

Company Registration No 299128 (England and Wales)

THE LCH GROUP PLC
ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2011



THE LCH GROUP PLC

DIRECTORS AND ADVISERS

Directors

Mr B M Slavin
Mrs J Slavin
Mr J H Zamet
Mrs S Zamet
Mr S B Zamet
Mr P S Slavin

Secretary

Mr B M Slavin

Company number

299128

Registered office

38 Warren Street
London
W1T 6AE

Auditor

Montpelier Audit Limited
Chartered Accountants
58-60 Berners Street
London
W1T 3JS

Bankers

Lloyds TSB Bank PLC
35 Whitechapel High Street
London
E1 7PH

THE LCH GROUP PLC

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THE LCH GROUP PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2011

The directors present their report and financial statements for the year ended 31 March 2011

Principal activities and review of the business

The principal activity of the company is that of a Holding Company and of the subsidiaries is that of commercial property development and investment

Fair review of the group

The directors are not aware at the date of this report of any major changes in the group's activities in the next financial year

Principal risks and uncertainties

Competitive pressure in the commercial property market is a continuing risk for the group. The group manages this risk by providing added value services to its tenants by having fast response times in handling all tenants' queries and by maintaining strong relationship with tenants

The directors recognise that the property market has faced an unprecedented downturn. The directors believe that the Group's property portfolio is fundamentally attractive and able to perform resiliently in the current environment and is well placed to benefit from the future recovery in economic conditions

Financial instruments

The group's principal financial instruments comprise of bank balances, trade creditors, trade debtors and loans. The main purpose of these instruments is to raise funds to finance the group's operations

The group's approach to managing risks applicable to the financial instruments concerned is shown below

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and the efficient use of surplus funds available within the group

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due. Trade debtors in respect of credit and cash flow are managed by regular monitoring of amounts outstanding for credit limits

In respect of loans, these comprise loans from bank and mortgage lenders. The interest rates on loans amounting to £12,000,000 are fixed and the rates on loans amounting to £17,549,422 are variable. The group manages the liquidity risk by ensuring there are sufficient funds to meet interest payments

The key performance indicators are	2011	2010
Property investment - interest cover	2	2
Gross profit margin	85%	93%
Working capital ratio	0.101	0.062

During the year some of the properties were refurbished resulting in additional costs spent bringing the gross profit margin down

Position of the group at year end

The results for the year and the financial position at the year end of the group were considered satisfactory by the directors who expect continued growth in the foreseeable future

The group's balance sheet on page 9 shows that the financial position at the year end is, in both net assets and cash terms, consistent with the previous year

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DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

Results and dividends

The consolidated profit and loss account for the year is set out on page 7

The directors do not recommend payment of an ordinary dividend

Market value of land and buildings

In the opinion of the directors the market value of investment properties of £44,327,478 exceeds the current net book value by £12,174,672

Future developments

The directors continue to actively look for new investment opportunities to make significant contributions to the growth of the group. The directors regard these as a prerequisite for success in the long term

Directors

The following directors have held office since 1 April 2010

Mr B M Slavin
Mrs J Slavin
Mr J H Zamet
Mrs S Zamet
Mr S B Zamet
Mr P S Slavin

Directors' interests

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

THE LCH GROUP PLC

	Ordinary A shares of £1 each	
	31 March 2011	1 April 2010
Mr B M Slavin	-	-
Mrs J Slavin	-	-
Mr J H Zamet	6,879	6,879
Mrs S Zamet	6,871	6,871
Mr S B Zamet	2,986	2,986
Mr P S Slavin	-	-

	Ordinary B shares of £1 each	
	31 March 2011	1 April 2010
Mr B M Slavin	6,879	6,879
Mrs J Slavin	6,871	6,871
Mr J H Zamet	-	-
Mrs S Zamet	-	-
Mr S B Zamet	-	-
Mr P S Slavin	1,992	1,992

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DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

Donations

	2011	2010
	£	£
During the year the group made the following payments		
Charitable donations	10,000	10,000

Donations were paid for general charitable purposes with an emphasis on the furtherance of education

Creditor payment policy

The company does not follow any specified code or standard on accounting practice. However, it is the company's policy to negotiate terms with its suppliers and to ensure that they are aware of the terms of payment when business is agreed. It is the company's policy to abide by these terms.

