

REGISTERED NUMBER: 806646 (England and Wales)

Report of the Directors and
Financial Statements for the Year Ended 31st December 2009
for
Love Lane Investments Ltd

Grant Thornton UK LLP
Registered Auditor
Chartered Accountants
Grant Thornton House
Melton Street
London
NW1 2EP

MONDAY



LETWLPPN

LD5

06/12/2010

133

COMPANIES HOUSE

Love Lane Investments Ltd

Contents of the Financial Statements
for the Year Ended 31st December 2009

	Page
Company Information	1
Report of the Directors	2-3
Report of the Independent Auditor	4-5
Profit and Loss Account	6
Statement of Total Recognised Gains and Losses	6
Balance Sheet	7
Notes to the Financial Statements	8-13

Love Lane Investments Ltd

Company Information
for the Year Ended 31st December 2009

DIRECTORS: Lord Borwick
Ms J Craymer
Mr T Borwick (appointed 26th June 2010)

SECRETARY: Ms J Craymer

REGISTERED OFFICE: 1 Love Lane
London
EC2V 7JN

REGISTERED NUMBER. 806646 (England and Wales)

AUDITOR. Grant Thornton UK LLP
Registered Auditor
Chartered Accountants
Grant Thornton House
Melton Street
London
NW1 2EP

Love Lane Investments Ltd

Report of the Directors
for the Year Ended 31st December 2009

The directors present their report with the financial statements of the company for the year ended 31st December 2009

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of property and investment holding

DIRECTORS

The directors shown below have held office during the whole of the period from 1st January 2009 to the date of this report

Lord Borwick

Ms J Craymer

Mr T Borwick (appointed 26th June 2010)

GOING CONCERN

The financial statements have been prepared on a going concern basis. This assumes that the company continues to receive support from its ultimate parent undertaking, Federated Investments LLP. A letter of support has been received from the ultimate parent undertaking indicating that it will continue to provide financial support to the company for at least twelve months from the date of approval of these financial statements.

At the date of approval of these financial statements, the ultimate parent undertaking is in the process of securing additional financing for its major subsidiary. If this funding is not secured, Federated Investments LLP may not be able to provide the support set out in the letter to the company and hence the directors have concluded that a material uncertainty exists which casts significant doubt upon the company's ability to continue as a going concern. Nevertheless, as negotiations are continuing and the directors are confident of a successful outcome, the directors continue to adopt the going concern basis of accounting.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 accounting 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 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. 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Love Lane Investments Ltd

Report of the Directors - Continued
for the Year Ended 31st December 2009

AUDITORS

The auditors, Grant Thornton UK LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

ON BEHALF OF THE BOARD.


Ms J Craymer - Secretary

Date 6/12/10.

Report of the Independent Auditors to the Members of
Love Lane Investments Ltd

We have audited the financial statements of Love Lane Investments Ltd for the year ended 31st December 2009 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes. 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 Statement of Directors' Responsibilities set out on page two, 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 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 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 website at www.frc.org.uk/apb/scope/UKNP.

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 31st December 2009 and of its loss 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.

Emphasis of matter - Going concern

In forming our opinion on the financial statements, which is not qualified, 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 company incurred a net loss of £1,196,069 during the year ended 31 December 2009.

As explained in note 1, the company's ultimate parent undertaking, Federated Investments LLP, has provided a letter of support to the company indicating that it will continue to provide financial support to the company for at least twelve months from the date of approval of these financial statements. However, at the date of approval of these financial statements, the ultimate parent undertaking is in the process of securing additional financing for its major subsidiary. If this funding is not secured, Federated Investments LLP may not be able to provide the support set out in the letter to the company.

