

Atlantic Regeneration 1 Security Agent Limited

**Directors' report and financial
statements**

Registered number 07926829

For the period ended 31 December 2012

WEDNESDAY



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Officers and professional advisers

Directors

William Waldorf Astor
Frank John Sixt
James Stacy Aumonier

Secretary

Gravitas Company Secretarial Services Limited

Registered office

One New Change
London
EC4M 9AF

Registered number

07926829

Solicitors

K&L Gates LLP
One New Change
London
EC4M 9AF

Auditors

KPMG Audit Plc
St Nicholas House
Park Row
Nottingham
NG1 6FQ

Directors' report

The directors present their annual report and the audited financial statements of the company for the period from 27 January 2012 (incorporation date) to 31 December 2012

Results and dividends for the period

The results for the period are set out in the attached profit and loss account. The directors do not recommend the payment of a dividend for the period.

Business review and principal activity

The company's sole purpose is to act as a nominee company to its limited partnership, Atlantic Regeneration Property 1 Limited Partnership (the "partnership") which was registered on 2 February 2012.

The principal activity of the partnership is that of acquiring, developing, refurbishing, managing, letting and holding property either directly or indirectly for investment purposes.

In February 2012, the partnership entered into two under lease agreements for the development of Affordable Housing at two sites in the London Borough of Barking and Dagenham, William Street Quarter ("WSQ") and Eastern End Thames View ("EETV").

On 23 November 2012, the partnership successfully entered into a credit facility for a term loan of £55,000,000, which will be drawn down and utilised in full by the end of the property construction phase.

Principal risks and uncertainties

In common with many businesses, the company is exposed to a range of risks. The management of risk is embedded in the culture of the company and the way business is conducted. This is managed at an executive level through the board of directors. In order to mitigate risk, the company manages risk in a variety of ways depending on the nature of the risk and the areas of potential impact. The key risks for the company include:

Liquidity risk

The director's approach to managing liquidity risk is to ensure, as far as possible, that the company will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

Credit risk

Credit risk is the results of counterparty default exposure. The directors monitor the credit worthiness of the company's major counterparties, considered to be the sub-under lease tenant of the limited partnership's leased asset, which is a wholly owned subsidiary of the London Borough of Barking and Dagenham.

Directors' report *(continued)*

Directors

The directors who have held office during the period and to the date of this report were as follows

William Waldorf Astor

Frank John Sixt

James Stacy Aumonier

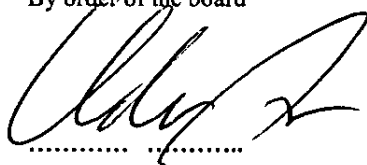
Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

KPMG Audit Plc has been appointed in accordance with Section 485 of the Companies Act 2006 ('the Act') and will be deemed reappointed pursuant to Section 487 of the Act

By order² of the board



.....
Director

WW Astor

Dated 15th April 2013

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 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 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, and
- 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 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 them to ensure that the financial statements comply with the Companies Act 2006. The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Report of the independent auditors to the members of Atlantic Regeneration 1 Security Agent Limited

We have audited the financial statements of Atlantic Regeneration 1 Security Agent Limited for the period ended 31 December 2012 set out on pages 6 to 10. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 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 opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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

A description of the scope of an audit of financial statements is provided on the APB's web-site 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 period then ended,
- have been properly prepared in accordance with UK 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 period 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.

Craig Parkin (Senior Statutory Auditor)

for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
St Nicholas House
Park Row
Nottingham NG1 6FQ

Dated 15/6/13

Profit and loss account
for the period ended 31 December 2012

		Period from 27 January 2012 to 31 December 2012 £000
	Note	
Turnover		-
Operating expenses		(912)
Loss on ordinary activities before taxation	2	(912)
Tax on loss on ordinary activities	3	-
Loss on ordinary activities after taxation	5	(912)

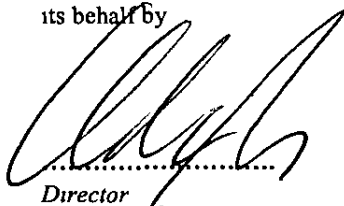
The result for the period is derived entirely from continuing activities

There were no gains and losses for the current period other than the result shown above. Accordingly, no statement of recognised gains and losses is presented

Balance sheet
as at 31 December 2012

	Note	2012 £000
Net assets		-
Capital and reserves		
Called up share capital	4	912
Profit and loss account	5	(912)
Shareholder's funds	6	-

These financial statements were approved by the board of directors on 15th April 2013 and were signed on its behalf by



 Director
WW Astor

Company number 07926829

Notes

(forming part of the financial statements)

1 Accounting policies

Atlantic Regeneration 1 Security Agent Limited (the 'Company') is a company incorporated and domiciled in the UK. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

These financial statements have been prepared in accordance with the UK Generally Accepted Accounting Practice, and under the historical cost convention.