Auditor

In accordance with section 489 of the Companies Act 2006, a resolution proposing that the auditor, Montpelier Audit Limited, be reappointed as auditor to the company will be put to the Annual General Meeting.

Statement of directors' responsibilities

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 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 group and of the profit or loss of the group 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 group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE LCH GROUP PLC

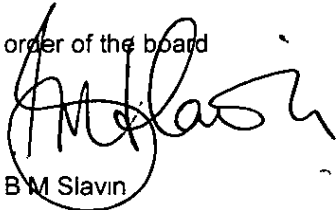
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors 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 group's auditors are aware of that information.

By order of the board

A handwritten signature in black ink, appearing to read 'B M Slavin', is written over a circular stamp or seal.

Mr B M Slavin
Secretary

14 September 2011

THE LCH GROUP PLC

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE LCH GROUP PLC

We have audited the group and parent company financial statements (the "financial statements") of THE LCH GROUP PLC for the year ended 31 March 2011 set out on pages 7 to 25. 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 Directors' Responsibilities Statement set out on pages 1 - 4, 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 and express an opinion on 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 is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2011 and of the group's 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 matter 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.

THE LCH GROUP PLC

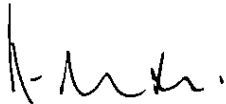
INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE LCH GROUP PLC

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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



Howard Reuben FCA (Senior Statutory Auditor)
for and on behalf of Montpelier Audit Limited

14 September 2011

Chartered Accountants
Statutory Auditor

Chartered Accountants
58-60 Berners Street
London
W1T 3JS

THE LCH GROUP PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2011

	Notes	2011 £	2010 £
Turnover	2	2,798,801	2,992,041
Cost of sales		<u>(437,784)</u>	<u>(203,775)</u>
Gross profit		2,361,017	2,788,266
Administrative expenses		<u>(1,489,794)</u>	<u>(1,183,948)</u>
Operating profit	3	871,223	1,604,318
Other interest receivable and similar income		48,316	39,337
Interest payable and similar charges	4	<u>(1,251,218)</u>	<u>(1,428,605)</u>
(Loss)/profit on ordinary activities before taxation		(331,679)	215,050
Tax on (loss)/profit on ordinary activities	5	-	(24,252)
(Loss)/profit on ordinary activities after taxation		<u><u>(331,679)</u></u>	<u><u>190,798</u></u>

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

THE LCH GROUP PLC

STATEMENT OF RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 MARCH 2011

	2011 £	2010 £
(Loss)/profit for the financial year	(331,679)	190,798
Unrealised surplus on revaluation of properties	<u>4,243,677</u>	<u>-</u>
Total recognised gains and losses relating to the year	<u><u>3,911,998</u></u>	<u><u>190,798</u></u>

THE LCH GROUP PLC

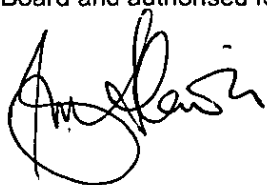
BALANCE SHEETS

AS AT 31 MARCH 2011

	Notes	Group 2011 £	2010 £	Company 2011 £	2010 £
Fixed assets					
Tangible assets	7 and 8	44,421,624	39,272,435	93,360	80,131
Investments	9	-	-	13,206	13,206
		<u>44,421,624</u>	<u>39,272,435</u>	<u>106,566</u>	<u>93,337</u>
Current assets					
Debtors	10	1,424,610	1,079,048	2,728,746	2,615,501
Tenants' deposits		803,525	692,167	-	-
Cash at bank and in hand		5,324,271	3,059,392	67,551	127,890
		<u>7,552,406</u>	<u>4,830,607</u>	<u>2,796,297</u>	<u>2,743,391</u>
Creditors amounts falling due within one year	11	(2,309,939)	(2,103,464)	(378,794)	(371,655)
Net current assets		<u>5,242,467</u>	<u>2,727,143</u>	<u>2,417,503</u>	<u>2,371,736</u>
Total assets less current liabilities		<u>49,664,091</u>	<u>41,999,578</u>	<u>2,524,069</u>	<u>2,465,073</u>
Creditors amounts falling due after more than one year	12	(29,549,422)	(25,796,907)	-	-
		<u>20,114,669</u>	<u>16,202,671</u>	<u>2,524,069</u>	<u>2,465,073</u>
Capital and reserves					
Called up share capital	14	50,000	60,000	50,000	50,000
Share premium account	15	418,612	418,612	418,612	418,612
Revaluation reserve	15	12,174,672	7,930,995	-	-
Profit and loss account	15	7,471,385	7,803,064	2,055,457	1,996,461
Shareholders' funds	16	<u>20,114,669</u>	<u>16,202,671</u>	<u>2,524,069</u>	<u>2,465,073</u>

