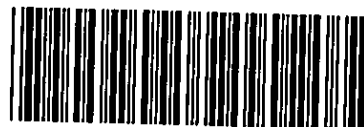


Company Registration No 299128 (England and Wales)

THE LCH GROUP PLC
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

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THE LCH GROUP PLC

COMPANY INFORMATION

Directors

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

Secretary

Mr B M Slavin

Company number

299128

Registered office

4th Floor, Evelyn House
142-144 New Cavendish Street
London
W1W 6YF

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 2013

The directors present their report and financial statements for the year ended 31 March 2013

Principal activities and review of the business

The principal activity of the company continued to be that of a holding company providing group administration services

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

Principal risks and uncertainties

The company's principal income is derived from management fees from its subsidiaries. The subsidiaries' income consist of rental income from commercial property letting. The directors believe the subsidiaries' property portfolios are fundamentally sound and well placed to benefit from the future recovery in economic conditions

Financial instruments

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

The company'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 company

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due

Results and dividends

The results for the year are set out on page 6

The directors do not recommend payment of an ordinary dividend

Future developments

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

Directors

The following directors have held office since 1 April 2012

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

THE LCH GROUP PLC

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2013

Directors' interests

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

	Ordinary A shares of £1 each	
	31 March 2013	1 April 2012
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 2013	1 April 2012
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

Charitable donations	2013	2012
	£	£

During the year the company made the following payments

Charitable donations	10,000	10,000
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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 and practice to abide by these terms.

Auditors

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.

THE LCH GROUP PLC

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2013

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 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

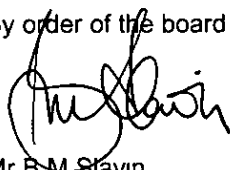
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



Mr B M Stavin

Secretary

23 September 2013

THE LCH GROUP PLC

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE LCH GROUP PLC

We have audited the financial statements of THE LCH GROUP PLC for the year ended 31 March 2013 set out on pages 6 to 19. 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 - 3, 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 Directors' 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 company's affairs as at 31 March 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

23 September 2013

Chartered Accountants
Statutory Auditor

58-60 Berners Street
London
W1T 3JS

THE LCH GROUP PLC

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2013

	Notes	2013 £	2012 £
Turnover	2	1,100,000	825,000
Administrative expenses		(1,101,868)	(1,371,277)
Operating loss	3	(1,868)	(546,277)
Compensation paid on claims against former subsidiary		-	(26,577)
Loss on ordinary activities before interest		(1,868)	(572,854)
Investment income	4	-	600,000
Other interest receivable and similar income	4	9,517	17,607
Profit on ordinary activities before taxation		7,649	44,753
Tax on profit on ordinary activities	5	-	-
Profit for the year	12	7,649	44,753

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

There are no recognised gains and losses other than those passing through the profit and loss account

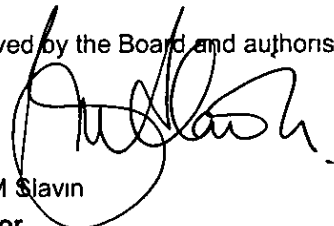
THE LCH GROUP PLC

BALANCE SHEET

AS AT 31 MARCH 2013

	Notes	2013 £	£	2012 £	£
Fixed assets					
Tangible assets	6		61,646		63,823
Investments	7		13,206		13,206
			<u>74,852</u>		<u>77,029</u>
Current assets					
Debtors	8	2,725,390		2,839,705	
Cash at bank and in hand		<u>68,406</u>		<u>91,692</u>	
		2,793,796		2,931,397	
Creditors amounts falling due within one year	9	<u>(292,177)</u>		<u>(439,604)</u>	
Net current assets			<u>2,501,619</u>		<u>2,491,793</u>
Total assets less current liabilities			<u><u>2,576,471</u></u>		<u><u>2,568,822</u></u>
Capital and reserves					
Called up share capital	11		50,000		50,000
Share premium account	12		418,612		418,612
Profit and loss account	12		<u>2,107,859</u>		<u>2,100,210</u>
Shareholders' funds	13		<u><u>2,576,471</u></u>		<u><u>2,568,822</u></u>