These conditions 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditors to the Members of
Love Lane Investments Ltd- continued

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 Report of the Directors in accordance with the small companies regime

Grant Thornton UK LLP

Richard Hagley FCA (Senior Statutory Auditor)
for and on behalf of Grant Thornton UK LLP
Registered Auditor
Chartered Accountants
London

Date 6 December 2010

Love Lane Investments Ltd

Profit and Loss Account
for the Year Ended 31st December 2009

	Notes	2009 £	2008 £
TURNOVER		314,768	376,947
Administrative expenses		(1,510,932)	(294,655)
		(1,196,164)	82,292
Other operating income		<u>75</u>	<u>100</u>
OPERATING (LOSS)/PROFIT	3	(1,196,089)	82,392
Interest receivable and similar income		<u>20</u>	<u>1,677</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,196,069)	84,069
Tax on (loss)/profit on ordinary activities	4	<u>-</u>	<u>-</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION	12	<u>(1,196,069)</u>	<u>84,069</u>

Statement of Total Recognised Gains and Losses
for the Year Ended 31st December 2009

	2009 £	2008 £
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	(1,196,069)	84,069
Revaluation	<u>526,290</u>	<u>(1,487,300)</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>(669,779)</u>	<u>(1,403,231)</u>

The notes form part of these financial statements


Love Lane Investments Ltd

Balance Sheet
31st December 2009

	Notes	2009 £	2008 £
FIXED ASSETS			
Tangible assets	5	2,655,027	2,301,121
Investments	6	<u>111,168</u>	<u>111,168</u>
		2,766,195	2,412,289
CURRENT ASSETS			
Debtors	7	157,585	1,130,056
Prepayments and accrued income		102,707	89,281
Cash at bank and in hand		<u>108,288</u>	<u>105,936</u>
		368,580	1,325,273
CREDITORS			
Amounts falling due within one year	8	<u>(195,190)</u>	<u>(168,198)</u>
NET CURRENT ASSETS		<u>173,390</u>	<u>1,157,075</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,939,585	3,569,364
CREDITORS			
Amounts falling due after more than one year	9	<u>(3,717,237)</u>	<u>(3,677,237)</u>
NET ASSETS/(LIABILITIES)		<u><u>(777,652)</u></u>	<u><u>(107,873)</u></u>
CAPITAL AND RESERVES			
Called up share capital	11	6,250	6,250
Share premium	12	16,244	16,244
Revaluation reserve	12	529,464	36,764
Profit and loss account	12	<u>(1,329,610)</u>	<u>(167,131)</u>
SHAREHOLDERS' FUNDS/ (DEFICIT)		<u><u>(777,652)</u></u>	<u><u>(107,873)</u></u>

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

The financial statements were approved by the Board of Directors on 6 December 2010 and were signed on its behalf by


Lord Borwick - Director
Company Number 806646

The notes form part of these financial statements

Love Lane Investments Ltd

Notes to the Financial Statements
for the Year Ended 31st December 2009

1 ACCOUNTING POLICIES

Accounting convention

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

The company is a wholly owned subsidiary of Federated Investments LLP and the cash flows of the company are included in the consolidated cash flow statement of Federated Investments LLP. Consequently the company is exempt under the terms of FRS1 (revised) from publishing a cash flow statement

Preparation of consolidated financial statements

The financial statements contain information about Love Lane Investments Ltd as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Federated Investments LLP, a Limited Liability Partnership registered in England & Wales

Turnover

Turnover represents net invoiced sales of services, excluding value added tax

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Leasehold properties	Straight line over the life of the lease
Fixtures, fittings and equipment	25% straight line

Operating and leasing 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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate

Property revaluation

Individual freehold and leasehold properties are revalued every year with the surplus or deficit on book value being transferred to the revaluation reserve, except that a deficit which is in excess of any previously recognised surplus over depreciated cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account. A deficit which represents a clear consumption of economic benefits is charged to the profit and loss account regardless of any such previous surplus

Where depreciation charges are increased following a revaluation, an amount equal to the increase is transferred annually from the revaluation reserve to the profit and loss account as a movement on reserves. On the disposal or recognition of a provision for impairment of a revalued fixed asset, any related balance remaining in the revaluation reserve is also transferred to the profit and loss account as a movement on reserves

Going concern

The financial statements have been prepared on a going concern basis. This assumes that the company continues to receive support from its ultimate parent undertaking, Federated Investments LLP. A letter of support has been received from the ultimate parent undertaking indicating that it will continue to provide financial support to the company for at least twelve months from the date of approval of these financial statements

Love Lane Investments Ltd

Notes to the Financial Statements - continued
for the Year Ended 31st December 2009

1 ACCOUNTING POLICIES - continued

At the date of approval of these financial statements, the ultimate parent undertaking is in the process of securing additional financing for its major subsidiary. If this funding is not secured, Federated Investments LLP may not be able to provide the support set out in the letter to the company and hence the directors have concluded that a material uncertainty exists which casts significant doubt upon the company's ability to continue as a going concern. Nevertheless, as negotiations are continuing and the directors are confident of a successful outcome, the directors continue to adopt the going concern basis of accounting.

