

Registered number
02909660

London & Regional Properties Limited
Annual report and financial statements
for the year ended
30 September 2009

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London & Regional Properties Limited
Annual report and financial statements for the year ended 30 September 2009
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London & Regional Properties Limited
Company information for the year ended 30 September 2009

Directors

Mr R J Livingstone
Mr R Luck

Company secretary

Mr R Luck

Registered office

Quadrant House, Floor 6
4 Thomas More Square
London
E1W 1YW

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

Registered number

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London & Regional Properties Limited
Directors' report for the year ended 30 September 2009

The directors present their report and audited accounts of the company for the year ended 30 September 2009

Principal activities and review of the business

The company acts as a provider of a wide range of property management and development services. The company also holds investments in subsidiaries and a joint venture. The directors consider the financial position at 30 September 2009 to be satisfactory.

Principal risks and uncertainties

The key business risks and uncertainties affecting the company are considered to relate to the fact that the company operates within a highly competitive market place and movements in commodity prices. Further discussion of the risks and uncertainties, in the context of the group as a whole, are discussed in the company's ultimate parent's group annual report which does not form part of this report.

Key performance indicators

The company is managed by the directors in accordance with the group strategies of its ultimate parent company, Loopsign Limited. For this reason, the directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business. These strategies and key performance indicators are discussed in the company's ultimate parent's group annual report which does not form part of this report.

Results and dividends

The results for the year are set out in the profit and loss account on page 5. The directors do not recommend the payment of a dividend (2008: £nil).

Directors

The directors of the company who served during the year and up to the date of signing the financial statements were:

Mr R J Livingstone (appointed 21 August 2009)

Mr R N Luck

Mr C King (resigned 21 August 2009)

Going concern

The directors believe that preparing the accounts on the going concern basis is appropriate due to the continued financial support of London & Regional Group Holdings Limited. The directors have received confirmation that London & Regional Group Holdings Limited intends to support the company for at least one year after these financial statements are signed.

Qualifying third party indemnity provisions

The company maintains liability insurance for its directors and officer. Following shareholder approval, the company has also provided an indemnity for its directors and the company secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

Disclosure of information to auditors

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

In the absence of a notice proposing that their appointment be terminated, PricewaterhouseCoopers LLP, are deemed to have been re-appointed as auditors for the next year.

The report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

By order of the board



Mr R N Luck

Company secretary

29 Sept 2010

London & Regional Properties Limited
Statement of Directors' Responsibilities for the year ended 30 September 2009

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

- select suitable accounting policies and then apply them consistently,
- make judgements 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

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.

By order of the board



Mr R N Luck
Company secretary

27 Sept 2010

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LONDON & REGIONAL PROPERTIES LIMITED

We have audited the financial statements of London & Regional Properties Limited for the year ended 30 September 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as applicable to financial statements prepared in accordance with the small companies regime of the Companies Act 2006.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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.

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 30 September 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.


Opinion on other matters 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.

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 director was not entitled to prepare financial statements and the director's report in accordance with the small company regime.


Suzanne Woolfson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
29/09/2010

London & Regional Properties Limited
Profit and loss account
for the year ended 30 September 2009

	Note	2009 £	2008 £
Turnover		4,880,960	5,049,638
Administrative expenses		9,086,415	500,473
Operating profit	2	13,967,375	5,550,111
Exceptional items	4	(795,536)	(10,852,527)
Profit/(loss) on ordinary activities before interest		13,171,839	(5,302,416)
Interest receivable and similar income	5	5,031,429	6,914,733
Interest payable and similar charges	6	(8,895)	(4,165)
Profit on ordinary activities before taxation		18,194,373	1,608,152
Tax on profit on ordinary activities	7	-	12,183
Profit for the financial year	13	<u>18,194,373</u>	<u>1,620,335</u>

All amounts relate to continuing operations

There is no material difference between the profit on ordinary activities before taxation and the profit stated above and their historical costs equivalents

