

LONDON AND REGIONAL PROPERTIES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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LONDON AND REGIONAL PROPERTIES LIMITED

COMPANY INFORMATION

Directors	Mr M A Glyn Mr R J Livingstone Mr I M Livingstone
Secretary	Mr L Shelley
Company number	02909660
Registered office	8th Floor, South Block 55 Baker Street London W1U 8EW
Independent Auditors	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH

LONDON AND REGIONAL PROPERTIES LIMITED

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LONDON AND REGIONAL PROPERTIES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report for the year ended 31 December 2022.

Principal activities, fair review of the business and future developments

The company acts as a provider of a wide range of property asset management and development services as well as holding investments, interim financing and cash deposits. Turnover for the year was £6.7m (2021: £7.6m) and the company made a loss after taxation of £22.3m (2021: loss of £18.1m). Net assets were £469m at the year end (2021: £491.0m).

The directors consider the financial position and future prospects at 31 December 2022 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.

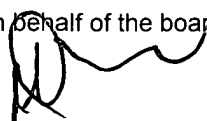
Financial risk management

The company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. Further discussion of the financial risk management objectives and policies, 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, London and Regional Group Properties Ltd, and for this reason, the directors believe 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.

On behalf of the board



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Mr M A Glyn

Director

29/09/2023

LONDON AND REGIONAL PROPERTIES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Directors

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

Mr M A Glyn	(Appointed 26 May 2022)
Mr L Sebastian	(Resigned 26 May 2022)
Mr R J Livingstone	
Mr I M Livingstone	

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid during the year (2021: £nil). The directors do not recommend the payment of a final dividend (2021: £nil).

The business review, future developments and financial risk management are included in the strategic report.

The company's operations in relation to its properties that it owns and have sold exposes itself to potential material legal claims. The directors review the claims continually with their legal counsel and have concluded that no provisions have been required to be booked in the financial statements based on the current stage of any claims and probability of any payout required.

Qualifying third party indemnity provisions

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

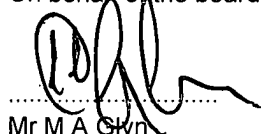
Independent Auditors

The independent auditors, PricewaterhouseCoopers LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Directors' confirmations

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Mr M A Glyn

Director

29/09/2023

LONDON AND REGIONAL PROPERTIES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

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

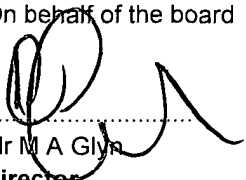
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

On behalf of the board



Mr M A Glyn

Director

29/09/2023

LONDON AND REGIONAL PROPERTIES LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LONDON AND REGIONAL PROPERTIES LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, London and Regional Properties Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2022; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

LONDON AND REGIONAL PROPERTIES LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF LONDON AND REGIONAL PROPERTIES LIMITED

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to non-compliance with UK corporation tax regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related

LONDON AND REGIONAL PROPERTIES LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF LONDON AND REGIONAL PROPERTIES LIMITED

to the risk that management may record inappropriate journal entries and the risk of bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Enquiring of management and those charged with governance, and inspection of policy documentation as to the company's high-level policies and procedures to prevent and detect fraud as well as enquiries around actual and potential litigation and claims;
- Enquiring of those charged with governance as to whether management have knowledge of any actual, suspected or alleged fraud;
- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation; and
- Assessing the reasonableness of key accounting estimates (because of the risk of management bias), including challenging assumptions and judgements made by management in their significant accounting estimates.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's directors 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.

