

Registered number  
02909660

**London & Regional Properties Limited**  
**Annual report and financial statements**  
**for the year ended 30 September 2010**

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**London & Regional Properties Limited**  
**Annual report and financial statements for the year ended 30 September 2010**  
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**London & Regional Properties Limited**  
**Company information for the year ended 30 September 2010**

**Directors**

Mr R J Livingstone  
Mr R N Luck

**Company secretary**

Mr R N Luck

**Independent auditors**

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

**Registered office**

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

**Registered number**

02909660

**London & Regional Properties Limited**  
**Directors' report for the year ended 30 September 2010**

The directors present their report and the audited financial statements for the year ended 30 September 2010

**Principal activities**

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 company has suffered £5m of foreign exchange losses during the year, compared to £24.0m of exchange gains made in the prior year. After taking into account this swing which was outside the company's control, the directors consider the financial position at 30 September 2010 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 fluctuating market place, which can result in large movements in foreign exchange and investment valuations. 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, and for this reason, the director believes that 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 (2009: £nil).

**Going concern**

The directors believe that preparing the financial statements 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 intend to support the company for at least one year after these financial statements are signed.

**Directors**

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

Mr R J Livingstone  
Mr R N Luck

**Qualifying third party indemnity provisions**

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

**Disclosure of information to auditors**

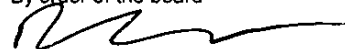
In so far as the directors are aware:

- 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.

**Independent 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.

By order of the board



Mr R N Luck  
Company Secretary  
30 June 2011

**London & Regional Properties Limited**

**Statement of directors' responsibilities for the year ended 30 September 2010**

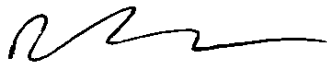
The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law 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 director must not approve the financial statements unless he is 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,
- 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  
30 June 2011

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF LONDON & REGIONAL PROPERTIES LIMITED**

We have audited the financial statements of London & Regional Properties Limited for the year ended 30 September 2010 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).

### **Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities, 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 director, 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 2010 and of its loss 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.

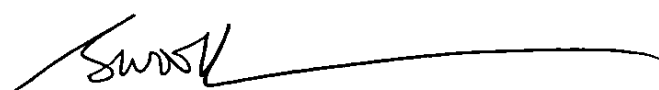
### **Opinion on other matters prescribed by the Companies Act 2006**

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.

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

30 June 2011

**London & Regional Properties Limited**  
**Profit and loss account**  
**for the year ended 30 September 2010**

	Note	2010 £	2009 £
Turnover		5,969,359	4,880,960
Administrative expenses		(18,500,836)	9,086,415
Operating (loss)/profit	2	(12,531,477)	13,967,375
Exceptional items	4	(56,718)	(795,536)
(Loss)/profit on ordinary activities before interest		(12,588,195)	13,171,839
Interest receivable and similar income		3,100,778	5,031,429
Interest payable and similar charges	6	(5,070)	(8,895)
(Loss)/profit on ordinary activities before taxation		(9,492,487)	18,194,373
Tax credit on (loss)/profit on ordinary activities	7	4,847,504	-
(Loss)/profit for the financial year		<u>(4,644,983)</u>	<u>18,194,373</u>

All amounts relate to continuing operations

The company has no recognised gains or losses other than the (loss)/profit for the above two financial years

There is no material difference between the loss on ordinary activities before taxation and the loss for the year 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 2010**

**Registered number**  
**02909660**

	Note	2010 £	2009 £
<b>Fixed assets</b>			
Tangible assets		176,061	194,575
Investments	9	119,428,915	119,175,231
		<u>119,604,976</u>	<u>119,369,806</u>
<b>Current assets</b>			
Debtors	10	942,783,918	921,707,794
Cash at bank and in hand		25,791,267	28,235,546
		<u>968,575,185</u>	<u>949,943,340</u>
<b>Creditors amounts falling due within one year</b>	11	(1,075,825,737)	(1,052,313,739)
<b>Net current liabilities</b>		(107,250,552)	(102,370,399)
<b>Net assets</b>		<u>12,354,424</u>	<u>16,999,407</u>
<b>Capital and reserves</b>			
Called up share capital	12	8	8
Profit and loss reserve	13	12,354,416	16,999,399
<b>Total shareholder's deficit</b>	14	<u>12,354,424</u>	<u>16,999,407</u>

These financial statements were approved by the Board of Directors on 30 June 2011  
and signed on its behalf by



Mr R N Luck  
**Director**  
30 June 2011



**London & Regional Properties Limited**  
**Notes to the financial statements**  
**for the year ended 30 September 2010**

**1 Accounting policies**

**Basis of preparation**

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with 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 financial statements 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 intend 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.