Approved by the Board and authorised for issue on 14 September 2011

Mr B M Slavin
Director



Mr S B Zamet
Director



Company Registration No 299128

THE LCH GROUP PLC

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2011

	£	2011 £	£	2010 £
Net cash inflow from operating activities		674,547		1,540,781
Returns on investments and servicing of finance				
Interest received	48,316		39,337	
Interest paid	(1,251,218)		(1,428,605)	
Net cash outflow for returns on investments and servicing of finance		(1,202,902)		(1,389,268)
Taxation		(24,252)		-
Capital expenditure				
Payments to acquire tangible assets	(937,028)		(47,385)	
Receipts from sales of tangible assets	1,999		3,266	
Net cash outflow for capital expenditure		(935,029)		(44,119)
Net cash (outflow)/inflow before management of liquid resources and financing		(1,487,636)		107,394
Financing				
New long term bank loan	9,400,000		4,100,000	
Other new long term loans	2,515		2,542	
Repayment of long term bank loan	(5,650,000)		(3,250,000)	
Repayment of other long term loans	-		(500,000)	
Net cash inflow from financing		3,752,515		352,542
Increase in cash in the year		2,264,879		459,936

THE LCH GROUP PLC

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

1	Reconciliation of operating profit to net cash inflow from operating activities	2011	2010
		£	£
	Operating profit	871,223	1,604,318
	Depreciation of tangible assets	29,251	25,301
	Loss/(Profit) on disposal of tangible assets	266	(659)
	(Increase)/decrease in debtors	(456,920)	42,072
	Increase/(decrease) in creditors within one year	230,727	(130,251)
	Net cash inflow from operating activities	674,547	1,540,781

2	Analysis of net debt	1 April 2010	Cash flow	Other non- cash changes	31 March 2011
		£	£	£	£
	Net cash				
	Cash at bank and in hand	3,059,392	2,264,879	-	5,324,271
		<u>3,059,392</u>	<u>2,264,879</u>	<u>-</u>	<u>5,324,271</u>
	Debts falling due after one year	(25,796,907)	(3,752,515)	-	(29,549,422)
		<u>(25,796,907)</u>	<u>(3,752,515)</u>	<u>-</u>	<u>(29,549,422)</u>
	Net debt	(22,737,515)	(1,487,636)	-	(24,225,151)

3	Reconciliation of net cash flow to movement in net debt	2011	2010
		£	£
	Increase in cash in the year	2,264,879	459,936
	Cash inflow from increase in debt	(3,752,515)	(352,542)
	Movement in net debt in the year	(1,487,636)	107,394
	Opening net debt	(22,737,515)	(22,844,909)
	Closing net debt	(24,225,151)	(22,737,515)

THE LCH GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of investment properties

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 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the parent company and its subsidiary undertakings made up to 31 March 2011. Intra-group sales and profits are eliminated fully on consolidation. No profit and loss account is presented for The LCH Group plc as permitted by section 408 of the Companies Act 2006.

1.4 Turnover

Turnover represents amounts receivable for rent and service charges net of vat

1.5 Tangible fixed assets and depreciation

Tangible fixed assets include investment properties professionally valued by the directors on an existing use open market value basis. Other tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	33 33% on a reducing balance basis
Motor vehicles	33 33% on a reducing balance basis

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 directors 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.

