

5595900

AHL Hunton Bridge Wharf Investment Limited

Report and Financial Statements

31 December 2011



Directors

G P C Mackay
D Orchin

Auditors

Ernst & Young LLP
400 Capability Green
Luton
Beds LU1 3LU

Bankers

The Royal Bank of Scotland Plc
135 Bishopsgate
London EC2M 3UR

Registered Office

400 Capability Green
Luton
Beds LU1 3AE

Directors' report

The directors present their report and financial statements for the year ended 31 December 2011

Principal activities

The principal activity of the company is engagement in investment opportunities in the UK affordable housing market

Going concern

The Company's business activities, its performance and position are set out in the directors' report. The Company ultimately relies on support from the principal shareholder for operating costs and the Group bankers for the Group debt facilities. Whilst certain of the Group's facilities expired in October 2011 the principal bank have indicated they have no current intention to demand repayment within a 12 month period and they continue to support the business in its aims of achieving a refinance or repayment of those facilities within such a timeframe. The directors are confident that, with the continued support of the principal shareholder and of the principal bank, the facilities in place are sufficient to meet the Assettrust Group's and the Company's needs for the foreseeable future (see note 1 to the financial statements). Accordingly the directors continue to adopt the going concern basis in preparing these financial statements.

Directors

The directors who served the company during the year were as follows

G P C Mackay

F Newell (resigned 31 March 2011)

D Orchin

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

Small company exemptions

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies regime within Section 415A of the Companies Act 2006.

On behalf of the Board



D Orchin
Director

20 JUN 2013

Statement of directors' responsibilities

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). 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 judgements 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 proper 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.

Independent auditors' report

to the members of AHL Hunton Bridge Wharf Investment Limited

We have audited the financial statements of AHL Hunton Bridge Wharf Investment Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet, Statement of total recognised gains and losses and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 Directors' Responsibilities Statement set out on page 3, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the 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 applicable to Smaller Entities, 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.

Independent auditors' report

to the members of AHL Hunton Bridge Wharf Investment Limited

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

Emphasis of matter – going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The conditions described in note 1 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.



A Clewer (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
Luton

25/6/13

Profit and loss account

for the year ended 31 December 2011

		<i>Year ended 31 December 2011</i>	<i>18 months ended 31 December 2010</i>
	<i>Notes</i>	<i>£</i>	<i>£</i>
Turnover		127,867	180,752
Administrative expenses		(59,293)	(109,092)
Operating profit	2	68,574	71,660
Interest receivable		21	80
Interest payable to group undertaking		(55,748)	(70,170)
Profit on ordinary activities before taxation		12,847	1,570
Tax on profit on ordinary activities	3	–	–
Profit for the financial year	10	12,847	1,570

Statement of total recognised gains and losses

for the year ended 31 December 2011

		Year ended 31 December 2011	18 months ended 31 December 2010
	Notes	£	£
Profit for the financial year		12,447	1,570
Unrealised surplus on revaluation of investment properties	10	–	1,141,986
Total recognised gains and losses relating to the year		12,847	1,143,556

Balance sheet

at 31 December 2011

	Notes	2011 £	2010 £
Fixed assets			
Tangible assets	4	3,940,000	3,940,000
Current assets			
Debtors	5	36,799	31,577
Cash at bank		23,687	513
		60,486	32,090
Creditors amounts falling due within one year	6	(2,923,160)	(2,907,611)
Net current liabilities		(2,862,674)	(2,875,521)
Net assets		1,077,326	1,064,479
Capital and reserves			
Called up share capital	9	1	1
Revaluation reserve	10	1,141,986	1,141,986
Profit and loss account	10	(64,661)	(77,508)
Shareholder's funds		1,077,326	1,064,479

These financial statements have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Board of Directors on **20 JUN 2013** and were signed on its behalf by

D Orchin
Director



Notes to the financial statements

at 31 December 2011

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention as modified by the revaluation of investment properties and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Fundamental accounting concept

The financial statements have been prepared on the going concern basis, notwithstanding the net current liabilities of £2,862,674

The Bank debt is secured against the group's property investments which the Directors consider have a market value in excess of the carrying value in the financial statements

The Board of Assettrust Housing Limited has prepared a working capital forecast which shows that the peak borrowing requirement of the Group remains within the headroom of the facilities at all times throughout the next 12 months. The principal bank has indicated, subject to the current on demand nature of their facility, they have no current intention to demand repayment within a 12 month period from the date of these financial statements. They have further confirmed their support via a letter of understanding that is not legally binding. The directors of Assettrust Housing Limited are examining various options, while none of which are finalised, with the aim of achieving a refinance, repayment or settlement of the liabilities under those facilities.

