

Company Registration No 05233507 (England and Wales)

**LLOYDS CHAMBERS PROPERTY LIMITED**  
**ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 MAY 2009**



# **LLOYDS CHAMBERS PROPERTY LIMITED**

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# LLOYDS CHAMBERS PROPERTY LIMITED

## DIRECTOR'S REPORT

### FOR THE YEAR ENDED 31 MAY 2009

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The director presents her report and financial statements for the year ended 31 May 2009

#### Principal activities

The company's principal activity is the letting of investment property. There were no additions or disposals of investment property during the year.

#### Review of the business

There were no changes to the company's investment portfolio during the year or since the year end. The investment property held at 31 May 2009 was valued as at that date at £103,650,000 by the directors.

No rent review was undertaken during the year. The lease agreement sets out the dates of the rent reviews as every five years. A rent review was due to occur on 24 June 2008, but has not been carried out due to the underlying market conditions. The next rent review is due on 24 June 2013. There have been no changes to the tenancy during the year.

The key financial highlights are as follows:

	2009 £	2008 £	2007 £
Rent receivable	7,100,000	7,100,000	7,100,000
Value of investment properties	103,650,000	103,650,000	110,000,000
Net assets	8,833,795	8,939,496	14,731,491

#### Principle risks and uncertainties

It is the company's policy that no trading in financial instruments shall be undertaken. The company only enters into derivatives contracts as part of its risk mitigation strategy.

The company is exposed to interest rate risks, tenant credit risks, cashflow risks and market value risks.

The company's principal financial instrument consists of inter group company loans. The main purpose of these loans is to raise funds in order to finance the acquisition of investment property. The principal group undertaking loan is financed by a third party loan to that group undertaking.

The company's approach to mitigation of risks is as follows:

Interest rate risk - the interest rate on the third party loans is fixed.

Tenant credit risk - the risk is mitigated by the company only taking on appropriate tenants with good credit histories.

Cashflow risks - the company minimises its cashflow risk of non performance on its loan agreements by minimising its tenant credit risk and employing The Robson Partnership LLP as its managing agents utilising their specialist skills to ensure that the collection of rent takes place on time.

Market value risk - the company's investment property values are determined by economic forces outside of the company's control. A reduction in the market value of the investment property could give rise to a risk default as the third party loan funding includes loan to value covenants.

In the opinion of the directors the result for the year and the financial position of the company as at 31 May 2009 were satisfactory.

# LLOYDS CHAMBERS PROPERTY LIMITED

## DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2009

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### Key performance indicators

The directors use the following key indicators to measure performance

	2009	2008
(Decrease)/ increase in net assets	(1)%	(39)%
Ratio of all third party loans to property value	98%	98%
Ratio of third party bank loan to property value	88%	89%
Bank interest over rental cover	122%	117%

### Results and dividends

The results for the year are set out on page 6

### Market value of land and buildings

In the opinion of the director the market value of land and buildings exceeds the current net book value

### Directors

The following directors have held office since 1 June 2008

P Rocca (Deceased 19 January 2009)  
A Rocca

### Directors' interests

The directors' interests in the shares of the company were as stated below

	Ordinary shares of £1 each	
	31 May 2009	1 June 2008
A Rocca	-	-

The directors' interest in the ultimate parent company are shown in that company's financial statements

### Auditors

Harris & Trotter LLP were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting

# **LLOYDS CHAMBERS PROPERTY LIMITED**

## **DIRECTOR'S REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MAY 2009**

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### **Director's responsibilities**

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 she 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 director is required to

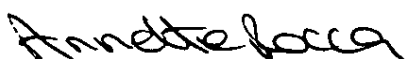
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The director is 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 her to ensure that the financial statements comply with the Companies Act 2006. She is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Statement of disclosure to auditor**

So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the director has taken all the necessary steps that she ought to have taken as director in order to make herself aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



A Rocca

Director

31 January 2010

# **LLOYDS CHAMBERS PROPERTY LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO LLOYDS CHAMBERS PROPERTY LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006**

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We have examined the abbreviated accounts set out on pages 5 to 14, together with the financial statements of Lloyds Chambers Property Limited for the year ended 31 May 2009 prepared under section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.