Approved by the Board and authorised for issue on 23 September 2013


Mr B M Slavin
Director

Company Registration No 299128

THE LCH GROUP PLC

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2013

	£	2013 £	£	2012 £
Net cash outflow from operating activities		(2,596)		(565,061)
Returns on investments and servicing of finance				
Interest received	9,517		17,607	
Dividends received	-		600,000	
Net cash inflow for returns on investments and servicing of finance		9,517		617,607
Capital expenditure				
Payments to acquire tangible assets	(30,258)		(2,414)	
Receipts from sales of tangible assets	51		586	
Net cash outflow for capital expenditure		(30,207)		(1,828)
Acquisitions and disposals				
Compensation paid on claims against former subsidiary	-		(26,577)	
Net cash outflow for acquisitions and disposals		-		(26,577)
Net cash (outflow)/inflow before management of liquid resources and financing		(23,286)		24,141
(Decrease)/increase in cash in the year		(23,286)		24,141

THE LCH GROUP PLC

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

1	Reconciliation of operating loss to net cash outflow from operating activities	2013 £	2012 £
	Operating loss	(1,868)	(546,277)
	Depreciation of tangible assets	22,486	31,365
	Loss on disposal of tangible assets	9,898	-
	Decrease/(increase) in debtors	114,315	(110,959)
	(Decrease)/Increase in creditors within one year	(147,427)	60,810
	Net cash outflow from operating activities	(2,596)	(565,061)

2	Analysis of net funds	1 April 2012 £	Cash flow £	Other non-cash changes £	31 March 2013 £
	Net cash				
	Cash at bank and in hand	91,692	(23,286)	-	68,406
	Bank deposits	-	-	-	-
	Net funds	91,692	(23,286)	-	68,406

3	Reconciliation of net cash flow to movement in net funds	2013 £	2012 £
	(Decrease)/increase in cash in the year	(23,286)	24,141
	Movement in net funds in the year	(23,286)	24,141
	Opening net funds	91,692	67,551
	Closing net funds	68,406	91,692

THE LCH GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

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 represents management fees receivable net of VAT and trade discounts

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

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

1.5 Leasing

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

1.6 Investments

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

1.7 Pensions

The company 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

1.8 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 according to the requirements of FRS 19. The deferred tax balance has not been discounted

2 Turnover

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

THE LCH GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

3	Operating loss	2013	2012
		£	£
	Operating loss is stated after charging		
	Depreciation of tangible assets	22,486	31,365
	Loss on disposal of tangible assets	9,898	-
	Operating lease rentals		
	- Plant and machinery	5,075	5,075
	- Other assets	48,278	52,200
		<u> </u>	<u> </u>
Auditors' remuneration			
	Fees payable to the company's auditor for the audit of the company's annual accounts	34,000	32,000
	Other services	191	89
		<u> </u>	<u> </u>
		34,191	32,089
		<u> </u>	<u> </u>
4	Investment income	2013	2012
		£	£
	Income from shares in group undertakings	-	600,000
		<u> </u>	<u> </u>

THE LCH GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

5	Taxation	2013	2012
	Current tax charge	-	-
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	7,649	44,753
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.00% (2012 - 20.00%)	1,836	8,951
	Effects of		
	Non deductible expenses	5,145	9,410
	Depreciation add back	5,397	6,273
	Capital allowances	(6,187)	(2,435)
	Tax losses utilised	(6,191)	97,801
	Dividends and distributions received	-	(120,000)
		(1,836)	(8,951)

The company has not made any provision for deferred taxation

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 by £ 1,321 (2012 - £ 3,954)

The company has estimated losses of £ 1,362,189 (2012 - £ 1,387,980) available for carry forward against future trading profits

THE LCH GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2013

6 Tangible fixed assets

	Plant and machinery & equipment £	Motor vehicles £	Total £
Cost			
At 1 April 2012	104,199	88,117	192,316
Additions	17,758	12,500	30,258
Disposals	(44,920)	(12,400)	(57,320)
	<u>77,037</u>	<u>88,217</u>	<u>165,254</u>
At 31 March 2013			
Depreciation			
At 1 April 2012	80,401	48,092	128,493
On disposals	(34,998)	(12,373)	(47,371)
Charge for the year	6,724	15,762	22,486
	<u>52,127</u>	<u>51,481</u>	<u>103,608</u>
At 31 March 2013			
Net book value			
At 31 March 2013	<u>24,910</u>	<u>36,736</u>	<u>61,646</u>
At 31 March 2012	<u>23,798</u>	<u>40,025</u>	<u>63,823</u>

THE LCH GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

7 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 April 2012 & at 31 March 2013	13,206
Net book value	
At 31 March 2013	13,206
At 31 March 2012	13,206

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	Class	Shares held %
Subsidiary undertakings			
Castlebrow Limited	England & Wales	Ordinary	100 00
LCH Construction Limited	England & Wales	Ordinary	100 00
LCH Properties Limited	England & Wales	Ordinary	100 00
British Hangers Limited	England & Wales	Ordinary	100 00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