1.6 Leasing

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

1.7 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

1 Accounting policies (continued)

1.8 Pensions

The Group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.9 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

No provision has been made for deferred tax on gains recognised on revaluing properties to market values as the group does not intend to sell the revalued assets.

2 Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit	2011 £	2010 £
Operating profit is stated after charging		
Depreciation of tangible assets	29,251	25,301
Loss on disposal of tangible assets	266	-
Operating lease rentals		
- Plant and machinery	5,176	4,646
and after crediting		
Profit on disposal of tangible assets	-	(659)

Auditors' remuneration

Fees payable to the group's auditor for the audit of the group's annual accounts (company £30,000, 2010 £30,000)	53,140	53,116
Fees payable to the company's auditor and its associates for other services to the group		
Taxation services	-	4,500
Other services	476	472
	<u>53,616</u>	<u>58,088</u>

THE LCH GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

4	Interest payable	2011	2010
		£	£
	On other loans wholly repayable within five years	136,782	224,608
	On loans repayable after five years	1,114,436	1,203,997
		<u>1,251,218</u>	<u>1,428,605</u>
5	Taxation	2011	2010
		£	£
	Domestic current year tax		
	U K corporation tax	-	24,252
		<u>-</u>	<u>24,252</u>
	Current tax charge	<u>-</u>	<u>24,252</u>
	Factors affecting the tax charge for the year		
	(Loss)/profit on ordinary activities before taxation	(331,679)	215,050
		<u>(331,679)</u>	<u>215,050</u>
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2010 - 21.00%)	(69,653)	45,161
		<u>(69,653)</u>	<u>45,161</u>
	Effects of		
	Non deductible expenses	4,127	4,434
	Depreciation add back	6,142	5,313
	Capital allowances	(8,978)	(9,615)
	Tax losses utilised	-	(21,041)
	Other tax adjustments	68,362	-
		<u>69,653</u>	<u>(20,909)</u>
		<u>-</u>	<u>24,252</u>
	Current tax charge	<u>-</u>	<u>24,252</u>

If provision were to be made for deferred taxation on the basis of the full potential liability, the tax charge for the year would decrease/(increase) by £ 74 (2010 - (£ 2,127))

THE LCH GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

6 Profit for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows:

	2011 £	2010 £
Holding company's profit for the financial year	<u>58,996</u>	<u>79,253</u>

THE LCH GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

7 Tangible fixed assets

Group

	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation			
At 1 April 2010	183,018	112,005	295,023
Additions	6,352	38,000	44,352
Disposals	(79,463)	(30,365)	(109,828)
	<u>109,907</u>	<u>119,640</u>	<u>229,547</u>
At 31 March 2011			
Depreciation			
At 1 April 2010	139,998	73,715	213,713
On disposals	(79,048)	(28,515)	(107,563)
Charge for the year	15,506	13,745	29,251
	<u>76,456</u>	<u>58,945</u>	<u>135,401</u>
At 31 March 2011			
Net book value			
At 31 March 2011	<u>33,451</u>	<u>60,695</u>	<u>94,146</u>
At 31 March 2010	<u>43,020</u>	<u>38,290</u>	<u>81,310</u>

THE LCH GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

Tangible fixed assets (continued)

Company

	Plant and machinery £	Motor vehicles £	Total £
Cost			
At 1 April 2010	174,896	112,005	286,901
Additions	6,352	38,000	44,352
Disposals	(79,463)	(30,365)	(109,828)
At 31 March 2011	101,785	119,640	221,425
Depreciation			
At 1 April 2010	133,055	73,715	206,770
On disposals	(79,048)	(28,515)	(107,563)
Charge for the year	15,113	13,745	28,858
At 31 March 2011	69,120	58,945	128,065
Net book value			
At 31 March 2011	32,665	60,695	93,360

8 Tangible fixed assets Investment properties

	Group £	Company £
Cost or valuation		
At 1 April 2010	39,191,125	-
Additions	892,676	-
Revaluation	4,243,677	-
At 31 March 2011	44,327,478	-

The valuations of investment properties were made at 31 March 2011 by the group's directors with the benefit of professional advice from Allsop Property Consultants on 25 June 2010 and Savills in May 2011. No depreciation is provided in respect of these properties.