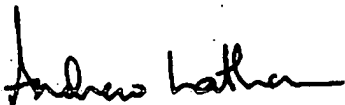
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Andrew Latham (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
29 September 2023

LONDON AND REGIONAL PROPERTIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £'000	2021 £'000
Turnover	3	6,654	7,578
Administrative expenses		(10,510)	(10,970)
Profit on disposal of investments	9	-	1,284
Foreign exchange gains/(losses)		5,874	(7,311)
Impairment of intercompany debtors		(30,433)	(12,753)
Operating loss	4	(28,415)	(22,172)
Interest receivable and similar income	7	36,792	38,153
Interest payable and similar expenses	8	(30,722)	(34,121)
Loss before taxation		(22,345)	(18,140)
Tax on profit/(loss)	10	-	-
Loss for the financial year		(22,345)	(18,140)
Other comprehensive income		-	-
Total comprehensive expense for the year		(22,345)	(18,140)

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

LONDON AND REGIONAL PROPERTIES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £'000	2021 £'000
Assets			
Tangible assets	11	-	142
Investment properties	12	-	597
Investments	13	2,769	2,692
		<u>2,769</u>	<u>3,431</u>
Current assets			
Debtors	14	2,278,470	2,151,698
Investments	15	2,982	12
Cash at bank and in hand		82,816	52,664
		<u>2,364,268</u>	<u>2,204,374</u>
Creditors: amounts falling due within one year	16	<u>(1,898,414)</u>	<u>(1,716,837)</u>
Net current assets		<u>465,854</u>	<u>487,537</u>
Total assets less current liabilities		<u>468,623</u>	<u>490,968</u>
Capital and reserves			
Called up share capital	18	534,632	534,632
Profit and loss reserves		(66,009)	(43,664)
Total equity		<u>468,623</u>	<u>490,968</u>

The financial statements on pages 7 to 26 were approved by the board of directors and authorised for issue on 29 Sept 2023 and are signed on its behalf by:

Mr M A Glyn
Director

Company Registration No. 02909660

LONDON AND REGIONAL PROPERTIES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Called up share capital £'000	Retained deficit £'000	Total equity £'000
Balance at 1 January 2021		534,632	(25,524)	509,108
Loss for the financial year and total comprehensive expense		-	(18,140)	(18,140)
Balance at 31 December 2021		534,632	(43,664)	490,968
Loss for the financial year and total comprehensive expense		-	(22,345)	(22,345)
Balance at 31 December 2022		534,632	(66,009)	468,623

LONDON AND REGIONAL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

General information

London and Regional Properties Limited is a private company limited by shares incorporated in the United Kingdom and registered in England. The registered office is 8th Floor, South Block, 55 Baker Street, London, United Kingdom, W1U 8EW.

The principal activities of London and Regional Properties Limited are to act as a provider of a wide range of property management and development services as well as holding investments and cash deposits.

1.1 Statement of compliance

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

1.2 Basis of preparation and summary of significant accounting policies

The financial statements have been prepared on a going concern basis and under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

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 £'000, unless otherwise stated.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

1.3 Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to conditions.

As a qualifying entity, the company has taken advantage of the following exemptions:

- from the requirement to prepare a statement of cash flows as required by paragraph 3.17 (d) of FRS 102;
- from the requirement to present financial instruments disclosures, as required by FRS 102 paragraphs 11.39 to 11.48A, paragraph 12.26 and 12.29; and
- from the requirement to disclose transactions or balances with entities which form part of the group as required by paragraph 33.1A of FRS102.

1.4 Exemption from consolidation

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated financial statements. The financial statements present information about the company as an individual entity and not about its group.

London and Regional Properties Limited is a wholly owned subsidiary of London and Regional Group Property Holdings Ltd, a company incorporated in England and Wales, and the results of London and Regional Properties Limited are included in the consolidated financial statements of London and Regional Group Property Holdings Ltd which are available from 8th Floor, South Block, 55 Baker Street, London, United Kingdom, W1U 8EW.

LONDON AND REGIONAL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

1.5 Turnover

Turnover comprises management charges receivable from group undertakings and other sundry turnover net of value added tax. The total turnover of the company for the year has been derived from its principal activity, wholly undertaken in the UK.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value as at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

Where fair value cannot be determined without undue cost or effort, investment property is accounted for as tangible assets.