		Capital and reserves 2013 £	Profit/(loss) for the year 2013 £
	Principal activity		
Castlebrow Limited	Property investment	4,602,536	249,978
LCH Construction Limited	Property investment	2,215,025	141,138
LCH Properties Limited	Property investment	12,780,831	(466,992)
British Hangers Limited	Non-trading	90,709	-

Castlebrow Limited and LCH Construction Limited are wholly owned subsidiaries of LCH Properties Limited

THE LCH GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2013

8 Debtors	2013 £	2012 £
Amounts owed by subsidiary undertakings	2,467,838	2,524,006
Other debtors	213,935	258,483
Prepayments and accrued income	43,617	57,216
	<u>2,725,390</u>	<u>2,839,705</u>

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

	2013 £	2012 £
Other debtors	-	83,258
	<u>-</u>	<u>83,258</u>

9 Creditors amounts falling due within one year	2013 £	2012 £
Trade creditors	28,042	56,121
Amounts owed to subsidiary undertakings	159,239	210,998
Taxes and social security costs	55,823	131,086
Directors' current accounts	609	-
Accruals and deferred income	48,464	41,399
	<u>292,177</u>	<u>439,604</u>

10 Pension and other post-retirement benefit commitments Defined contribution

	2013 £	2012 £
Contributions payable by the company for the year	<u>44,646</u>	<u>184,993</u>

THE LCH GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2013

11 Share capital	2013 £	2012 £
Allotted, called up and fully paid		
25,000 Ordinary A shares of £1 each	25,000	25,000
25,000 Ordinary B shares of £1 each	25,000	25,000
	<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

12 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 April 2012	418,612	2,100,210
Profit for the year	-	7,649
	<u>418,612</u>	<u>2,107,859</u>
Balance at 31 March 2013		

13 Reconciliation of movements in shareholders' funds

	2013 £	2012 £
Profit for the financial year	7,649	44,753
Opening shareholders' funds	2,568,822	2,524,069
	<u>2,576,471</u>	<u>2,568,822</u>
Closing shareholders' funds		

14 Contingent liabilities

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 2013, Castlebrow Limited had no overdrawn balance and LCH Properties Limited had overdrawn bank balance of £25,272,708

THE LCH GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

15 Financial commitments

At 31 March 2013 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2014

	Land and buildings		Other	
	2013	2012	2013	2012
	£	£	£	£
Operating leases which expire				
Within one year	-	-	5,075	-
Between two and five years	31,500	52,200	-	5,075
	<u>31,500</u>	<u>52,200</u>	<u>5,075</u>	<u>5,075</u>

16 Directors' remuneration

	2013	2012
	£	£
Remuneration for qualifying services	413,635	439,903
Company pension contributions to defined contribution schemes	40,000	40,000
	<u>453,635</u>	<u>479,903</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2012 - 2)

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

Remuneration for qualifying services	<u>141,322</u>	<u>156,348</u>
--------------------------------------	----------------	----------------

THE LCH GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

17 Employees

Number of employees

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

	2013 Number	2012 Number
Management	6	6
Administration	10	12
	<u>16</u>	<u>18</u>

Employment costs

	2013 £	2012 £
Wages and salaries	688,209	801,319
Social security costs	85,078	94,079
Other pension costs	44,646	184,993
	<u>817,933</u>	<u>1,080,391</u>

18 Control

The company is not controlled by any single individual

THE LCH GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

19 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 J H Zamet	-	509	78,908	-	(79,728)	(311)
Mr B M Slavin	-	-	104,677	-	(104,875)	(198)
Mrs S Zamet	-	-	-	-	(100)	(100)
		<u>509</u>	<u>183,585</u>	<u>-</u>	<u>(184,703)</u>	<u>(609)</u>

Other transactions

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with any wholly owned subsidiary undertaking

During the year the company advanced £699,206 (2012 - £907,131) and received £641,672 (2012 - £900,752) from The LCH Group Plc Pension Fund. At the balance sheet date the company was owed £95,182 (2012 - £37,648) 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. The directors of the company are also the trustees of the Pension Fund.

During the year the company made charitable donations amounting to £5,000 each to The Josephine & Barry Slavin Charitable Foundation and The Deborah Louise Zamet Charitable Foundation. The directors Mr B M Slavin, Mrs J Slavin, Mr J H Zamet and Mrs S Zamet are trustees of the two charities.