### **Respective responsibilities of the director and auditors**

The director is responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

### **Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.



**Neville Newman (Senior Statutory Auditor)**  
for and on behalf of Harris & Trotter LLP

31 January 2010

**Chartered Accountants**  
**Statutory Auditor**

65 New Cavendish Street  
London W1G 7LS  
Great Britain

# LLOYDS CHAMBERS PROPERTY LIMITED

## ABBREVIATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 2009

	Notes	2009 £	2008 £
Turnover		7,124,483	7,117,229
Administrative expenses		(367,295)	(38,372)
<b>Operating profit</b>	<b>2</b>	<b>6,757,188</b>	<b>7,078,857</b>
Other interest receivable and similar income		15,309	20,281
Interest payable and similar charges	<b>4</b>	(6,806,724)	(6,541,133)
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(34,227)</b>	<b>558,005</b>
Tax on (loss)/profit on ordinary activities	<b>5</b>	-	-
<b>(Loss)/profit for the year</b>	<b>11</b>	<b>(34,227)</b>	<b>558,005</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations

# **LLOYDS CHAMBERS PROPERTY LIMITED**

## **ABBREVIATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MAY 2009**

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	<b>Notes</b>	<b>2009</b> <b>£</b>	<b>2008</b> <b>£</b>
<b>(Loss)/profit for the financial year</b>		<b>(34,227)</b>	<b>558,005</b>
Unrealised deficit on revaluation of properties		-	(6,350,000)
<b>Total recognised gains and losses relating to the year</b>		<b><u>(34,227)</u></b>	<b><u>(5,791,995)</u></b>



# LLOYDS CHAMBERS PROPERTY LIMITED

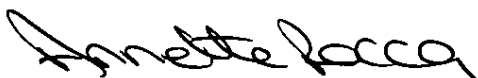
## ABBREVIATED BALANCE SHEET

AS AT 31 MAY 2009

	Notes	2009 £	£	2008 £	£
<b>Fixed assets</b>					
Tangible assets	6	103,650,000		103,650,000	
<b>Current assets</b>					
Debtors	7	254,230		360,890	
Creditors: amounts falling due within one year	8	(2,110,078)		(1,996,811)	
<b>Net current liabilities</b>		(1,855,848)		(1,635,921)	
<b>Total assets less current liabilities</b>		101,794,152		102,014,079	
<b>Creditors: amounts falling due after more than one year</b>	9	(92,888,883)		(93,074,583)	
		8,905,269		8,939,496	
<b>Capital and reserves</b>					
Called up share capital	10		2		2
Revaluation reserve	11	8,806,884		8,806,884	
Profit and loss account	11	98,383		132,610	
<b>Shareholders' funds</b>	12	8,905,269		8,939,496	

These abbreviated accounts have been prepared in accordance with the special provisions in section 445(3) of the Companies Act 2006 relating to medium-sized companies

Approved by the Board and authorised for issue on 31 January 2010



A Rocca  
Director

Company Registration No. 05233507

# LLOYDS CHAMBERS PROPERTY LIMITED

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MAY 2009

	£	2009 £	£	2008 £
<b>Net cash inflow from operating activities</b>		6,916,912		7,115,480
<b>Returns on investments and servicing of finance</b>				
Interest received	15,309		20,281	
Interest paid	(6,806,724)		(6,541,133)	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(6,791,415)		(6,520,852)
<b>Net cash inflow before management of liquid resources and financing</b>		125,497		594,628
Repayment of other long term loans	(125,497)		(594,628)	
<b>Decrease in debt</b>	(125,497)		(594,628)	
<b>Net cash outflow from financing</b>		(125,497)		(594,628)
<b>Increase in cash in the year</b>		-		-

# LLOYDS CHAMBERS PROPERTY LIMITED

## NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MAY 2009

1	Reconciliation of operating profit to net cash inflow from operating activities	2009	2008
		£	£
	Operating profit	6,757,188	7,078,857
	Decrease in debtors	106,660	106,659
	Increase in creditors within one year	53,064	(70,036)
	<b>Net cash inflow from operating activities</b>	<b>6,916,912</b>	<b>7,115,480</b>

2	Analysis of net debt	1 June 2008	Cash flow	Other non-cash changes	31 May 2009
		£	£	£	£
	Net cash				
	Bank deposits	-	-	-	-
	Debt				
	Debts falling due within one year	(927,297)	(60,203)	-	(987,500)
	Debts falling due after one year	(93,074,583)	185,700	-	(92,888,883)
	<b>Net debt</b>	<b>(94,001,880)</b>	<b>125,497</b>	<b>-</b>	<b>(93,876,383)</b>

3	Reconciliation of net cash flow to movement in net debt	2009	2008
		£	£
	Decrease in cash in the year	-	-
	Cash outflow from decrease in debt	125,497	594,628
	<b>Movement in net debt in the year</b>	<b>125,497</b>	<b>594,628</b>
	Opening net debt	(94,001,880)	(94,596,508)
	<b>Closing net debt</b>	<b>(93,876,383)</b>	<b>(94,001,880)</b>

# LLOYDS CHAMBERS PROPERTY LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 MAY 2009

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

#### 1.3 Turnover

Turnover principally represents rents receivable from the letting of investment property

#### 1.4 Tangible fixed assets and depreciation

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the director compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified

#### 1.5 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the director, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future

No Provision has been made for deferred tax on the unrealised gains arising from the revaluation of the investment property as this gain is unlikely to crystallise