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of recognised gains and losses has been presented

London & Regional Properties Limited
Balance sheet
as at 30 September 2009

Registered number
02909660

	Note	2009 £	2008 £
Fixed assets			
Tangible assets	8	194,575	3,556,754
Investments	9	119,175,231	119,511,875
		119,369,806	123,068,629
Current assets			
Debtors	10	921,707,794	1,127,489,729
Cash at bank and in hand		28,235,546	74,933,256
		949,943,340	1,202,422,985
Creditors amounts falling due within one year	11	(1,052,313,739)	(1,326,686,580)
Net current liabilities		(102,370,399)	(124,263,595)
Net assets/(liabilities)		<u>16,999,407</u>	<u>(1,194,966)</u>
Capital and reserves			
Called up share capital	12	8	8
Profit and loss account	13	16,999,399	(1,194,974)
Total shareholders' funds/(deficit)	14	<u>16,999,407</u>	<u>(1,194,966)</u>

These financial statements were approved by the Board of Directors on 29.9.2010 and signed on its behalf by



Mr R Luck
Director
 29 Sept 2010

London & Regional Properties Limited
Notes to the financial statements
for the year ended 30 September 2009

1 Accounting policies

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention as modified by the revaluation of investment properties, and in accordance with the small companies regime of the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the period, are set out below.

Going concern

The directors believe that preparing the accounts on the going concern basis is appropriate due to the continued financial support of London & Regional Group Holdings Limited. The directors have received confirmation that London & Regional Group Holdings Limited intends to support the company for at least one year after these financial statements are signed.

Deferred taxation

Deferred tax is provided in respect of all timing differences that have originated, but not reversed, at the balance sheet date that give rise to an obligation to pay more or less tax in the future. Deferred tax is not recognised when fixed assets are revalued unless, by the balance sheet date, there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements.

Deferred tax is measured on a non-discounted basis. A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as 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 at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Investments

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

Investments in joint ventures are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

Other investments are stated at cost less any impairment provisions. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

Turnover

Turnover comprises management charges receivable from group undertakings and other sundry turnover net of value added tax, recognised when the risks and rewards are transferred.

Depreciation

Provision is made for depreciation on all tangible assets at rates calculated to write off the cost of each asset over its expected useful life as follows:

Fixtures & Fittings	20% per annum on a straight line basis
Motor Vehicles	20% per annum on a straight line basis
Airplane	6.67% per annum on a straight line basis

Pension

The pension cost charge in the financial statements represents the contributions payable by the company during the year.

Operating leases

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

London & Regional Properties Limited
Notes to the financial statements
for the year ended 30 September 2009

1 Accounting policies (continued)

Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (revised 1996) from including a cash flow statement on the grounds that the company is wholly owned and its ultimate parent publishes a consolidated cash flow statement

Exemption from consolidation

The financial statements contain information about London & Regional Properties Limited 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 requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its intermediate parent, London & Regional Group Holdings Limited, a company incorporated in England and Wales

2 Operating profit

	2009	2008
	£	£
This is stated after charging/(crediting)		
Auditors' remuneration	228,000	213,760
Depreciation of owned fixed assets	64,874	353,105
Operating leases - land and buildings	65,000	371,421
Foreign currency translation gains	(23,953,377)	(12,750,060)
Payments to employee benefit trusts	2,973,635	1,767,533

3 Staff costs

	2009	2008
	£	£
Employee costs including executive directors amounted to		
Salaries	4,415,359	3,855,587
Pension costs	29,500	76,585
Social security costs	551,418	570,099
	<u>4,996,277</u>	<u>4,502,271</u>

The pension costs comprise contributions to employees' personal pension schemes

	Number	Number
The average weekly number of employees including executive directors was		
Management and administration	<u>37</u>	<u>37</u>
	£	£
Directors' emoluments were as follows		
Directors' remuneration	744,818	397,500
Contributions to directors' personal pension schemes	5,000	65,000
	<u>749,818</u>	<u>462,500</u>
	£	£
Highest paid director		
Remuneration	370,567	287,500
Pension contribution	<u>5,000</u>	<u>-</u>