As at the date of these financial statements, whilst contracts have yet to be finalised, Assettrust Housing Limited has accepted an indicative offer from a newly registered Housing Association, being sponsored by the Group, under the terms of which the Group would dispose of the whole of its current portfolio. The housing association is currently in the process of raising bond finance to fund the acquisition and is undertaking due diligence on the portfolio which may lead to a variation in the final selling price. The offer as it stands would equal the carrying value of the assets.

The Company ultimately relies on the support of the principal shareholder for operating costs. A letter of support has been issued by the principal shareholder to Assettrust Housing Limited confirming his continued support to the ultimate parent company to meet its operating cash flows excluding interest payments. Similar support letters have been issued from Assettrust Housing Limited to Assettrust Housing Investments Limited and from Assettrust Housing Investments Limited to the Company.

These conditions as a whole indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

The Directors have a reasonable expectation that, with the continued support of the principal shareholder and its banks, the Company has adequate resources for the foreseeable future. The financial statements do not contain the adjustments that would result if the Company was unable to continue as a going concern and was unable to realise its assets and discharge its liabilities in the normal course of business.

Revenue recognition

Turnover comprises rental and service charge income from investment properties recognised on an accruals basis.

Notes to the financial statements

at 31 December 2011

1. Accounting policies (continued)

Investment properties

Certain of the company's properties are held for long-term investment. Investment properties are accounted for in accordance with SSAP 19, as follows

- (i) investment properties are revalued annually. The surplus or deficit on revaluation is transferred to the revaluation reserve unless a deficit below original cost, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised on the profit and loss account for the year, and
- (ii) no depreciation is provided in respect of leasehold investment properties where the lease has over 20 years to run

Although the Companies Act would normally require the systematic annual depreciation of fixed assets, the directors believe that the policy of not providing depreciation is necessary in order for the financial statements to give a true and fair view, since the current value of investment properties, and changes to that current value, are of prime importance rather than a calculation of systematic annual depreciation. Depreciation is only one of the many factors reflected in the annual valuation, and the amount which might otherwise have been included cannot be separately identified or quantified.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with following exceptions

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold
- Deferred tax assets are recognised only to the extent that the directors consider that it is 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 tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Notes to the financial statements

at 31 December 2011

2. Operating profit

This is stated after charging

	<i>Year ended 31 December 2011 £</i>	<i>18 months ended 31 December 2010 £</i>
Auditors' remuneration	5,250	5,525
Directors' remuneration	—	—

The directors' services to this company and to a number of fellow group undertakings are of a non executive nature and their emoluments are deemed to be wholly attributable to their qualifying services to Assettrust Housing Limited. Accordingly, these financial statements include no emoluments in respect of the directors.

3. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	<i>Year ended 31 December 2011 £</i>	<i>18 months ended 31 December 2010 £</i>
<i>Current tax</i>		
UK Corporation tax at 26.5% (2010 – 28%) on the profit for the year	(3,669)	—
Group relief received	3,669	2,033
Tax on loss on ordinary activities	—	4,257

(b) Deferred tax

The deferred tax asset not recognised in the financial statements is as follows

	<i>2011 £</i>	<i>2010 £</i>
Tax losses available	—	18,117

No provision has been made for deferred tax on gains recognised on revaluing property to its market value. Such tax would become payable only if the property were sold without it being possible to claim rollover relief. The total amount unprovided for the period is £285,497 (2010 – £308,336). At present it is not envisaged that any tax will become payable in the foreseeable future.

Notes to the financial statements

at 31 December 2011

3. Tax (continued)

(c) Factors affecting future tax charge

Finance (No 3) Act 2011 included legislation to reduce the main rate of corporation tax to 25% from 1 April 2012. The reported deferred asset has therefore been reduced to reflect the reduction in rate to 25%.