**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

**Pension**

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

**London & Regional Properties Limited**  
**Notes to the financial statements**  
**for the year ended 30 September 2010**

**1 Accounting policies (continued)**

**Operating leases**

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

**Cash flow statement**

The company has taken advantage of the exemption permitted by Financial Reporting Standard 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

<b>2 Operating (loss)/profit</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
This is stated after charging/(crediting)		
Depreciation of owned fixed assets	72,871	64,874
Operating leases - land and buildings	147,080	65,000
Foreign exchange losses/(gains)	5,021,224	(23,953,377)
Auditors' remuneration	243,522	228,000
Payments to employee benefit trusts	-	2,973,635

<b>3 Staff costs</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Employee costs including executive directors amounted to		
Salaries	6,823,267	4,415,359
Social security costs	850,335	551,418
Pension costs	33,000	29,500
	<u>7,706,602</u>	<u>4,996,277</u>

The pension costs comprise contributions to employees' personal pension schemes

	<b>Number</b>	<b>Number</b>
The average weekly number of employees including executive directors was		
Management and administration	<u>41</u>	<u>37</u>
	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Directors' emoluments were as follows		
Directors' remuneration	461,348	744,818
Contributions to directors' personal pension schemes	15,400	5,000
	<u>476,748</u>	<u>749,818</u>

**London & Regional Properties Limited**  
**Notes to the financial statements**  
**for the year ended 30 September 2010**

<b>4 Exceptional items</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Provisions against loans	56,718	482,253
Loss on sale of tangible fixed assets	456	313,283
Loss on sale of investments in joint ventures	2,559	-
	<u>59,733</u>	<u>795,536</u>

<b>5 Interest receivable and similar income</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
On amounts owed by group undertakings	2,822,896	3,800,681
Other interest	277,881	1,230,748
	<u>3,100,777</u>	<u>5,031,429</u>

<b>6 Interest payable and similar charges</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	253	8,895
On amounts owed to group undertakings	4,817	-
	<u>5,070</u>	<u>8,895</u>

<b>7 Tax credit on (loss)/profit on ordinary activities</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Analysis of charge in period</b>		
Current tax		
Adjustments in respect of previous years	<u>(4,847,504)</u>	<u>-</u>

The adjustments in respect of previous years arise due to a receipt from a group undertaking for the surrender of tax losses by the company. No taxation for the current year is considered payable due to the tax losses incurred in the year.

**Factors affecting tax charge for period**

The differences between the tax assessed for the year and the standard rate of corporation tax are explained as follows

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
(Loss)/profit on ordinary activities before taxation	<u>(9,492,487)</u>	<u>18,194,373</u>
Standard rate of corporation tax in the UK	28%	28%
	<b>£</b>	<b>£</b>
Loss on ordinary activities multiplied by the standard rate of corporation tax	(2,657,896)	5,094,424
Effects of		
Expenses not deductible for tax purposes	178,823	969,986
Capital allowances for year in excess of depreciation	(12,379)	(133,262)
Receipt for surrender of tax losses of prior years	(4,847,504)	-
Surrender/(claim) of tax losses	2,491,452	(5,978,421)
Total current tax (credit)/charge	<u>(4,847,504)</u>	<u>(47,273)</u>

**London & Regional Properties Limited**  
**Notes to the financial statements**  
**for the year ended 30 September 2010**

**7 Tax on (loss)/profit on ordinary activities (continued)**

The company surrendered the benefit of tax losses amounting to £8,898,043 (2009 losses claimed of £21,351,504) to fellow subsidiary undertakings without receiving any payment

**Factors that may affect future tax charges**

Reductions to the UK corporation tax rate were announced in the June 2010 Budget. The changes, which were enacted on 30 September 2010, reduce the rate by 1% per annum to 24% by 1 April 2014. These changes have no impact on these financial statements.

**8 Tangible fixed assets**

	<b>Fixtures &amp; Equipment £</b>	<b>Motor Vehicles £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 October 2009	317,785	6,584	324,369
Additions	54,357	-	54,357
At 30 September 2010	<u>372,142</u>	<u>6,584</u>	<u>378,726</u>
<b>Depreciation</b>			
At 1 October 2009	123,210	6,584	129,794
Charge for the year	72,871	-	72,871
At 30 September 2010	<u>196,081</u>	<u>6,584</u>	<u>202,665</u>
<b>Net book value</b>			
At 30 September 2010	<u>176,061</u>	<u>-</u>	<u>176,061</u>
At 30 September 2009	<u>194,575</u>	<u>-</u>	<u>194,575</u>