London & Regional Properties Limited
Notes to the financial statements
for the year ended 30 September 2009

4 Exceptional items	2009	2008
	£	£
Provisions against loans	(482,253)	(10,697,617)
Loss on sale of tangible fixed assets	(313,283)	(154,910)
	<u>(795,536)</u>	<u>(10,852,527)</u>

5 Interest receivable and similar income	2009	2008
	£	£
On amounts owed by group undertakings	3,800,681	5,471,067
Other interest	1,230,748	1,443,666
	<u>5,031,429</u>	<u>6,914,733</u>

6 Interest payable and similar charges	2009	2008
	£	£
Bank overdraft interest	<u>8,895</u>	<u>4,165</u>

7 Tax on profit on ordinary activities before taxation	2009	2008
	£	£
Receipt for group relief surrendered	<u>-</u>	<u>(12,183)</u>

Factors affecting tax charge for period

From 1 April 2008 the standard rate of corporation tax was reduced from 30% to 28%, giving a blended average rate for the previous year of 29%

The tax assessed for the year is lower (2008 lower) than the standard/blended of corporation tax in the UK (28%, 2008 29%) The differences are explained below

	£	£
Profit on ordinary activities before tax	<u>18,194,373</u>	<u>1,608,152</u>
Blended/standard rate of corporation tax in the UK	28%	29%
Profit on ordinary activities multiplied by standard (2008 blended) rate of corporation tax in the UK of 28% (2008 29%)	5,094,424	466,364
Effects of		
Expenses not deductible for tax purposes	969,986	3,617,576
Capital allowances (more)/less than depreciation	(133,262)	10,336
(Utilisation)/surrender of tax losses through group relief	(5,978,421)	(4,106,459)
Current tax credit for the financial year	<u>(47,273)</u>	<u>(12,183)</u>

London & Regional Properties Limited
Notes to the financial statements
for the year ended 30 September 2009

8 Tangible fixed assets

	Airplane	Fixtures & Equipment	Motor Vehicles	Total
	£	£	£	£
Cost				
At 1 October 2008	4,640,369	212,153	6,584	4,859,106
Additions	-	105,632	-	105,632
Disposals	(4,640,369)	-	-	(4,640,369)
At 30 September 2009	-	317,785	6,584	324,369
Depreciation				
At 1 October 2008	1,237,432	59,652	5,268	1,302,352
Charge for the year	-	63,558	1,316	64,874
Disposals	(1,237,432)	-	-	(1,237,432)
At 30 September 2009	-	123,210	6,584	129,794
Net book value				
At 30 September 2009	-	194,575	-	194,575
At 30 September 2008	3,402,937	152,501	1,316	3,556,754

9 Investments

	Investments in joint ventures	Investments in subsidiary undertakings
	£	£
At 1 October 2008	2,560	1
Additions	-	16,249
At 30 September 2009	2,560	16,250

The company owns 50% of the share capital of London & Regional (Panama) SA, a joint venture company incorporated in Panama, whose principal activity is property development and investment

The company owns 100% of the share capital of Mobyhold Limited, a company incorporated in England and Wales and whose principal activity is owning and operating a corporate aircraft

The company owns 100% of the A Ordinary share capital of First Central Management Company Limited, a company incorporated in England and Wales and whose principal activity is property management

The company acquired 100% of the share capital of Panama Holding 1 BV, a company incorporated in The Netherlands and whose principal activity is a holding company. Subsequent to the year end the company transferred its 50% shareholding in London & Regional (Panama) SA to a wholly owned subsidiary of Panama Holding 1 BV

	2009	2008
	£	£
Unlisted investments	119,156,421	119,509,314

Unlisted investments include £118,471,847 of unsecured loan notes issued by the David Lloyd Leisure Group, and other related joint venture undertakings, which are repayable in 2017 and accrue interest at 12% per annum compounded. In the opinion of the directors, the value of the unlisted investments was not less than the cost

