

REGISTERED NUMBER: 806646 (England and Wales)

Report of the Directors and  
Audited Financial Statements for the Year Ended 31st December 2008  
for  
Love Lane Investments Ltd



Love Lane Investments Ltd

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for the Year Ended 31st December 2008

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Love Lane Investments Ltd  
Company Information  
for the Year Ended 31st December 2008

**DIRECTORS:**

Lord Borwick  
Ms J Craymer

**SECRETARY:**

Ms J Craymer

**REGISTERED OFFICE:**

1 Love Lane  
London  
EC2V 7JN

**REGISTERED NUMBER:**

806646 (England and Wales)

**AUDITORS:**

GRANT THORNTON UK LLP  
REGISTERED AUDITOR  
CHARTERED ACCOUNTANTS  
Grant Thornton House  
Melton Street  
London  
NW1 2EP

Love Lane Investments Ltd

Report of the Directors  
for the Year Ended 31st December 2008

The directors present their report with the financial statements of the company for the year ended 31st December 2008.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of property and investment holding.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1st January 2008 to the date of this report.

Lord Borwick  
Ms J Craymer

Other changes in directors holding office are as follows:

J Pawsey - resigned 17th September 2008

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing 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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

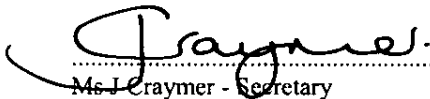
So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Grant Thornton UK LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

**BY ORDER OF THE BOARD:**

  
.....  
Ms J Craymer - Secretary

Date: 11<sup>th</sup> December 2009

Report of the Independent Auditor to the Members of  
Love Lane Investments Ltd

We have audited the financial statements of Love Lane Investments Ltd for the year ended 31st December 2008 which comprise pages four to twelve. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 a Report of the Auditors 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.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the directors report and financial statements in accordance with United Kingdom law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31st December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.



GRANT THORNTON UK LLP  
REGISTERED AUDITOR  
CHARTERED ACCOUNTANTS  
London

Date: 11<sup>th</sup> December 2009

Love Lane Investments Ltd

Profit and Loss Account  
for the Year Ended 31st December 2008

	Notes	2008 £	2007 £
<b>TURNOVER</b>		376,947	371,070
Administrative expenses		<u>294,655</u>	<u>540,348</u>
		82,292	(169,278)
Other operating income		<u>100</u>	<u>3,165</u>
<b>OPERATING LOSS</b>	3	82,392	(166,113)
Interest receivable and similar income		<u>1,677</u>	<u>4,140</u>
		84,069	(161,973)
Interest payable and similar charges		-	1
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		84,069	(161,974)
Tax on profit/(loss) on ordinary activities	4	<u>-</u>	<u>-</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u>84,069</u>	<u>(161,974)</u>

All transactions arise from continuing operations.

The notes form part of these financial statements

Love Lane Investments Ltd

Statement of Total Recognised Gains and Losses  
for the Year Ended 31st December 2008

	2008 £	2007 £
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	84,069	(161,974)
Revaluation	<u>(1,487,300)</u>	<u>625,000</u>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	<u>(1,403,231)</u>	<u>463,026</u>

The notes form part of these financial statements

Love Lane Investments Ltd

Balance Sheet  
31st December 2008

	Notes	2008 £	2007 £
<b>FIXED ASSETS</b>			
Tangible assets	5	2,301,121	3,928,785
Investments	6	<u>111,168</u>	<u>80,569</u>
		2,412,289	4,009,354
<b>CURRENT ASSETS</b>			
Debtors	7	1,130,056	852,669
Prepayments and accrued income		89,281	76,615
Cash at bank and in hand		<u>105,936</u>	<u>283,314</u>
		1,325,273	1,212,598
<b>CREDITORS</b>			
Amounts falling due within one year	8	<u>168,198</u>	<u>300,044</u>
<b>NET CURRENT ASSETS</b>		<u>1,157,075</u>	<u>912,554</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		3,569,364	4,921,908
<b>CREDITORS</b>			
Amounts falling due after more than one year	9	<u>3,677,237</u>	<u>3,637,237</u>
<b>NET (LIABILITIES)/ASSETS</b>		<u>(107,873)</u>	<u>1,284,671</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	6,250	6,250
Share premium	12	16,244	16,244
Revaluation reserve	12	36,764	1,515,271
Profit and loss account	12	<u>(167,131)</u>	<u>(253,094)</u>
<b>SHAREHOLDERS' DEFICIT/FUNDS</b>		<u>(107,873)</u>	<u>1,284,671</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved by the Board of Directors on 11<sup>th</sup> December 2009 and were signed on its behalf by:

.....  
Lord Borwick - Director

The notes form part of these financial statements



Love Lane Investments Ltd

Notes to the Financial Statements  
for the Year Ended 31st December 2008

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The company is a wholly owned subsidiary of Federated Investments LLP and the cash flows of the company are included in the consolidated cash flow statement of Federated Investments LLP. Consequently the company is exempt under the terms of FRS1 (revised) from publishing a cash flow statement.

