASSETS			
Tangible assets	7	951,288	746,292
CURRENT ASSETS			
Debtors	8	2,969,568	3,488,122
Cash at bank and in hand		19,257	12,365
		<u>2,988,825</u>	<u>3,500,487</u>
Creditors: Amounts falling due within one year	9	(2,000,494)	(2,825,314)
NET CURRENT ASSETS		<u>988,331</u>	<u>675,173</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,939,619</u>	<u>1,421,465</u>
Creditors: Amounts falling due after more than one year	10	(503,863)	(846,059)
PROVISIONS FOR LIABILITIES	12	(9,556)	(21,040)
NET ASSETS		<u>1,426,200</u>	<u>554,366</u>
CAPITAL AND RESERVES			
Called up share capital	13	100	100
Profit and loss account	14	1,426,100	554,266
EQUITY SHAREHOLDER'S FUNDS	15	<u>1,426,200</u>	<u>554,366</u>

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

Approved by the board and authorised for issue on

19 August

2009


Director

Avanta Victoria Street Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

TURNOVER

Turnover represents occupancy fees receivable and income from provision of other services in the year. Where lease incentive periods have been entered into, revenue is recognised over the life of the lease.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

TANGIBLE FIXED ASSETS

Depreciation is provided on all tangible fixed assets at annual rates in order to write off each asset down to its estimated residual value evenly over its estimated useful life as follows:

Long leasehold	10% on cost
Improvements to property	10% on cost
Fixtures and fittings	20-33% on cost
Pre-opening costs	6.67% on cost

LEASE COMMITMENTS

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

PRIOR YEAR ADJUSTMENT

During the year the company appreciated that it needed to follow industry practice and therefore amended an accounting error such that all pre-opening costs in relation to a newly acquired building are capitalised as part of the cost of that building. Such costs include rent, rates, service charges, insurance and building running costs such as utilities. Pre-opening costs of £335,364 have been recognised as a prior year adjustment. Opening reserves in 2008 are increased by £276,926 being pre-opening costs less depreciation charges on such costs incurred before 1 April 2007. Administration costs in the period to 31 March 2008 have been increased by £22,358 which has the effect of decreasing the retained profit for the period by the same amount.

Avanta Victoria Street Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2009

1 TURNOVER

The company's turnover and profit on ordinary activities before taxation was made in the United Kingdom.

2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2009	2008
	£	£
		(restated)
Profit on Ordinary Activities before taxation is stated after charging:		
Auditors Remuneration		
- Statutory audit	3,645	6,000
- Tax compliance	1,264	1,800
Depreciation	168,131	155,983
Operating lease rentals	1,180,456	1,184,845
- Other	20,318	8,401
	<u>296,863</u>	<u>90,329</u>

3 EMPLOYEES

No director received any remuneration from the company during the year. Apart from the directors of the company, there were no other employees of the company.

4 INTEREST RECEIVABLE / (PAYABLE)

	2009	2008
	£	£
Bank interest receivable	1,596	11,432
Bank interest payable	(76)	-
Intercompany interest	295,343	78,897
	<u>296,863</u>	<u>90,329</u>

5 TAXATION

	2009	2008
	£	£
		(restated)
Current tax:		
UK Corporation tax on profits on the period	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred taxation:		
Origination and reversal of timing differences	(11,484)	(25,038)
Total deferred tax	<u>(11,484)</u>	<u>(25,038)</u>
Tax on profit on ordinary activities	<u>(11,484)</u>	<u>(25,038)</u>

Avanta Victoria Street Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2009

5 TAXATION (continued)	2009	2008
	£	£
		(restated)
Factors affecting tax charge for the period:		
The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below:		
Profit on ordinary activities before tax	1,610,350	979,985
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008: 30%)	450,898	293,996
Effects of:		
Expenses not deductible for tax purposes	18	6,707
Capital allowances in excess of depreciation	26,305	21,735
Tax losses (utilised) / not utilised	-	(232,264)
Group relief	(477,221)	(90,174)
Tax charge for the period	-	-

6 DIVIDENDS

On 31 March 2009 a dividend of £750,000 was paid to shareholders (2008: £nil).