London & Regional Properties Limited
Notes to the financial statements
for the year ended 30 September 2009

10 Debtors	2009	2008
	£	£
Trade debtors	381,387	306,367
Amounts owed by ultimate controlling parties	1,477,163	8,242,678
Amounts due from group undertakings	883,265,536	1,078,747,535
Amounts due from joint ventures	15,799,964	14,333,309
Amounts recoverable on development projects	12,815,519	11,789,721
Prepayments and accrued income	3,533,831	5,137,781
Taxation and social security	146,186	277,648
Other debtors	4,288,208	8,654,690
	<u>921,707,794</u>	<u>1,127,489,729</u>

The amounts due from joint ventures are repayable after one year. Included within other debtors is an amount of £803,310 due after more than one year.

Amounts due from group undertakings are repayable on demand, unsecured and non-interest bearing.

11 Creditors amounts falling due within one year	2009	2008
	£	£
Trade creditors	983,159	1,054,360
Amounts due to group undertakings	1,048,714,265	1,322,640,546
Other taxes and social security costs	146,889	64,663
Other creditors	1,651,663	1,304,945
Accruals and deferred income	592,976	1,622,066
Amounts owed to joint ventures	224,787	-
	<u>1,052,313,739</u>	<u>1,326,686,580</u>

Amounts due to group undertakings are repayable on demand, unsecured and non-interest bearing.

12 Called up share capital	2009	2008
	£	£
Authorised		
Ordinary shares of £1 each	2	2
Deferred shares of \$1 each	6	6
	<u>8</u>	<u>8</u>

	2009	2008	2009	2008
	Number	Number	£	£
Allotted and fully paid				
Ordinary shares of £1 each	2	2	2	2
Deferred shares of \$1 each	10	10	6	6
	<u>12</u>	<u>12</u>	<u>8</u>	<u>8</u>

Class Rights

The deferred shares of \$1 each carry the right to repayment of \$1 each on a winding up, carry no other right to participate in the capital or income of the company and the holders are entitled to one vote for every two shares held.

13 Profit and loss account	2009
	£
At 1 October 2008	(1,194,974)
Profit for the financial year	18,194,373
At 30 September 2009	<u>16,999,399</u>

London & Regional Properties Limited
Notes to the financial statements
for the year ended 30 September 2009

14 Reconciliation of movement in shareholders' funds/deficit	2009	2008
	£	£
At 1 October	(1,194,966)	(2,815,301)
Profit for the financial year	18,194,373	1,620,335
At 30 September	<u>16,999,407</u>	<u>(1,194,966)</u>

15 Related parties

At 30 September 2009 the company was owed by I M Livingstone and R J Livingstone, former/current directors of the company, £1,477,163 (2008 £8,242,678) The loan is included in debtors in note 10 The maximum loan outstanding during the year was £10,940,508 (2008 £64,274,772) The loan is interest free and repayable on demand The loan was repaid subsequent to the year end

The company has taken advantage of the exemption in FRS8 that transactions do not need to be disclosed with companies 90% or more whose voting rights are controlled within the group

At 30 September 2009 the company was owed £nil (2008 £72,474) by Optika Holdings Limited, a company 32% indirectly owned by I M Livingstone The loan does not bear interest and is repayable on demand

16 Parent undertaking

The immediate parent undertaking is London & Regional Group Holdings Limited, a company incorporated and registered in England and Wales

The ultimate parent undertaking is Loopsign Limited, a company incorporated in England and Wales

Loopsign Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 30 September 2009 The consolidated financial statements of Loopsign Limited can be obtained from the company secretary at

Quadrant House, Floor 6
4 Thomas More Square
London
E1W 1YW

The ultimate controlling parties are I M Livingstone and R J Livingstone through their joint ownership of Loopsign Limited