Investments

Fixed asset investments are stated at cost less provision for impairment

2 STAFF COSTS

	2009	2008
	£	£
Wages and salaries	83,369	83,205
Social security costs	5,782	6,923
Other pension costs	<u>3,200</u>	<u>3,200</u>
	<u>92,351</u>	<u>93,328</u>

The average monthly number of employees during the year was as follows

	2009	2008
Administration	<u>3</u>	<u>4</u>

3 OPERATING (LOSS)/PROFIT

The operating loss (2008 - operating profit) is stated after charging/(crediting)

	2009	2008
	£	£
Depreciation - owned assets	172,384	150,408
Profit on disposal of fixed assets	-	(213)
Auditors' remuneration	<u>8,089</u>	<u>7,862</u>
	<u>18,200</u>	<u>28,765</u>

The directors propose that the company enter into a liability limitation agreement with Grant Thornton UK LLP, the statutory auditor, in respect of the statutory audit for the year ended 31 December 2009. The Proportionate liability agreement follows the standard terms in Appendix B to the Financial Reporting Council's June 2008 Guidance on Auditor Liability Agreements, and will be proposed for approval at the forthcoming Annual General Meeting.

4 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31st December 2009 nor for the year ended 31st December 2008.

Love Lane Investments Ltd

Notes to the Financial Statements - continued
for the Year Ended 31st December 2009

5 TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Totals £
COST OR VALUATION			
At 1st January 2009	2,648,387	32,947	2,681,334
Revaluations	<u>526,290</u>	<u>-</u>	<u>526,290</u>
At 31st December 2009	<u>3,174,677</u>	<u>32,947</u>	<u>3,207,624</u>
DEPRECIATION			
At 1st January 2009	348,387	31,826	380,213
Charge for year	<u>171,290</u>	<u>1,094</u>	<u>172,384</u>
At 31st December 2009	<u>519,677</u>	<u>32,920</u>	<u>552,597</u>
NET BOOK VALUE			
At 31st December 2009	<u>2,655,000</u>	<u>27</u>	<u>2,655,027</u>
At 31st December 2008	<u>2,300,000</u>	<u>1,121</u>	<u>2,301,121</u>

The Bankers, C Hoare & Co, have a legal charge over the leasehold property together with a guarantee and indemnity from Love Lane Investments Limited for the security of Federated Investments LLP liabilities

During the year the leasehold property was revalued to reflect its current market value. In the opinion of the directors, aided by independent property consultants (Messrs Strutt and Parker), as at 31 December 2009 the valuation based on the property being fully let was £2,655,000 (2008 £2,300,000)

Cost or valuation at 31st December 2009 is represented by

	Land and buildings £	Plant and machinery etc £	Totals £
Valuation in 2007	4,125,000	-	4,125,000
Valuation in 2008	(1,476,613)	-	(1,476,613)
Valuation in 2009	<u>526,290</u>	<u>32,947</u>	<u>559,237</u>
	<u>3,174,677</u>	<u>32,947</u>	<u>3,207,624</u>

6 FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Unlisted investments £	Totals £
COST			
At 1st January 2009 and 31st December 2009	<u>1</u>	<u>111,167</u>	<u>111,168</u>
NET BOOK VALUE			
At 31st December 2009	<u>1</u>	<u>111,167</u>	<u>111,168</u>
At 31st December 2008	<u>1</u>	<u>111,167</u>	<u>111,168</u>

Love Lane Investments Ltd

Notes to the Financial Statements - continued
for the Year Ended 31st December 2009

