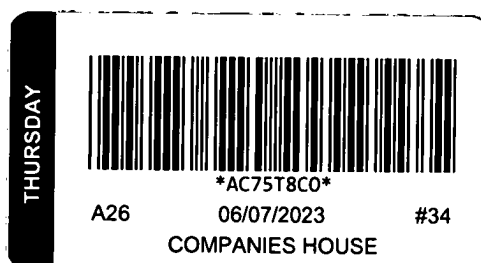


Company Registration No. 10045479 (England and Wales)

AR London ARSLLP Investment Ltd

**Directors' Report and
Unaudited Financial Statements**

**For the year ended
31 December 2022**



AR London ARSLLP Investment Ltd
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AR London ARSLLP Investment Ltd

Directors' report For the year ended 31 December 2022

The directors present their report and the unaudited financial statements for the year ended 31 December 2022.

Principal activities

AR London ARSLLP Investment Ltd ("the company") is a company limited by shares, incorporated in the UK on 7 March 2016. The principal activity of the company is to be the preference shareholder and funder of Related Argent Limited (previously Argent Related Services Limited) (company number 11891696), an entity which provides services to Related Argent Property Limited Partnership (previously Argent Related Limited Partnership) and its group. The company is also a D Member of ARSL LLP (formerly Argent Related Services LLP) (OC404688), but on 19 December 2019 the business, assets and liabilities of ARSL LLP transferred to Related Argent Limited. ARSL LLP was wound up on 5 April 2022.

Results and dividends

The results for the year are set out on page 2.

No ordinary dividends were paid during the current or prior year. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

D J G Partridge
K Wong

Qualifying third party indemnity provisions

The company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the reporting date.

Auditor

For the year ended 31 December 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006, and so the financial statements for the current year ended 31 December 2022 have not been audited.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

On behalf of the board

David Partridge

.....
D J G Partridge
Director

Date: 30 June 2023

AR London ARSLLP Investment Ltd

Statement of comprehensive income For the year ended 31 December 2022

	Notes	2022 £	2021 £
Administrative expenses		(4,484)	(5,800)
Share of loss from investment in associate – Related Argent Limited	3	(2,668,569)	(1,218,486)
Operating loss		<u>(2,673,053)</u>	<u>(1,224,286)</u>
Taxation	2	-	-
Loss and total comprehensive income for the financial year		<u><u>(2,673,053)</u></u>	<u><u>(1,224,286)</u></u>

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

AR London ARSLLP Investment Ltd**Statement of financial position
As at 31 December 2022**

	Notes	2022 £	2021 £
Non-current assets			
Investment in associate	3	-	257,554
		<u>-</u>	<u>257,554</u>
Current assets			
Trade and other receivables	4	1	1
Current liabilities			
Trade and other payables	5	(16,069,531)	(14,228,125)
Investment in associate	3	(574,093)	-
		<u>(16,643,623)</u>	<u>(14,228,124)</u>
Net current liabilities		<u>(16,643,623)</u>	<u>(14,228,124)</u>
Net liabilities		<u>(16,643,623)</u>	<u>(13,970,570)</u>
Equity			
Called up share capital	6	1	1
Retained earnings		(16,643,624)	(13,970,571)
		<u>(16,643,623)</u>	<u>(13,970,570)</u>
Total equity		<u>(16,643,623)</u>	<u>(13,970,570)</u>

For the year ended 31 December 2022, the company is entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 30 June 2023 and are signed on its behalf by:

David Partridge
.....
D J G Partridge
Director

AR London ARSLLP Investment Ltd

Statement of changes in equity For the year ended 31 December 2022

	Share capital	Retained earnings	Total
	£	£	£
Balance at 1 January 2021	1	(12,746,285)	(12,746,284)
Loss and total comprehensive income for the year	-	(1,224,286)	(1,224,286)
Balance at 1 January 2022	1	(13,970,571)	(13,970,570)
Loss and total comprehensive income for the year	-	(2,673,053)	(2,673,053)
Balance at 31 December 2022	1	(16,643,624)	(16,643,623)

AR London ARSLLP Investment Ltd

Notes to the financial statements

For the year ended 31 December 2022

1 Accounting policies

Company information

AR London ARSLLP Investment Ltd is a private company limited by shares incorporated in England and Wales. The registered office is 4 Stable Street, London, N1C 4AB.