**Exemption from preparing consolidated financial statements**

The financial statements contain information about Love Lane Investments Ltd as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 228 of the Companies Act 1985 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Federated Investments LLP, a company registered in England & Wales.

**Turnover**

Turnover represents net invoiced sales of services, excluding value added tax.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold properties	Straight line over the life of the lease
Fixtures, fittings and equipment	25% straight line

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

**Property Revaluation**

Individual freehold and leasehold properties are revalued every year with the surplus or deficit on book value being transferred to the revaluation reserve, except that a deficit which is in excess of any previously recognised surplus over depreciated cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account. A deficit which represents a clear consumption of economic benefits is charged to the profit and loss account regardless of any such previous surplus.

Where depreciation charges are increased following a revaluation, an amount equal to the increase is transferred annually from the revaluation reserve to the profit and loss account as a movement on reserves. On the disposal or recognition of a provision for impairment of a revalued fixed asset, any related balance remaining in the revaluation reserve is also transferred to the profit and loss account as a movement on reserves.

**Going Concern**

The financial statements have been prepared on a going concern basis. This assumes that the company continues to receive support from its parent undertaking, Federated Investments LLP. A letter of support has been received from the parent undertaking indicating that it will continue to provide financial support to the company for at least twelve months from the date of approval of these financial statements.

If the company were unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet values of assets to their recoverable amounts, to provide for further liabilities that might arise and to reclassify fixed assets and long term liabilities to current assets and current liabilities

Love Lane Investments Ltd

Notes to the Financial Statements - continued  
for the Year Ended 31st December 2008

1. **ACCOUNTING POLICIES - continued**

**Investments**

Fixed asset investments are stated at cost less provision for impairment.

2. **STAFF COSTS**

	2008	2007
	£	£
Wages and salaries	83,205	95,850
Social security costs	6,923	7,327
Other pension costs	<u>3,200</u>	<u>3,200</u>
	<u>93,328</u>	<u>106,377</u>

The average monthly number of employees during the year was as follows:

	2008	2007
Administration	<u>4</u>	<u>4</u>

3. **OPERATING LOSS**

The operating loss is stated after charging/(crediting):

	2008	2007
	£	£
Depreciation - owned assets	150,408	204,936
Profit on disposal of fixed assets	(213)	-
Auditors' remuneration	<u>7,862</u>	<u>6,958</u>
Directors' emoluments and other benefits etc	<u>28,765</u>	<u>33,200</u>

The directors propose that the company enter into a liability limitation agreement with Grant Thornton UK LLP, the statutory auditor, in respect of the statutory audit for the year ended 31 December 2008. The Proportionate liability agreement follows the standard terms in Appendix B to the Financial Reporting Council's June 2008 Guidance on Auditor Liability Agreements, and will be proposed for approval at the forthcoming Annual General Meeting

4. **TAXATION**

**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the year ended 31st December 2008 nor for the year ended 31st December 2007.

Love Lane Investments Ltd

Notes to the Financial Statements - continued  
for the Year Ended 31st December 2008

5. **TANGIBLE FIXED ASSETS**

	Land and buildings £	Plant and machinery etc £	Totals £
<b>COST OR VALUATION</b>			
At 1st January 2008	4,125,000	33,804	4,158,804
Disposals	-	(857)	(857)
Revaluations	<u>(1,476,613)</u>	<u>-</u>	<u>(1,476,613)</u>
At 31st December 2008	<u>2,648,387</u>	<u>32,947</u>	<u>2,681,334</u>
<b>DEPRECIATION</b>			
At 1st January 2008	200,000	30,019	230,019
Charge for year	148,387	2,021	150,408
Eliminated on disposal	<u>-</u>	<u>(214)</u>	<u>(214)</u>
At 31st December 2008	<u>348,387</u>	<u>31,826</u>	<u>380,213</u>
<b>NET BOOK VALUE</b>			
At 31st December 2008	<u>2,300,000</u>	<u>1,121</u>	<u>2,301,121</u>
At 31st December 2007	<u>3,925,000</u>	<u>3,785</u>	<u>3,928,785</u>

The Bankers, C.Hoare & Co, have a legal charge over the leasehold property together with a guarantee and indemnity from Love Lane Investments Limited for the security of Federated Investments LLP liabilities.

During the year the leasehold property was revalued to reflect its current market value. In the opinion of the directors, aided by independent property consultants (Messrs Strutt and Parker) , as at 31 December 2008 the valuation based on the property having one floor unlet (2007 fully let) £2,300,000 (2007 £3,925,000).