6 FIXED ASSET INVESTMENTS - continued

The company's investments at the balance sheet date in the share capital of companies include the following

Federated Management Limited

Country of incorporation England & Wales

The company holds one ordinary share of £1 in Federated Management Limited

Nature of business providing management and advisory services

	%		
Class of shares	holding		
Ordinary	100 00		
		2009	2008
		£	£
Aggregate capital and reserves		(13,883)	(11,529)
Loss for the year		<u>(2,354)</u>	<u>(2,869)</u>

Unlisted Investments

The company holds 13% of the Ordinary Shares in Incentivated Ltd a company registered in England The principal activity of the company was that of advertising, software consultancy and supply It is the opinion of the company that these are not valued at less than cost

Included in the unlisted investments are two 'fine and rare mascots' which cost £11,621 It is the opinion of the directors that these are not valued at less than cost

7 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009	2008
	£	£
Trade debtors	106,315	47,235
Amounts owed by group undertakings	49,663	1,081,562
Other debtors	<u>1,607</u>	<u>1,259</u>
	<u>157,585</u>	<u>1,130,056</u>

Trade debtors includes the sum of £81,250 (2008 £32,500) due from Federated Trust Corporation Ltd, which is a partner in the immediate parent of the company, Federated Investments LLP

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009	2008
	£	£
Payments on account	122,192	75,388
Trade creditors	-	4,223
Taxation and social security	1,935	2,023
Other creditors	<u>71,063</u>	<u>86,564</u>
	<u>195,190</u>	<u>168,198</u>

9 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2009	2008
	£	£
Other creditors	<u>3,717,237</u>	<u>3,677,237</u>

Love Lane Investments Ltd

Notes to the Financial Statements - continued
for the Year Ended 31st December 2009

9 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - continued

This loan is due to Rutland Investments Limited, which is a partner in the immediate parent of the company, Federated Investments LLP. The loan is interest free and has no set repayment term. The loan is secured on the assets of the company.

10 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	2009 £	2008 £
Expiring In more than five year	<u>40,000</u>	<u>40,000</u>

11 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value	2009 £	2008 £
6,250	Ordinary	1	<u>6,250</u>	<u>6,250</u>

12 RESERVES

	Profit and loss account £	Share premium £	Revaluation reserve £	Totals £
At 1 January 2009	(167,131)	16,244	36,764	(114,123)
Deficit for the year	(1,196,069)			(1,196,069)
Revaluation of property	-	-	526,290	526,290
Other movements	<u>33,590</u>	<u>-</u>	<u>(33,590)</u>	<u>-</u>
At 31 December 2009	<u>(1,329,610)</u>	<u>16,244</u>	<u>529,464</u>	<u>(783,902)</u>

Other movements comprise the amount equal to the increased depreciation on the property revaluation which is transferred annually from the revaluation reserve account to the profit and loss account as a movement on reserves.

13 ULTIMATE PARENT COMPANY

The company's immediate and ultimate parent undertaking and controlling party is Federated Investments LLP, an entity registered and incorporated in England and Wales, whose annual report and financial statements may be obtained from the Designated Partner, Federated Investments LLP, 1 Love Lane, London EC2V 7JN.

It is also the parent undertaking of the largest and smallest group for which group accounts are prepared.

Love Lane Investments Ltd

Notes to the Financial Statements - continued
for the Year Ended 31st December 2009

14 RELATED PARTY DISCLOSURES

	2009	2008
	£	£
Loan balance owed to related parties - Rutland Investments Limited	3,717,237	3,677,237
Rent paid to related parties - Rutland Investments Limited	40,000	40,000
Rent debtor due from related parties - Federated Trust Corporation Ltd	81,250	32,500
Rent received from related parties - Federated Trust Corporation Ltd	65,000	65,000
Loan balance to related parties – Federated Trust Corporation Ltd	<u>49,000</u>	<u>-</u>

The company has taken advantage of the exemption in Financial Reporting Standard No 8 "Related party disclosures" and has not disclosed transactions with group undertakings

15 COMMITMENTS AND CONTINGENCIES

There are no other commitments or contingencies