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost basis, in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101") and in accordance with applicable accounting standards.

The financial statements are prepared in sterling which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

The following principal accounting policies have been applied:

1.2 Financial reporting standard 101 – reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirement in paragraph 38 of IAS 1 "Presentation of Financial Statements" to present comparative information in respect of paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, presentation of a cash flow statement, presentation of comparative information in respect of certain assets, standards not yet effective, impairment of assets, and related party transactions.

Where required, equivalent disclosures are given in the group financial statements of Related Argent Property Limited Partnership (formerly Argent Related Limited Partnership). The group financial statements of Related Argent Property Limited Partnership are not publicly available but can be obtained as set out in note 8.

AR London ARSLLP Investment Ltd**Notes to the financial statements (continued)****For the year ended 31 December 2022****1 Accounting policies****(Continued)****1.3 Going concern**

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons.

The company is dependent for its working capital on funds provided to it by Related Argent Property Limited Partnership (previously Argent Related Limited Partnership), the company's ultimate parent. Related Argent Property Limited Partnership, acting by its general partner, Related Argent (General Partner) LLP (previously Argent Related (General Partner) LLP), has confirmed that, for at least 12 months from the date of approval of these financial statements, it intends to make available such funds as are needed by the company and that, in particular, it does not intend to seek repayment of the amounts currently made available.

The directors consider that this should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

1.4 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit and loss, which are measured at fair value.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

The company recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost at an amount equal to lifetime ECL. When estimating ECL, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

The company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due unless the company has reasonable and supportable information that demonstrates otherwise.

Credit-impaired financial assets

At each reporting date, the company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

AR London ARSLLP Investment Ltd**Notes to the financial statements (continued)****For the year ended 31 December 2022****1 Accounting policies****(Continued)***Write-offs*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.5 Financial liabilities

Financial liabilities are classified as other financial liabilities.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.6 Investments in associates

The company owns an investment in Related Argent Limited (previously Argent Related Services Limited) (company number 11891696), incorporated in the United Kingdom. Related Argent Limited is deemed to be an associate due to the significant influence that exists through the reserved matters voting rights the company holds as the preference shareholder of this entity. The company will be called upon to finance all losses arising in Related Argent Limited as stipulated in the Related Argent Limited Shareholders' Agreement.

The company recognises its investment in associate using the equity method, recognising the investment initially at cost and adjusted thereafter for the post-acquisition change in the investor's share of net assets of the investee. When the company's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest, including any long-term investments, is recorded to zero, and the recognition of further losses is discounted except to the extent that the investee has an obligation or has made a payment on behalf of the investee.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 Taxation*Current tax*

The tax charge represents the sum of the tax currently payable and deferred tax.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial

AR London ARSLLP Investment Ltd**Notes to the financial statements (continued)****For the year ended 31 December 2022****1 Accounting policies****(Continued)*****Deferred tax (continued)***

recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2 Taxation**Factors affecting tax charge for the year:**

The tax assessed for the period is based on the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	2022	2021
	£	£
Loss before taxation	(2,673,053)	(1,224,286)
	<u> </u>	<u> </u>
Tax on loss at standard UK tax rate of 19%	(507,880)	(232,614)
Investment in associates	507,710	232,394
Amounts not recognised	170	220
	<u> </u>	<u> </u>
Tax charge for the year	-	-
	<u> </u>	<u> </u>

Factors that may affect future tax charges

At the year end, the company has a deferred tax asset amounting to £nil (2021: £nil) in respect of tax losses carried forward amount to £nil (2021: £nil), which has not been recognised due to the uncertainty regarding the timing of recoverability of those losses.

AR London ARSLLP Investment Ltd**Notes to the financial statements (continued)**
For the year ended 31 December 2022**3 Investment in associates – Related Argent Limited**

	2022	2021
	£	£
Balance at 1 January	257,554	(2,428,855)
Issue of preference shares	-	2,500,000
Advances made to associate	1,836,922	1,404,895
Share of loss of investment in associate	(2,668,569)	(1,218,486)
	<u> </u>	<u> </u>
Balance at 31 December	<u>(574,093)</u>	<u>257,554</u>

Related Argent Limited (previously Argent Related Services Limited) (company number 11891696), incorporated in the United Kingdom, is deemed to be an associate due to the significant influence that exists through the reserved matters voting rights the company holds as the preference shareholder and funder of this entity. The company will be called upon to finance all losses arising in Related Argent Limited, as stipulated in the Related Argent Limited Shareholders' Agreement.