7 TANGIBLE FIXED ASSETS	Long Leasehold	Property Improvements	Fixtures & Fittings	Computer Equipment	Pre-Opening Expenses	Total
	£	£	£	£	£	£
Cost						
1 April 2008 (restated)	296,016	-	524,559	29,223	335,364	1,185,162
Additions	-	312,457	60,670	-	-	373,127
Reclassification	-	-	29,223	(29,223)	-	-
31 March 2009	296,016	312,457	614,452	-	335,364	1,558,289
Depreciation						
As at 1 April (restated)	66,128	-	265,182	26,764	80,796	438,870
Charge for year	19,734	10,049	115,990	-	22,358	168,131
Reclassification	-	-	26,764	(26,764)	-	-
31 March 2009	85,862	10,049	407,936	-	103,154	607,001
Net book value						
31 March 2009	210,154	302,408	206,516	-	232,210	951,288
31 March 2008	229,888	-	259,377	2,459	254,568	746,292

Avanta Victoria Street Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2009

8 DEBTORS	2009	2008
	£	£
Trade debtors	13,630	-
Amounts due from group undertakings	2,537,730	3,226,814
Other debtors	-	50
Prepayments and accrued income	418,208	261,258
	<u>2,969,568</u>	<u>3,488,122</u>
9 CREDITORS: Amounts falling due within one year	2009	2008
	£	£
Bank overdraft	-	54,022
Trade creditors	548,748	318,967
Deposits	649,492	694,107
Tax and social security	48,094	82,712
Amounts owed to group undertakings	-	21,244
Other creditors	4,237	-
Accruals and deferred income	749,923	1,654,262
	<u>2,000,494</u>	<u>2,825,314</u>
10 CREDITORS: Amounts falling due after more than one year	2009	2008
	£	£
Accruals and deferred income	503,863	846,059
	<u>503,863</u>	<u>846,059</u>
11 OPERATING LEASE COMMITMENTS	2009	2008
	£	£
The following operating lease payments are committed: Expiring:		
More than 5 years - land & buildings	1,561,500	1,519,500
	<u>1,561,500</u>	<u>1,519,500</u>
12 PROVISIONS FOR LIABILITIES AND CHARGES	2009	2008
	£	£
Deferred Tax		
1 April	21,040	46,078
Credited to the profit and loss account	(11,484)	(25,038)
31 March	<u>9,556</u>	<u>21,040</u>

The above provision relates to timing differences on accelerated capital allowances.

Avanta Victoria Street Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2009

13 SHARE CAPITAL	2009 £	2008 £
Authorised 1,000 Ordinary Shares of £1 each	1,000	1,000
Allotted, issued and fully paid 100 Ordinary shares of £1 each	100	100
14 PROFIT AND LOSS ACCOUNT	2009 £	2008 £ (restated)
1 April	554,266	(727,683)
Prior year adjustment	-	276,926
1 April 2008 (restated)	554,266	(450,757)
Profit for the financial year	1,621,834	1,005,023
Dividends (note 6)	(750,000)	-
31 March	1,426,100	554,266
15 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2009 £	2008 £ (restated)
Profit for the financial year	1,621,834	1,005,023
Dividends (note 6)	(750,000)	-
Opening Shareholders' Funds (restated)	554,366	(450,657)
Closing Shareholders' Funds	1,426,200	554,366

16 IMMEDIATE AND ULTIMATE PARENT COMPANY

The company's immediate parent company is Avanta Managed Offices Limited, a company incorporated in England and Wales. The ultimate parent company is Avanta Group Limited, a company incorporated in England and Wales.

17 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in FRS 8 that transactions to not need to be disclosed with companies 90% or more of whose voting rights are controlled within the group.

18 CONTROL

The company is part of the Group controlled by Kenmore Private Equity Limited.

19 CONTINGENT LIABILITIES

The company has guaranteed the borrowings of its parent company as part of group banking arrangements. This guarantee is secured by a fixed and floating charge over the assets of the companies involved. At 31 March 2009, the contingent liability in respect of this guarantee was £4.0m (2008: £1.2m).