On an historical cost basis these would have been included at an original cost of £32,152,806 (2010 - £31,260,130).

Freehold investment properties are subject to fixed charges in favour of the group's bankers.

If the investment properties were sold at the values shown in the financial statements as at the balance sheet date, the group would have an estimated tax liability of £1,598,805.

THE LCH GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

9 Fixed asset investments

Company

	Shares in group undertakings £
Cost	
At 1 April 2010 & at 31 March 2011	13,206
Net book value	
At 31 March 2011	13,206
At 31 March 2010	13,206

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Castlebrow Limited	England & Wales	Ordinary	100
LCH Construction Limited	England & Wales	Ordinary	100
LCH Properties Limited	England & Wales	Ordinary	100
British Hangers Limited	England & Wales	Ordinary	100

The principal activity of these undertakings for the last relevant financial year was as follows

	Principal activity
Castlebrow Limited	Property investment
LCH Construction Limited	Property investment
LCH Properties Limited	Property investment
British Hangers Limited	Non-trading

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

10 Debtors

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	860,977	585,141	-	-
Amounts owed by group undertakings	-	-	2,266,430	2,217,873
Other debtors	408,957	379,163	408,879	379,085
Prepayments and accrued income	154,676	114,744	53,437	18,543
	<u>1,424,610</u>	<u>1,079,048</u>	<u>2,728,746</u>	<u>2,615,501</u>

Amounts falling due after more than one year and included in the debtors above are

	2011	2010	2011	2010
	£	£	£	£
Other debtors	<u>370,344</u>	<u>370,344</u>	<u>370,344</u>	<u>370,344</u>

11 Creditors amounts falling due within one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Tenants' deposits	803,525	692,167	-	-
Trade creditors	103,817	76,351	47,342	9,534
Amounts owed to group undertakings	-	-	159,239	159,239
Corporation tax	-	24,252	-	-
Taxes and social security costs	266,531	255,926	129,652	161,707
Directors current accounts	-	61	-	61
Accruals and deferred income	1,136,066	1,054,707	42,561	41,114
	<u>2,309,939</u>	<u>2,103,464</u>	<u>378,794</u>	<u>371,655</u>

THE LCH GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

12 Creditors amounts falling due after more than one year

	Group 2011 £	2010 £	Company 2011 £	2010 £
Bank loans	28,535,000	24,785,000	-	-
Other loans	1,014,422	1,011,907	-	-
	<u>29,549,422</u>	<u>25,796,907</u>	<u>-</u>	<u>-</u>
Analysis of loans				
Not wholly repayable within five years otherwise than by instalments	25,464,422	20,900,000		
Wholly repayable within five years	4,085,000	4,896,907	-	-
	<u>29,549,422</u>	<u>25,796,907</u>	<u>-</u>	<u>-</u>
	<u>29,549,422</u>	<u>25,796,907</u>	<u>-</u>	<u>-</u>
Loan maturity analysis				
In more than one year but not more than two years	-	1,011,907	-	-
In more than two years but not more than five years	4,085,000	3,885,000	-	-
In more than five years	25,464,422	20,900,000	-	-
	<u>29,549,422</u>	<u>25,796,907</u>	<u>-</u>	<u>-</u>

As at 31 March 2011, loans amounting to £29,549,422 (2010 - £25,796,907) were secured by way of fixed charges on the group's investment properties

Interest is charged on bank loans of £24,450,000 repayable after five years at varying rates with a weighted average of 4% per annum and £1,014,422 of loan is charged at 1% above LIBOR. Loan facilities amounting to £28,535,000 expire on 30 November 2017 and loan facility amounting to £1,014,422 expires on 31 May 2016.

