

Registered number
1235394

LR (Cardiff) Limited
Annual report and financial statements
for the year ended
30 September 2010

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LR (Cardiff) Limited
Annual report and financial statements for the year ended 30 September 2010
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LR (Cardiff) Limited
Company information for the year ended 30 September 2010

Directors

Mr R J Livingstone

Mr G A Springer

Company secretary

Mr R N Luck

Registered office

Quadrant House, Floor 6

4 Thomas More Square

London

E1W 1YW

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

1 Embankment Place

London

WC2N 6RH

Registered number

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LR (Cardiff) Limited

Directors' report for the year ended 30 September 2010

The directors present their report and the audited financial statements of the company for the year ended 30 September 2010

Principal activities

The company acts as a commercial property investment company. The directors consider the financial position at 30 September 2010 to be satisfactory.

Principal risks and uncertainties

The key business risks and uncertainties affecting the company are considered to relate to the fact that the company operates within a highly competitive market place. The directors of the group have reviewed the group's exposure to credit risk, liquidity risk and cashflow risk. These risks and uncertainties are discussed in the company's ultimate parent's group annual report which does not form part of this report.

Key performance indicators

The company is managed by the directors in accordance with the strategies of its ultimate parent company, Loopsign Limited. For this reason, the directors believe that key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business. These strategies and key performance indicators are discussed in the company's ultimate parent's group annual report which does not form part of this report.

Results and dividends

The results for the year are set out in the profit and loss account on page 6. The directors do not recommend the payment of a dividend (2009: £nil).

Director

The directors of the company who served during the year and up to the date of signing the financial statements were as follows:

Mr R J Livingstone
Mr G A Springer

Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of London & Regional Group Securitisation No 2 Limited. The directors have received confirmation that London & Regional Group Securitisation No 2 Limited intends to support the company for at least one year after these financial statements are signed.

Qualifying third party indemnity provisions

The company maintains liability insurance for its directors and officer. Following shareholder approval, the company has also provided an indemnity for its directors and the company secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

LR (Cardiff) Limited

Directors' report for the year ended 30 September 2010 (continued)

Independent auditors

In the absence of a notice proposing that their appointment be terminated, PricewaterhouseCoopers LLP, are deemed to have been re-appointed as auditors for the next year

By order of the board



Mr R N Luck
Company secretary

25 May 2011

LR (Cardiff) Limited

Statement of directors' responsibilities for the year ended 30 September 2010

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 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,

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.

By order of the board



Mr R N Luck
Company secretary

25 May 2011

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LR (CARDIFF) LIMITED

We have audited the financial statements of LR (Cardiff) Limited for the year ended 30 September 2010 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes. 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 statement of directors' responsibilities, 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 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, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 director, and the overall presentation of the financial statements.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- have been prepared in accordance with the requirements of the Companies Act 2006.

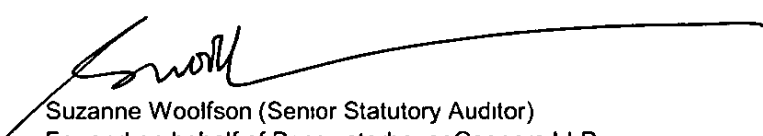
Opinion on other matters prescribed by the Companies Act 2006

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.

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.


Suzanne Woolfson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

25 May 2011

LR (Cardiff) Limited
Profit and loss account
for the year ended 30 September 2010

	Note	2010 £	2009 £
Turnover	2	235,591	222,362
Cost of sales		(10,627)	(8,364)
Gross profit		224,964	213,998
Administrative expenses		(8,800)	(4,850)
Operating profit	3	216,164	209,148
Exceptional items			
Profit on disposal of investments	6	-	2,391,841
		216,164	2,600,989
Interest payable and similar charges	4	(160,643)	(161,136)
Profit on ordinary activities before taxation		55,521	2,439,853
Tax on profit on ordinary activities	7	-	-
Profit for the financial year	15	<u>55,521</u>	<u>2,439,853</u>

All amounts relate to continuing operations

There is no material difference between the profit on ordinary activities before taxation and the profit for the year stated above and their historical costs equivalents

LR (Cardiff) Limited
Statement of total recognised gains and losses
for the year ended 30 September 2010

	Note	2010 £	2009 £
Profit for the financial year		55,521	2,439,853
Deficit on revaluation of investment properties	8	(200,000)	(675,000)
Total recognised gains and losses for the year		<u>(144,479)</u>	<u>1,764,853</u>

LR (Cardiff) Limited
Balance sheet
as at 30 September 2010

Registered number
1235394

	Note	2010 £	2009 £
Fixed assets			
Investment properties	8	1,550,000	1,750,000
Current assets			
Debtors	9	6,397,329	6,281,658
Creditors: amounts falling due within one year	10	(254,443)	(190,793)
Net current assets		6,142,886	6,090,865
Total assets less current liabilities		7,692,886	7,840,865
Creditors: amounts falling due after more than one year	11	(2,638,342)	(2,641,842)
Net assets		<u>5,054,544</u>	<u>5,199,023</u>
Capital and reserves			
Called up share capital	12	900,000	900,000
Revaluation reserve	13	47,615	247,615
Other capital reserves	14	500,000	500,000
Profit and loss account	15	3,606,929	3,551,408
Total shareholder's funds	16	<u>5,054,544</u>	<u>5,199,023</u>