1.7 Investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

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.

1.8 Impairment of assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

LONDON AND REGIONAL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

LONDON AND REGIONAL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

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

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.12 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

LONDON AND REGIONAL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial 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 to the statement of comprehensive income, 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.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the statement of comprehensive income.

2 Critical accounting judgements and estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Critical judgements in applying the entity's accounting policies

The directors have not applied any judgements in applying the company's accounting policies.

LONDON AND REGIONAL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Critical accounting judgements and estimation uncertainty

b) Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of investments

The company makes an estimate of the recoverable value of its investments. Where an indication of impairment is identified the estimation of the recoverable value is made by reference to the estimated future cash flows from the investment and also selection of appropriate discount rates in order to calculate the net present value of those cash flows. See note 13 for the carrying values of the assets and note 1.7 for the accounting policy.

Recoverability of debtors and amounts due from fellow group undertakings

The company makes an estimate of the recoverable value of its debtors and amounts due from fellow group undertakings. When carrying out the assessment the directors consider factors including the ageing profile of the debtors, historic experience and performance of debtors' business. See note 14 for the carrying values of the assets and note 1.10 for the accounting policy.

3 Turnover

An analysis of the company's turnover is as follows:

	2022 £'000	2021 £'000
Provision of management services	6,654	7,578

4 Operating loss

	2022 £'000	2021 £'000
This is stated after (crediting)/charging:		
Exchange (gains)/losses	(5,874)	7,311
Fees payable to the company's auditors for the audit of the financial statements of the company	26	24
Fees payable to the company's auditors for the audit of the other group entities	340	307
Depreciation of owned tangible assets	-	197
Profit on disposal of fixed assets	(40)	-
Profit on disposal of unlisted investments	-	(1,284)
Operating lease charges	594	589
Impairment of intercompany debtors	30,433	12,753

LONDON AND REGIONAL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Management and administration	37	32

Their aggregate remuneration comprised:

	2022 £'000	2021 £'000
Wages and salaries	5,232	4,114
Social security costs	704	572
Pension costs	47	38
	<u>5,983</u>	<u>4,724</u>

6 Directors' remuneration

	2022 £'000	2021 £'000
Remuneration below includes aggregate directors' emoluments as follows:		
Remuneration for qualifying services	750	1,650
Benefits in kind	9	7
	<u>759</u>	<u>1,657</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2022 £'000	2021 £'000
Remuneration for qualifying services	750	1,650
Benefits in kind	2	2
	<u>752</u>	<u>1,652</u>

Directors

The aggregate emoluments paid to the Company's directors during the year amounted to £0.8m (2021: £1.7m). The aggregate pension contributions made to the directors' personal pension schemes amounted to £nil (2021: £nil). None of the directors accrued any benefits under long-term incentive schemes.

Emoluments of the highest paid director were £0.8m (2021: £1.7m). Company pension contributions of £nil (2021: £nil) were made to the directors' personal pension schemes. The remaining directors received no remuneration for their services as directors of the company during the year (2021: £nil).

LONDON AND REGIONAL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

7 Interest receivable and similar income

	2022	2021
	£'000	£'000
Interest receivable from group companies	34,000	35,504
Interest on bank deposits	1,338	261
Other interest income	778	1,718
Income from other investments	460	477
Interest receivable from participating interests - joint ventures	216	193
	<u>36,792</u>	<u>38,153</u>

8 Interest payable and similar expenses

	2022	2021
	£'000	£'000
Interest payable to group undertakings	<u>30,722</u>	<u>34,121</u>

9 Profit on disposal of investments

	2022	2021
	£'000	£'000
Gain on disposal of investments held at cost	<u>-</u>	<u>1,284</u>

LONDON AND REGIONAL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

10 Tax on loss

	2022 £'000	2021 £'000
UK corporation tax on loss for the year	-	-
Adjustments in respect of previous years	-	-
Total UK current tax result	-	-

Tax assessed for the year is higher than (2021: higher than) the standard rate of corporation tax in the UK for the year ended 31 December 2022 of 19% (2021: 19%). The differences are explained below.