**9 Investments**

	<b>Investments in joint ventures £</b>	<b>Investments in subsidiary undertakings £</b>
<b>Cost</b>		
At 1 October 2009	2,560	16,250
Disposals	(2,560)	-
At 30 September 2010	<u>-</u>	<u>16,250</u>

The company holds 20% or more of the share capital of the following companies, incorporated in England and Wales

<b>Company</b>	<b>Principal Activity</b>	<b>Shares held Class</b>	<b>%</b>
Mobyhold Limited	Ownership and operation of a corporate aircraft	Ordinary	100
First Central Management Company Limited	Property management	Ordinary	100
Panama Holding 1 BV	Holding company	Ordinary	100

**London & Regional Properties Limited**  
**Notes to the financial statements**  
**for the year ended 30 September 2010**

**9 Investments (continued)**

On 5 February 2010 the company transferred its 50% shareholding in London & Regional (Panama) SA to a wholly owned subsidiary of Panama Holding 1 BV with an effective date of 19 September 2009

	2010 £	2009 £
Unlisted investments	119,412,665	119,156,421

Unlisted investments include £118,471,847 (2009 £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. Interest has not been accrued on the loan notes due to uncertainty of payment. In the opinion of the directors, the value of the unlisted investments was not less than the cost.

**10 Debtors**

	2010 £	2009 £
Trade debtors	344,921	381,387
Amounts owed by ultimate controlling parties	1,523,445	1,477,163
Amounts due from group undertakings	892,051,110	883,265,536
Amounts due from joint ventures	17,427,381	15,799,964
Amounts recoverable on development projects	12,658,254	12,815,519
Prepayments and accrued income	4,502,201	3,533,831
Corporation tax	1,976,668	-
Other taxation	48,190	146,186
Other debtors	12,251,748	4,288,208
	<u>942,783,918</u>	<u>921,707,794</u>

The amounts due to joint ventures are repayable after one year. Included within other debtors is an amount of £nil (2009 £803,310) due after one year.

Amounts due from group undertakings are repayable on demand, unsecured and non-interest bearing with the exception of £72,936,584 (2009 £70,917,554) on which interest at 3.75% per annum is accrued.

**11 Creditors amounts falling due within one year**

	2010 £	2009 £
Trade creditors	1,246,488	983,159
Amounts owed to group undertakings	1,071,563,314	1,048,714,265
Taxation	138,125	146,889
Other creditors	2,240,467	1,651,663
Accruals and deferred income	412,556	592,976
Amounts owed to joint ventures	224,787	224,787
	<u>1,075,825,737</u>	<u>1,052,313,739</u>

Amounts owed to group undertakings are repayable on demand, unsecured and interest free.

**London & Regional Properties Limited**  
**Notes to the financial statements**  
**for the year ended 30 September 2010**

<b>12 Called up share capital</b>			<b>2010</b>	<b>2009</b>
			£	£
Authorised				
Ordinary shares of £1 each			2	2
Deferred shares of \$1 each			6	6
			<u>8</u>	<u>8</u>
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>Number</b>	<b>Number</b>	<b>£</b>	<b>£</b>
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

<b>13 Profit and loss reserve</b>		<b>2010</b>
		£
At 1 October 2009		16,999,399
Loss for the financial year		(4,644,983)
At 30 September 2010		<u>12,354,416</u>
<b>14 Reconciliation of movement in shareholder's funds</b>		<b>2010</b>
		£
At 1 October	16,999,407	(1,194,966)
(Loss)/profit for the financial year	<u>(4,644,983)</u>	<u>18,194,373</u>
At 30 September	<u>12,354,424</u>	<u>16,999,407</u>

**15 Other operating lease commitments**

At the year end the company had annual commitments under non-cancellable operating leases as set out below

	<b>Land and buildings</b>	<b>Land and buildings</b>
	<b>2010</b>	<b>2009</b>
	£	£
Operating leases which expire in over five years	<u>588,320</u>	<u>-</u>

The lease referred to above was signed in May 2010

**London & Regional Properties Limited**  
**Notes to the financial statements**  
**for the year ended 30 September 2010**

**16 Related party transactions**

At 30 September 2010 the company was owed by I M Livingstone and R J Livingstone, former/current directors of the company, £1,523,447 (2009 £1,477,163). The loan is included in debtors in note 10. The maximum loan outstanding during the year was £3,729,496 (2009 £10,940,508). 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 under paragraph 3(c) from the provisions of FRS 8, 'Related Party Disclosures', on the grounds that it is wholly owned subsidiary of a group headed by Loopsign Limited, whose financial statements are publicly available.

**17 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.

London & Regional Group Holdings Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements as at 30 September 2010. Loopsign Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 30 September 2010. 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.