Cost or valuation at 31st December 2008 is represented by:

	Land and buildings £	Plant and machinery etc £	Totals £
Valuation in 2007	4,125,000	-	4,125,000
Valuation in 2008	(1,476,613)	-	(1,476,613)
Cost	<u>-</u>	<u>32,947</u>	<u>32,947</u>
	<u>2,648,387</u>	<u>32,947</u>	<u>2,681,334</u>

Love Lane Investments Ltd

Notes to the Financial Statements - continued  
for the Year Ended 31st December 2008

**6. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £	Unlisted investments £	Totals £
<b>COST</b>			
At 1st January 2008	2	80,567	80,569
Additions	-	30,600	30,600
Disposals	<u>(1)</u>	<u>-</u>	<u>(1)</u>
At 31st December 2008	<u>1</u>	<u>111,167</u>	<u>111,168</u>
<b>NET BOOK VALUE</b>			
At 31st December 2008	<u>1</u>	<u>111,167</u>	<u>111,168</u>
At 31st December 2007	<u>2</u>	<u>80,567</u>	<u>80,569</u>

The company's investments at the balance sheet date in the share capital of companies include the following:

**Federated Management Limited**

Country of incorporation: England & Wales

Nature of business: providing management and advisory services

	% holding
Class of shares:	
Ordinary	100.00

	2008 £	2007 £
Aggregate capital and reserves	(11,756)	(8,662)
Loss for the year	<u>(3,096)</u>	<u>(7,970)</u>

The company holds one ordinary share of £1 in Federated Management Limited.

Croucher and Croucher (Cheam) Ltd a dormant subsidiary which had an issued share capital of £1 and no reserves was dissolved on 2nd April 2008.

**Unlisted Investments**

During the year the company purchased 16 £0.10 Ordinary Shares in Incentivated Ltd a company registered in England for a consideration of £30,600. The principal activity of the company was that of advertising, software consultancy and supply. It is the opinion of the company that these are not valued at less than cost.

Included in the unlisted investments are two 'fine and rare mascots' which cost £11,621. It is the opinion of the directors that these are not valued at less than cost.

**7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2008 £	2007 £
Trade debtors	47,235	-
Amounts owed by group undertakings	1,081,562	851,562
Other debtors	<u>1,259</u>	<u>1,107</u>
	<u>1,130,056</u>	<u>852,669</u>

Trade debtors includes the sum of £32,500 due from Federated Trust Corporation Ltd, which is a partner in the immediate parent of the company, Federated Investments LLP.

Love Lane Investments Ltd

Notes to the Financial Statements - continued  
for the Year Ended 31st December 2008

8. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2008	2007
	£	£
Payments on account	75,388	77,039
Trade creditors	4,223	3,529
Taxation and social security	2,023	1,447
Other creditors	<u>86,564</u>	<u>218,029</u>
	<u>168,198</u>	<u>300,044</u>

9. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2008	2007
	£	£
Other creditors	<u>3,677,237</u>	<u>3,637,237</u>

This loan is due to Rutland Investments Limited, which is a partner in the immediate parent of the company, Federated Investments LLP. The loan is interest free and has no set repayment term. The loan is secured on the assets of the company.

10. **OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year:

	2008	2007
	£	£
Expiring:		
In more than five years	<u>40,000</u>	<u>40,000</u>

11. **CALLED UP SHARE CAPITAL**

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2008	2007
			£	£
6,250	Ordinary	1	<u>6,250</u>	<u>6,250</u>

12. **RESERVES**

	Profit and loss account £	Share premium £	Revaluation reserve £	Totals £
At 1st January 2008	(253,094)	16,244	1,515,271	1,278,421
Profit for the year	84,069	-	-	84,069
Revaluation of property	-	-	(1,476,613)	(1,476,613)
Other movements	<u>1,894</u>	<u>-</u>	<u>(1,894)</u>	<u>-</u>
At 31st December 2008	<u>(167,131)</u>	<u>16,244</u>	<u>36,764</u>	<u>(114,123)</u>

Other movements comprise the amount equal to the increased depreciation on the Property Revaluation which is transferred annually from the Revaluation Reserve Account to the Profit & Loss Account as a movement on reserves.

Love Lane Investments Ltd

Notes to the Financial Statements - continued  
for the Year Ended 31st December 2008

13. **ULTIMATE PARENT COMPANY**

The company's immediate and ultimate parent undertaking and controlling party is Federated Investments LLP, an entity registered and incorporated in England and Wales, whose annual report and financial statements may be obtained from the Designated Partner, Federated Investments LLP, 1 Love Lane, London EC2V 7JN.

It is also the parent undertaking of the largest and smallest group for which group accounts are prepared.

14. **RELATED PARTY DISCLOSURES**

	2008	2007
	£	£
Loan balance owed to related parties - Rutland Investments Limited	3,677,237	3,637,237
Rent paid to related parties - Rutland Investments Limited	40,000	40,000
Rent debtor due from related parties - Federated Trust Corporation Ltd	32,500	-
Rent received from related parties - Federated Trust Corporation Ltd	65,000	65,000

The company has taken advantage of the exemption in Financial Reporting Standard No. 8 "Related party disclosures" and has not disclosed transactions with group undertakings.

15. **COMMITMENTS AND CONTINGENCIES**

There are no other commitments or contingencies.