Finance Bill 2012 includes legislation to reduce the main rate of corporation tax to 24% from 1 April 2012 and 23% from 1 April 2013. As this had not been substantively enacted at the balance sheet date, the reported deferred tax asset has not been reduced. The impact of the rate reductions will be reported in the next reporting period following the substantive enactment of the relevant legislation.

The Government has also indicated that it intends to enact a future reduction in the main tax rate to 22% from 1 April 2014.

4. Tangible fixed assets

*Freehold
investment
property
£*

As 1 January 2011 and 31 December 2011

3,940,000

The investment properties were valued by CB Richard Ellis Limited as at 10 December 2010, on the basis of open market value in accordance with the Appraisal and Valuation Manual of The Royal Institution of Chartered Surveyors. The historical cost of investment properties included at valuation is £2,798,014.

5. Debtors

	2011 £	2010 £
Amounts owed by group undertakings	2,538	2,538
Other debtors	34,261	29,039
	<u>36,799</u>	<u>31,577</u>

6. Creditors: amounts falling due within one year

	2011 £	2010 £
Trade creditors	9,285	1,410
Amounts owed to group undertakings	2,895,195	2,888,728
Other creditors and accruals	18,680	17,473
	<u>2,923,160</u>	<u>2,907,611</u>

Notes to the financial statements

at 31 December 2011

7. Contingent liabilities and bank account restrictions

Contingent liabilities

There are fixed and floating charges over the assets of the company to secure amounts actually or contingently owed in respect of a facility and facility fee in the name of Assettrust Housing Investments Limited. Assettrust Housing Investments Limited is a subsidiary of Assettrust Housing Limited, the company's ultimate parent undertaking. At 31 December 2011 the total amount owed under the facility was £75,446,325 (2010 – £75,546,328).

Bank account restrictions

Property related income is all deposited within the company's bank accounts. These accounts are restricted bank accounts with any outgoing payments needing authorisation and action by the Bank only.

8. Related party transactions

The company owed £30,399 (2010 – £25,192), £851 (2010 – £851) and £4,675 (2010 – £1,675) to Assettrust Housing Limited, Assettrust Housing Investments Limited and Assettrust Housing Projects Limited respectively in respect of loans and expenses incurred on its behalf. Assettrust Housing Investments Limited and Assettrust Housing Projects Limited are subsidiaries of Assettrust Housing Limited, the company's ultimate parent undertaking.

The company owed £242,817 (2010 – £233,802) to its immediate parent undertaking, AHL Hunton Bridge Wharf Holdings Limited in respect of loans and recharged expenses.

At 31 December 2011 the company also owed £2,616,454 (2010 – £2,627,207) to its fellow subsidiary undertaking, AHL Hunton Bridge Wharf Trading Limited in respect of loans and expenses paid on the company's behalf.

The following amounts were owed by other companies within the Assettrust group

	2011	2010
	£	£
AHL Langley Trading Limited	2,538	2,538

'Other creditors' (note 6) includes £3,680 (2010 – £3,680) due to G Mackay, a director of the company. 'Other creditors' also includes £1,410 (2010 – £nil) owed to Hometrack Data Systems Limited. G P C Mackay is a director and shareholder of Hometrack Data Systems Limited.

9. Issued share capital

	No	2011	No	2010
		£		£
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	1	1	1	1

Notes to the financial statements

at 31 December 2011

10. Reconciliation of shareholders' funds and movements on reserves

	<i>Share capital</i>	<i>Revaluation reserve</i>	<i>Profit and loss account</i>	<i>Total shareholders' funds</i>
	£	£	£	£
At 1 January 2011	1	1,141,986	(77,508)	1,064,479
Profit for the year	–	–	12,847	12,847
At 31 December 2011	<u>1</u>	<u>1,141,986</u>	<u>(64,661)</u>	<u>1,077,326</u>

11. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is AHL Hunton Bridge Wharf Holdings Limited. The ultimate parent undertaking is Assettrust Housing Limited. It has included the company in its group financial statements, copies of which are available from the Registrar of Companies.

The ultimate controlling party is G P C Mackay.