The actual result for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £'000	2021 £'000
Loss before taxation	(22,345)	(18,140)
Loss before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)	(4,246)	(1,630)
Tax effect of expenses that are not deductible in determining taxable profit	-	2,423
Group relief	4,246	-
Utilisation of tax losses	-	(793)
Tax result for the year	-	-

The corporation tax result for the year has been reduced by £1.5m (2021: £0.8m) because of losses surrendered by fellow subsidiary undertakings. No payment for this surrender was made by the company.

Factors that may affect future tax charges

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

LONDON AND REGIONAL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Tangible assets

	Plant and equipment £'000	Fixtures and fittings £'000	Total £'000
Cost			
At 1 January 2022	757	712	1,469
Disposals	(757)	(712)	(1,469)
At 31 December 2022	-	-	-
Accumulated depreciation			
At 1 January 2022	713	614	1,327
Disposals	(713)	(614)	(1,327)
At 31 December 2022	-	-	-
Carrying amount			
At 31 December 2022	-	-	-
At 31 December 2021	44	98	142

12 Investment properties

	2022 £'000
Fair value	
At 1 January 2022	597
Disposals	(597)
At 31 December 2022	-

During the year, the company disposed of its investment property for £705k.

13 Fixed asset investments

	Note	2022 £'000	2021 £'000
Investments in subsidiaries	22	2,496	2,496
Unlisted investments		273	196
		<u>2,769</u>	<u>2,692</u>

The unlisted investments relate to a fund of leisure investments.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

LONDON AND REGIONAL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Fixed asset investments

Movements in investments

	Investments in subsidiaries	Other investments other than loans	Total
	£'000	£'000	£'000
Cost or valuation			
At 1 January 2022	2,496	196	2,692
Addition	-	77	77
At 31 December 2022	2,496	273	2,769
Carrying amount			
At 31 December 2022	2,496	273	2,769
At 31 December 2021	2,496	196	2,692

14 Debtors

	2022 £'000	2021 £'000
Trade debtors	1	105
Amounts recoverable on development projects	488	2,034
Amounts due from fellow group undertakings	1,648,703	1,713,720
Amounts due from associated undertakings	27,594	24,436
Amounts due from related undertakings	500,623	305,832
Other debtors	79,506	105,571
Prepayments and accrued income	15,555	-
	<u>2,272,470</u>	<u>2,151,698</u>
Amounts falling due after one year:		
Other debtors	<u>6,000</u>	<u>-</u>
Total debtors	<u>2,278,470</u>	<u>2,151,698</u>

LONDON AND REGIONAL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

14 Debtors

Trade debtors are stated after provision for impairment of £nil (2021: £nil).

Other debtors are stated after provision for impairment of £4.5m (2021: £4.6m)

Amounts due from fellow group undertakings are stated net of a provision for impairment of £196.9m (2021: £166.5m). Amounts due from fellow group undertakings are repayable on demand, unsecured and non-interest bearing with the exception of:

- £33,448,423 (2021: £31,577,727) which bears interest at a fixed rate of 3.5% per annum
- £10,158,194 (2021: £9,776,078) which bears interest at Metrobank base rate plus 3.5% per annum
- EUR 305,828 (2021: EUR 376,464) which bears interest at Euribor 12m + 1%
- EUR 421,712 (2021: EUR 350,072) which bears interest at Euribor 12m + 1%
- USD 10,250,000 (2021: USD 10,250,000) which bears interest at 3 month USD LIBOR plus 6.35% per annum

Amounts due from associated undertakings are unsecured, repayable on demand and bear interest at a fixed rate of 1.0% per annum.