Under FRS 1 (revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As 100% of the company's voting rights are controlled within the group headed by Atlantic Regeneration Property 1 General Partner Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Atlantic Regeneration Property 1 General Partner Limited, within which this company is included, can be obtained from the address given in note 8.

Taxation

The charge for taxation is based on the result for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

2 Loss on ordinary activities before taxation

Period from
27 January 2012 to
31 December 2012
£000

Loss on ordinary activities before taxation is stated after charging

Stamp duty land tax	912
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In February 2012, the company's immediate parent undertaking, Atlantic Regeneration Property 1 Limited Partnership ('partnership'), was granted two under leases (through its nominees, Atlantic Regeneration 1 Nominee 1 & 2 Limited) for two Affordable Housing development sites in the London Borough of Barking and Dagenham, William Street Quarter ("WSQ") and Eastern End Thames View ("EETV") for a term of 252 years (less 14 days). The partnership then granted two 62 year sub-under leases to its third nominee, Atlantic Regeneration 1 Security Agent Limited, which in turn assigned two sub-under leases to a wholly owned subsidiary of the London Borough of Barking and Dagenham for a term of 62 years. Following the grant of the sub-under lease, the company was liable for stamp duty land tax of £912,000 which is included in operating expenses.

The partnership is in the process of constructing residential accommodation on this leased land. Upon completion, the land and buildings will be leased to the London Borough of Barking and Dagenham council.

There are no employees and no remuneration was paid to the directors during the period. The auditors' remuneration was paid for by the limited partnership.

Notes (continued)

3 Tax on loss on ordinary activities

Analysis of charge in period:

	Period from 27 January 2012 to 31 December 2012 £000
<i>UK corporation tax</i>	
Current tax for the period	-
Deferred tax for the period	-
Tax on loss on ordinary activities	-

Factors affecting the tax charge for the current period

The current tax charge for the current period is higher than the standard rate of corporation tax in the UK of 24.5%.
The differences are explained below

	Period from 27 January 2012 to 31 December 2012 £000
Loss on ordinary activities before taxation	(912)
Current tax at 24.5%	(223)
<i>Effect of</i>	
Expenses not deductible for tax purposes	223
Total current tax charge	-

4 Called up share capital

	2012 £000
<i>Allotted, issued and fully paid</i>	
On incorporation	-
Issued in the period	912
Balance at 31 December 2012	912
912,345 ordinary shares of £1 each	912

During the period, 912,345 £1 Ordinary shares were issued at par

Notes (continued)

5 Profit and loss account

	2012 £000
On incorporation	-
Loss for the period	(912)
At 31 December 2012	(912)

6 Reconciliation of movements in shareholder's funds

	2012 £000
Loss on ordinary activities after taxation	(912)
Ordinary shares issued in the period	912
Net movement in shareholder's funds	-
Shareholder's funds on incorporation	-
Closing shareholder's funds	-

7 Operating lease commitments

At 31 December 2012, there is no exposure to lease liabilities as all rentals and other obligations under the granted sub-under leases referred to in note 2 are payable on receipt of all corresponding rentals and obligations in the assigned sub-under leases

8 Ultimate parent company and parent company of larger group

The company's immediate parent company is Atlantic Regeneration Property 1 Limited Partnership

The smallest group preparing consolidated financial statements which includes this company is headed by Atlantic Regeneration Property 1 General Partner Limited. Copies of the financial statements of Atlantic Regeneration Property 1 General Partner Limited can be obtained from Companies House, Crown Way, Cardiff, CF4 3UZ

The company's ultimate parent company is Long Harbour Ltd, incorporated in the United Kingdom. Copies of the financial statements of Long Harbour Ltd can be obtained from Companies House, Crown Way, Cardiff, CF4 3UZ