The registered office of Related Argent Limited is 4 Stable Street, London N1C 4AB, and the principal activity is the provision of services to Related Argent Property Limited Partnership (previously Argent Related Limited Partnership), acting by its general partner, Related Argent (General Partner) LLP (previously Argent Related (General Partner) LLP), and its group. The company is entitled to 100% of the profits and losses of Related Argent Limited.

On 19 December 2019 the business, assets and liabilities of ARSL LLP (formerly Argent Related Services LLP) were transferred to Related Argent Limited.

The following tables summarise the financial information of Related Argent Limited as included in their own financial statements:

Share of results of Related Argent Limited for the year ended 31 December 2022

	2022	2021
	£	£
Turnover	17,311,019	15,151,976
Cost of sales	(18,332,318)	(15,315,524)
Gross loss	(1,021,299)	(163,548)
Administrative expenses	(1,268,193)	(647,373)
Impairment of bid costs and abortive project costs	(287,161)	(171,107)
Operating loss	(2,576,653)	(982,028)
Tax charge	(91,916)	(236,458)
Loss for the year	(2,668,569)	(1,218,486)
AR London ARSLLP Investment Ltd's 100% share of loss for the year	(2,668,569)	(1,218,486)

Share of assets and liabilities of Related Argent Limited as at 31 December 2022

	2022	2021
	£	£
Non-current assets		
Investment in subsidiary	1	1
Current assets		
Other current assets	7,425,793	4,726,671
Cash and deposits	170,306	722,902
Current liabilities		
Other current liabilities	(14,168,328)	(9,353,233)
Net liabilities	(6,572,228)	(3,903,659)
Less: ordinary share capital	(101)	(101)
Less: amounts payable following transfer of business	(101,471)	(101,471)
Add: advances made to associate	6,099,707	4,262,785
AR London ARSLLP Investment Ltd's 100% share of net assets	(574,093)	257,554

AR London ARSLLP Investment Ltd**Notes to the financial statements (continued)**
For the year ended 31 December 2022**4 Trade and other receivables**

	2022	2021
	£	£
Other receivables	1	1
	<u>1</u>	<u>1</u>
	<u><u>1</u></u>	<u><u>1</u></u>

5 Trade and other payables

	2022	2021
	£	£
Amounts due to Related Argent Property Limited Partnership	15,850,054	14,004,425
Amounts due to BXS DM Limited	212,561	212,561
Other payables	100	100
Accruals	6,816	11,039
	<u>16,069,531</u>	<u>14,228,125</u>
	<u><u>16,069,531</u></u>	<u><u>14,228,125</u></u>

Amounts due to related parties are interest free and repayable on demand.

6 Share capital

	2022	2021
	£	£
Ordinary share capital		
<i>Issued and called up</i>		
1 ordinary share of £1	1	1
	<u>1</u>	<u>1</u>
	<u><u>1</u></u>	<u><u>1</u></u>

7 Related party transactions

During the year, the company made advances of £1,836,922 (2021: £1,404,895) to Related Argent Limited in its capacity as preference shareholder and funder of that entity. In the prior year, the company also subscribed for 2,500,000 additional preference shares in Related Argent Limited, having nominal value of £2,500,000 for aggregate consideration of £2,500,000. At the year end, the carrying amount of the investment in associate (note 3) was a liability of £574,093 (2021: asset of £257,554).

8 Controlling party

The company is a wholly owned subsidiary of Related Argent Property Limited Partnership (previously Argent Related Limited Partnership), acting by its general partner, Related Argent (General Partner) LLP (previously Argent Related (General Partner) LLP), which is the ultimate parent undertaking and the ultimate controlling party of AR London ARSLLP Investment Ltd.

The largest group in which the results of the company are consolidated is that headed by Related Argent Property Limited Partnership, registered office 4 Stable Street, London N1C 4AB. The consolidated financial statements of this group may be obtained from 4 Stable Street, London N1C 4AB.