These financial statements on pages 6 to 14 were approved by the Board of Directors on 25/5 2011 and signed on its behalf by

Mr G A Springer
Director

25 May 2011

LR (Cardiff) Limited
Notes to the financial statements
for the year ended 30 September 2010

1 Accounting policies

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention as modified for the revaluation of investment properties, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. For the year ended 30 September 2010, recoverable property expenses have been grossed up (see note 2) and consequently prior year turnover and administrative expenses of £8,364 have been reclassified for comparative purposes. There is no impact on profit for the prior financial year. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of London & Regional Group Securitisation No 2 Limited. The directors have received confirmation that London & Regional Group Securitisation No 2 Limited intends to support the company for at least one year after these financial statements are signed.

Depreciation

Compliance with the Statement of Standard Accounting Practice (SSAP 19) "Accounting for Investment Properties" requires departure from the requirements of the Companies Act 2006 relating to depreciation and an explanation for the departure is given below.

Investment properties

In accordance with SSAP 19, investment properties are revalued by the directors annually on an open market basis and independently valued when required by SSAP 19. Any changes in the market value of investment properties are taken to the statement of total recognised gains and losses and transferred to the revaluation reserve, unless a deficit (or its reversal) on an individual investment property is expected to be permanent, in which case it is charged (or credited) to the profit and loss account of the period.

No depreciation is provided in respect of investment properties. The Companies Act 2006 requires all properties to be depreciated. However, this requirement conflicts with SSAP 19 and the director considers that to depreciate would not give a true and fair view.

The depreciation (which would, had the provisions of the Act been followed, have been charged to the profit and loss account) is only one of the factors reflected in the valuation and the amount attributable to this factor cannot reasonably be separately identified or quantified.

Deferred taxation

Deferred tax is provided in respect of all timing differences that have originated, but not reversed, at the balance sheet date that give rise to an obligation to pay more or less tax in the future. Deferred tax is not recognised when fixed assets are revalued unless, by the balance sheet date, there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements.

Deferred tax is measured on a non-discounted basis. A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

LR (Cardiff) Limited
Notes to the financial statements
for the year ended 30 September 2010

1 Accounting policies (continued)

Cash flow statement

The company has taken advantage of the exemption in the Financial Reporting Standards No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is a wholly owned and its ultimate parent publishes a consolidated cash flow statement

Turnover

Turnover represents rental income and recoverable property expenses, net of value added tax. Rental income is recognised over the term of the lease on a straight-line basis. The total turnover of the company for the year has been derived from its principal activity, wholly undertaken in the UK.

Accrued income

Income from rental properties is allocated in the year to which it relates, with amounts owed from tenants, but not invoiced at the year end held as accrued income.

Deferred income

Income from properties is allocated in the year to which it relates, with payments received in advance held as deferred income and credited to the profit and loss when earned.

2 Turnover

Net rental income	2010	2009
	£	£
Rental income	224,964	213,998
Recoverable property expenses	10,627	8,364
Turnover	<u>235,591</u>	<u>222,362</u>
Recoverable property expenses	(10,627)	(8,364)
Property outgoings	<u>(10,627)</u>	<u>(8,364)</u>
Net rental income	<u>224,964</u>	<u>213,998</u>

3 Operating profit

	2010	2009
	£	£
Operating profit is stated after charging		
Auditors' remuneration	<u>-</u>	<u>-</u>

Auditors' remuneration has been borne by London & Regional Properties Limited

4 Interest payable and similar charges

	2010	2009
	£	£
Interest payable to group undertakings	<u>160,643</u>	<u>161,136</u>

LR (Cardiff) Limited
Notes to the financial statements
for the year ended 30 September 2010

5 Directors' emoluments

The directors did not receive any emoluments in respect of their services to the company (2009 £nil). The company has no employees (2009 none) other than the directors.

The above details of directors' emoluments do not include the emoluments which are paid by a fellow subsidiary and recharged to the company as part of a management charge. This management charge, which in 2010 amounted to £8,800 (2009 £4,850), also includes a recharge of administration costs borne by the fellow subsidiary on behalf of the company and it is not possible to identify separately the amount of the director's emoluments. Mr R J Livingstone is a director of the parent company and a number of fellow subsidiary companies and Mr Springer is an employee of a fellow subsidiary. The total emoluments of Mr R J Livingstone are included in the aggregate of directors' emoluments included in the financial statements of the parent company. The total emoluments of Mr Springer are included in the aggregate of employee wages and salaries included in the financial statements of the parent company.

6 Exceptional items

	2010	2009
	£	£
Profit on disposal of investments	-	2,391,841

7 Tax on profit on ordinary activities

No tax has been provided for due to the availability of losses through group relief.