Amounts owed from related undertakings are repayable on demand, unsecured and non-interest bearing with the exception of:

- £13,189,814 (2021: £12,422,251) which bears interest at a fixed rate of 6.179% per annum

Other debtors are repayable on demand, unsecured and non-interest bearing with the exception of:

- £6,000,000 (2021: £6,000,000) which bears interest at a fixed rate of 12.0% per annum

15 Current asset investments

	2022 £'000	2021 £'000
Listed investments	7	12
Loans	2,975	-
	<u>2,982</u>	<u>12</u>
Valuation:		
Listed investments - market value	<u>7</u>	<u>12</u>

The directors believe that the carrying value of the investments is supported by their market value.

LONDON AND REGIONAL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

16 Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Trade creditors	399	2,396
Other creditors	1,320	701
Amounts due to fellow group undertakings	1,837,962	1,635,541
Amounts due to ultimate controlling parties	12,158	47,762
Amounts owed to related undertakings	42,076	25,893
Amounts due to associates	435	432
Other taxation and social security	379	873
Accruals and deferred income	3,685	3,239
	<u>1,898,414</u>	<u>1,716,837</u>

Amounts due to fellow group undertakings are repayable on demand, unsecured and interest free with the exception of:

- USD 328,250 (2021: USD 614,408) which bears interest at 1 month LIBOR + 0.75% per annum.

Amounts due to ultimate controlling parties are repayable on demand, unsecured and interest free.

Amounts owed to related undertakings are repayable on demand, unsecured and interest free with the exception of:

- £18,867,167 (2021: £20,882,407) which bears interest at 3.64% per annum.

17 Retired benefit schemes

	2022 £'000	2021 £'000
Defined contribution schemes		
Charge to statement of comprehensive income in respect of defined contribution schemes	<u>47</u>	<u>38</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The closing liability for the year was £nil (2021: £nil).

18 Called up share capital

	2022 £'000	2021 £'000
Ordinary share capital		
<i>Issued and fully paid</i>		
534,632,237 (2021: 534,632,237) ordinary shares of £1 each	<u>534,632</u>	<u>534,632</u>

LONDON AND REGIONAL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

19 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £'000	2021 £'000
Within one year	589	589
Between two and five years	2,355	2,355
In over five years	284	873
	<u>3,228</u>	<u>3,817</u>

20 Related party transactions

As the company is a wholly owned subsidiary of London and Regional Group Properties Ltd, it has taken advantage of the exemption under section 33.1A of FRS102 from disclosing transactions or balances with entities which form part of the group.

At 31 December 2022 the company owed £12,158,209 (2021: £47,762,281) to the ultimate controlling parties of the company. The loan is included in creditors in note 16. The maximum amount owed to the company during the year was £nil (2021: £nil). The loan is interest free and repayable on demand.

At 31 December 2022 the company had the following balances owed from related parties, all of which are included in debtors in note 14:

- £15.9m (2021: £15.2m) owed from Gloucester Capital Limited a company ultimately controlled by I.M. Livingstone, bearing interest at 6.18% per annum.
- £32.2m (2021: £135.2m) owed from London Portman Hotel, a company ultimately controlled by I.M. Livingstone, bearing interest at 0% per annum.

At 31 December 2022 the group had made the following loans payable to related parties, all of which are included in amounts owed to related undertakings within creditors in note 16:

- £18.7m (2021: £23.5m) to Pike Investments Trust, a company ultimately controlled by the ultimate controlling parties, bearing interest at 3.64% per annum.