13 Pension and other post-retirement benefit commitments

Defined contribution

	2011 £	2010 £
Contributions payable by the group for the year	<u>48,116</u>	<u>47,957</u>

THE LCH GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

14 Share capital	2011 £	2010 £
Allotted, called up and fully paid		
50,000 ordinary A and B shares of £1 each	<u>50,000</u>	<u>50,000</u>

The A and B shares carry the same voting rights, right to dividends and priority to amounts receivable on winding up

15 Statement of movements on reserves Group

	Share premium account £	Revaluation reserve £	Profit and loss account £
Balance at 1 April 2010	418,612	7,930,995	7,803,064
Loss for the year	-	-	(331,679)
Revaluation during the year	-	4,243,677	-
Balance at 31 March 2011	<u>418,612</u>	<u>12,174,672</u>	<u>7,471,385</u>

Company

	Share premium account £	Profit and loss account £
Balance at 1 April 2010	418,612	1,996,461
Profit for the year	-	58,996
Balance at 31 March 2011	<u>418,612</u>	<u>2,055,457</u>

THE LCH GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

16 Reconciliation of movements in shareholders' funds	2011	2010
	£	£
Group		
(Loss)/Profit for the financial year	(331,679)	190,798
Other recognised gains and losses	4,243,677	-
	<u>3,911,998</u>	<u>190,798</u>
Net addition to shareholders' funds	3,911,998	190,798
Opening shareholders' funds	16,202,671	16,011,873
	<u>20,114,669</u>	<u>16,202,671</u>
Closing shareholders' funds		
	<u>20,114,669</u>	<u>16,202,671</u>
	2011	2010
	£	£
Company		
Profit for the financial year	58,996	79,253
Opening shareholders' funds	2,465,073	2,385,820
	<u>2,524,069</u>	<u>2,465,073</u>
Closing shareholders' funds		
	<u>2,524,069</u>	<u>2,465,073</u>

17 Contingent liabilities

Group

The company is a joint guarantor of all monies and liabilities due by group undertakings to Lloyds TSB Bank Plc. The bank also holds a legal charge over most of the group's assets.

Company

The company has provided an omnibus guarantee and letters of set-off to Lloyds TSB Bank Plc covering the bank balances between the company, Castlebrow Limited and LCH Properties Limited (both of which are wholly owned subsidiaries). As at 31 March 2011, Castlebrow Limited and LCH Properties Limited had overdrawn bank balances of £4,085,000 and £24,450,000 respectively.

THE LCH GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

18 Financial commitments

At 31 March 2011 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2011	2010	2011	2010
	£	£	£	£
Expiry date				
Between two and five years	52,200	52,200	5,075	-

At 31 March 2011 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2011	2010	2011	2010
	£	£	£	£
Expiry date				
Between two and five years	52,200	52,200	5,075	-

19 Directors' remuneration

	2011	2010
	£	£
Remuneration for qualifying services	792,392	532,426
Company pension contributions to defined contribution schemes	40,000	40,000
	<u>832,392</u>	<u>572,426</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2010 - 2)

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

Remuneration for qualifying services	<u>363,357</u>	<u>212,130</u>
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THE LCH GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

20 Employees

Number of employees

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

	2011 Number	2010 Number
Management	6	6
Administration	11	10
	<u>17</u>	<u>16</u>

Employment costs

	2011 £	2010 £
Wages and salaries	1,044,699	766,019
Social security costs	127,026	92,182
Other pension costs	48,116	47,957
	<u>1,219,841</u>	<u>906,158</u>

21 Control

The company is not controlled by any single individual

THE LCH GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

22 Related party relationships and transactions

Advances and credits to directors

Advances and credits granted to the directors during the year are outlined in the table below

	% Rate	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
Mr B M Slavin	-	-	149,823	-	(149,823)	-
Mr J H Zamet	-	69	106,069	-	(105,598)	540
		<u>69</u>	<u>255,892</u>	<u>-</u>	<u>(255,421)</u>	<u>540</u>

Company

During the year the company advanced £405,264 (2010 - £967,213) and received £375,776 (2010 - £975,504) from The LCH Group Plc Pension Fund. At the balance sheet date the company was owed £31,269 (2010 - £1,781) by The LCH Group Plc Pension Fund.

The advances were wholly administration expenses paid on behalf of the Pension Fund and reimbursed immediately to The LCH Group on receipt of funds from the pension trustees. The advances were interest free and repayable on demand.