Factors affecting tax charge for period

The differences between the tax assessed for the year and the standard rate of corporation tax are explained as follows:

	2010	2009
	£	£
Profit on ordinary activities before taxation	55,521	2,439,853
Standard rate of corporation tax in the UK	28%	28%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	15,546	683,159
Effects of		
Profit on sale of investments disallowable for taxation	-	(669,715)
Utilisation of tax losses	(15,546)	(13,444)
Current tax charge for the year	-	-

The company surrendered the benefit of tax losses amounting to £55,521 (2009 £48,014) to fellow subsidiary undertakings without receiving any payment.

No provision has been made for deferred tax on gains recognised on revaluing the property to its open market value. The directors have no intention of selling the property, and therefore, at present, it is not envisaged that any tax will become payable in the foreseeable future. The directors consider that it is too onerous to provide an estimate of the tax that would be payable if the property was sold at the value shown. Such a tax estimate is not considered meaningful as properties are often divested through the sale of companies.

Factors that may affect future tax charges

Reductions to the UK corporation tax rate were announced in the June 2010 Budget. The changes, which were enacted on 30 September 2010, reduce the rate by 1% per annum to 24% by 1 April 2014. These changes have no impact on these financial statements.

LR (Cardiff) Limited
Notes to the financial statements
for the year ended 30 September 2010

8 Investment properties

	Freehold land and buildings £
Valuation	
At 1 October 2009	1,750,000
Unrealised deficit arising on revaluation during the year	(200,000)
At 30 September 2010	<u>1,550,000</u>
At cost	<u>1,502,385</u>

The investment property was valued by the director after taking independent advice from a professional valuer on an open market value basis at 30 September 2010. The valuation has been made in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors in the United Kingdom.

9 Debtors	2010 £	2009 £
Trade debtors	24,518	24,271
Amounts owed by group undertakings	6,356,476	6,232,591
Prepayments and accrued income	16,335	24,796
	<u>6,397,329</u>	<u>6,281,658</u>

Amounts owed by group undertakings are interest free, repayable on demand, and unsecured.

10 Creditors amounts falling due within one year	2010 £	2009 £
Trade creditors	1,047	1,047
Amounts owed to group undertakings	143,188	91,074
Other taxes and social security costs	10,485	9,123
Other creditors	30,030	23,580
Accruals and deferred income	69,693	65,969
	<u>254,443</u>	<u>190,793</u>

Amounts owed to group undertakings are interest free, repayable on demand, and unsecured.

11 Creditors amounts falling due after more than one year	2010 £	2009 £
Amounts owed to group undertakings	<u>2,638,342</u>	<u>2,641,842</u>

The amounts owed to group undertakings are secured over the properties of the company, are repayable in October 2013 and bear interest at between 5.53% and 6.16% (2009: 5.53% and 6.16%).

LR (Cardiff) Limited
Notes to the financial statements
for the year ended 30 September 2010

12 Called up share capital			2010	2009
			£	£
Authorised				
900,000 ordinary shares of £1 each			<u>900,000</u>	<u>900,000</u>
	2010	2009	2010	2009
	Number	Number	£	£
Allotted and fully paid				
Ordinary shares of £1 each	<u>900,000</u>	<u>900,000</u>	<u>900,000</u>	<u>900,000</u>
13 Revaluation reserve				2010
				£
At 1 October 2009				247,615
Deficit on revaluation of investment properties				(200,000)
At 30 September 2010				<u>47,615</u>
14 Other capital reserves				2010
				£
At 1 October 2009 and 30 September 2010				<u>500,000</u>
15 Profit and loss account				2010
				£
At 1 October 2009				3,551,408
Profit for the financial year				55,521
At 30 September 2010				<u>3,606,929</u>
16 Reconciliation of movement in shareholder's funds			2010	2009
			£	£
At 1 October			5,199,023	3,434,170
Profit for the financial year			55,521	2,439,853
Deficit on revaluation of investment properties			(200,000)	(675,000)
At 30 September			<u>5,054,544</u>	<u>5,199,023</u>

17 Related party transactions

The company has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS 8, 'Related Party Disclosures', on the grounds that it is wholly owned subsidiary of a group headed by Loopsign Limited, whose financial statements are publicly available

LR (Cardiff) Limited
Notes to the financial statements
for the year ended 30 September 2010

18 Parent undertaking

The immediate parent undertaking is London & Regional Group Securitisation No 2 Limited, a company incorporated and registered in England and Wales

The ultimate parent undertaking is Loopsign Limited, a company incorporated in England and Wales

London & Regional Group Holdings Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements as at 30 September 2010. Loopsign Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 30 September 2010. The consolidated financial statements of Loopsign Limited can be obtained from the company secretary at

Quadrant House, Floor 6
4 Thomas More Square
London
E1W 1YW

The ultimate controlling parties are I M Livingstone and R J Livingstone through their joint ownership of Loopsign Limited