### 2 Operating profit

	2009	2008
	£	£
Operating profit is stated after charging		
Auditors' remuneration (including expenses and benefits in kind)	5,000	5,000

### 3 Investment income

	2009	2008
	£	£
Bank interest	15,309	20,281
	15,309	20,281

# LLOYDS CHAMBERS PROPERTY LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2009

4	Interest payable	2009 £	2008 £
	On amounts payable to group companies	6,806,724	6,541,133
		<u>6,806,724</u>	<u>6,541,133</u>
5	Taxation	2009	2008
	Current tax charge	-	-
		<u>-</u>	<u>-</u>
	Factors affecting the tax charge for the year		
	(Loss)/profit on ordinary activities before taxation	(34,227)	558,005
		<u>(34,227)</u>	<u>558,005</u>
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2008 - 29.67%)	(9,584)	165,560
		<u>(9,584)</u>	<u>165,560</u>
	Effects of		
	Tax losses utilised	-	(165,560)
	Other tax adjustments	9,584	-
		<u>9,584</u>	<u>(165,560)</u>
	Current tax charge	-	-
		<u>-</u>	<u>-</u>

The company has estimated losses of £ 45,207 (2008 - £ 10,980) available for carry forward against future trading profits

6	Tangible fixed assets	Investment properties £
	Cost or valuation	
	At 1 June 2008 & at 31 May 2009	103,650,000
		<u>103,650,000</u>

The investment property comprises a freehold property. The original cost of the property was £94,843,116 (2008 £94,843,116)

No provision for deferred taxation has been made in respect of the property held as an investment which is included in these financial statements at a valuation of £103,650,000 (2008 £103,650,000). It is estimated that if this property were to be sold at that valuation, the tax liability would amount to £Nil (2008 £Nil)

The investment property has been valued by the directors at open market value as at 31 May 2009. The property was valued at £110,000,000 by Savills Commercial Limited, Chartered Surveyors in March 2006.

# LLOYDS CHAMBERS PROPERTY LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2009

7	Debtors	2009 £	2008 £
	Other debtors	2	2
	Prepayments and accrued income	254,228	360,888
		<u>254,230</u>	<u>360,890</u>
	Amounts falling due after more than one year and included in the debtors above are		
		2009 £	2008 £
	Prepayments	<u>147,569</u>	<u>254,228</u>
8	Creditors: amounts falling due within one year	2009 £	2008 £
	Trade creditors	6,034	-
	Amounts owed to parent and fellow subsidiary undertakings	987,500	927,297
	Director's current accounts	30,355	-
	Accruals and deferred income	1,086,189	1,069,514
		<u>2,110,078</u>	<u>1,996,811</u>

# LLOYDS CHAMBERS PROPERTY LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2009

9 Creditors amounts falling due after more than one year	2009 £	2008 £
Other loans	92,888,883	93,074,583
<b>Analysis of loans</b>		
Wholly repayable within five years	93,876,383	94,001,880
Included in current liabilities	(987,500)	(927,297)
	92,888,883	93,074,583
<b>Loan maturity analysis</b>		
In more than one year but not more than two years	1,051,612	987,500
In more than two years but not more than five years	91,837,271	92,087,083

Other loans is comprised of a loan provided by an intermediate parent company, Brecon Properties UK Limited. The loan is financed by a third party bank loan to that group undertaking. The third party bank loan is secured by a fixed and floating charge over the assets of Lloyds Chambers Property Limited, including a specific charge over the company's investment property. Further security is provided by cross guarantees and charges over the assets of other group undertakings. The third party bank loan is repayable in October 2011. The effective rate of interest on the group loan is 7.25%.

10 Share capital	2009 £	2008 £
<b>Authorised</b>		
100 Ordinary shares of £1 each	100	100
<b>Allotted and called up</b>		
2 Ordinary shares of £1 each	2	2

11 Statement of movements on reserves	Revaluation reserve £	Profit and loss account £
Balance at 1 June 2008	8,806,884	132,610
Loss for the year	-	(34,227)
Balance at 31 May 2009	8,806,884	98,383

# LLOYDS CHAMBERS PROPERTY LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2009

<b>12 Reconciliation of movements in shareholders' funds</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
(Loss)/Profit for the financial year	(34,227)	558,005
Other recognised gains and losses	-	(6,350,000)
Net depletion in shareholders' funds	(34,227)	(5,791,995)
Opening shareholders' funds	8,939,496	14,731,491
Closing shareholders' funds	8,905,269	8,939,496

<b>13 Directors' emoluments</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Emoluments for qualifying services	180,000	-

## 14 Employees

### Number of employees

The average monthly number of employees (including directors) during the year was

	<b>2009</b>	<b>2008</b>
	<b>Number</b>	<b>Number</b>
Directors	1	2

### Employment costs

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Wages and salaries	180,000	-

## 15 Ultimate parent company

The ultimate parent company is Brecon Properties Limited, a company registered in the Isle of Man