LONDON AND REGIONAL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

20 Related party transactions

At 31 December 2022, the company's overall position:

Counterparty	2022 Balance £'000	2021 Balance £'000	Loans advanced/ (repaid) £'000
Exbost Limited **	(1,174)	(1,175)	1
Portman Investments Sarl *	5	-	5
Gloucester Capital Limited *	15,935	15,169	766
George Holdings (UK) Limited*	14,391	14,391	-
Starlight Headlease Limited **	(143)	(150)	7
Portman Headlease Limited *	38	-	38
Greenwich Wharf Limited **	(307)	-	(307)
DAPE Services Limited *	1	-	1
London Portman Hotel *	32,236	135,193	(102,957)
Portman Tower Services Ltd *	2	-	2
Barajas Holding B.V. *	11	-	11
LR Venice Lido Limited **	(490)	(613)	123
LR Carbonera Limited *	4,541	4,541	-
SRE Hotels (Cliveden) Limited *	141	141	-
Boxtone Ltd*	501	478	23
SRE Hotels (George St) Limited Partnership *	51	(472)	523
Pike Investment Trust **	(18,726)	(23,483)	4,757
London and Regional Hotel Management Limited *	5,332	-	5,332
London and Regional Group Hotel Holdings Ltd *	427,440	135,919	291,521
L&R Ventures Limited **	(21,236)	-	(21,236)
Ultimate controlling party 1****	(9,325)	(3,721)	(5,604)
Ultimate controlling party 2****	(2,833)	(44,041)	41,208
Amounts due from related undertakings due within one year *			£500.6m
Amounts owed to related undertakings due within one year**			£42.1m
Amounts owed to related undertakings due after one year***			£nil
Amounts due to ultimate controlling parties****			£12.2m

LONDON AND REGIONAL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

21 Controlling party

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

The ultimate parent undertaking is London and Regional Group Properties Ltd, a company incorporated in England and Wales.

London and Regional Group Property Holdings Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements as at 31 December 2022. London and Regional Group Properties Ltd is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2022. The consolidated financial statements of London and Regional Group Property Holdings Limited and London and Regional Group Properties Ltd can be obtained from the company secretary at 8th Floor, South Block, 55 Baker Street, London, United Kingdom, W1U 8EW.

The ultimate controlling parties are I M Livingstone and R J Livingstone through their joint ownership of London and Regional Group Properties Limited.

LONDON AND REGIONAL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

22 Subsidiaries

These financial statements are separate company financial statements for London and Regional Properties Limited.

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Country of incorporation	Nature of business	Class of shareholding	% Held	
				Direct	Indirect
Mobyhold Ltd	England and Wales	Ownership and operation of a corporate aircraft	Ordinary	100.00	
Panama Holding 1 BV	Netherlands	Holding company	Ordinary	100.00	
Panama Holding 2 BV	Netherlands	Holding company	Ordinary		100.00
Newgate Ventures Sarl	Luxembourg	Holding company	Ordinary	100.00	
LRP Ukraine LLC	Ukraine	Property management	Ordinary	100.00	
LR Cuba (Hotel Management) Limited	England and Wales	Hotel management	Ordinary	100.00	
PL Management Services Limited	England and Wales	Property management	Ordinary	100.00	
Skylark (UK) LLC	United States of America	Property management	Ordinary	100.00	
737 L&R ZAV LLC	United States of America	Property management	Ordinary	100.00	
Revalo Holding Company Ltd	Cyprus	Holding company	Ordinary	100.00	

Panama Holding 1 BV and Panama Holding 2 BV have the registered address of Claude Debussylaan 10, 3rd Floor Office 1082MD, Amsterdam, The Netherlands.

Newgate Ventures Sarl has the registered address of 6, Rue Eugène Ruppert, L - 2453, Luxembourg.

LRP Ukraine LLC has the registered address of UTP No.1, Sector B, Maydan Nezalezhnosti, Kiev City, 01001, Ukraine.

Revalo Holding Company Ltd has the registered address of 10 Diomidous St, Alphamega Acropolis Building, 3rd Floor, Office 401, P.C 2024, Nicosia, Cyprus.

All other subsidiaries have the registered address of 8th Floor, South Block, 55 Baker Street, London, United Kingdom, W1U 8EW.