

Registered number
2909660

London & Regional Properties Limited

Report and Accounts

30 September 2003



London & Regional Properties Limited
Report and accounts
Contents

	Page
Company information	1
Directors' report	2
Statement of directors' responsibilities	3
Auditors' report	4
Profit and loss account	5
Statement of total recognised gains and losses	6
Balance sheet	7
Cash flow statement	8
Notes to the accounts	9 - 13

London & Regional Properties Limited
Company Information

Directors

Mr I M Livingstone
Mr C King

Secretary

Mr R N Luck

Registered Office

St Alphage House
2 Fore Street
London
EC2Y 5DH

Auditors

UHY Hacker Young
168 Church Road
Hove
East Sussex
BN3 2DL

Registered number

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London & Regional Properties Limited

Directors' Report

The directors present their report and accounts for the year ended 30 September 2003.

Principal activities and review of the business

The company acts as a provider of a wide range of property management and development services. The directors consider the financial position at 30 September 2003 to be satisfactory.

Results and dividends

The results for the year are set out in the profit & loss account on page 5. The directors do not recommend the payment of a dividend.

Directors

The directors who served during the year were:

Mr I M Livingstone
Mr C King

The directors had no interests in the issued share capital of the company at any time during the year ended 30 September 2003.

Fixed Assets

The movement in fixed assets during the year is set out in note 7 to the accounts.

Auditors

The company passed an Elective Resolution during the year, pursuant to Section 386 of the Companies Act 1985, electing to dispense with the obligation to re-appoint auditors annually. The resolution remains in force.

This report was approved by the board on 18 June 2004.

Mr R N Luck



Secretary

London & Regional Properties Limited

Statement of Directors' Responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those accounts, the directors are required to:

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

The directors are responsible for maintaining 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 accounts 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.

London & Regional Properties Limited

Independent auditors' report to the shareholder of London & Regional Properties Ltd

We have audited the accounts of London & Regional Properties Ltd for the year ended 30 September 2003 which comprise pages 5 to 13. These accounts have been prepared under the historical cost convention as modified to include the revaluation of fixed assets and the accounting policies set out therein.

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 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.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if 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 transactions with the company is not disclosed.

We read the Directors' Report 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 United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30 September 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



UHY Hacker Young
Chartered Accountants and Registered Auditors

168 Church Road
Hove
East Sussex
BN3 2DL

18 June 2004

London & Regional Properties Limited
Profit and Loss Account
for the year ended 30 September 2003

	Notes	2003 £	2002 £
Turnover		3,842,235	3,583,752
Net operating expenses	2	4,015,529	(4,236,477)
Operating profit/(loss)	3	<u>7,857,764</u>	<u>(652,725)</u>
Share of profit in joint venture		-	251,944
Share of taxation		-	(75,810)
		-	176,134
Exceptional items:			
Loss on sale of fixed asset		(489)	-
Profit/(Loss) before interest		<u>7,857,275</u>	<u>(476,591)</u>
Interest receivable		1,248,412	1,162,532
Interest payable	5	(243,650)	(245,074)
Profit on ordinary activities before taxation		<u>8,862,037</u>	<u>440,867</u>
Tax on profit on ordinary activities	6	(5,351,042)	-
Profit for the financial year		<u>3,510,995</u>	<u>440,867</u>
Retained profit for the financial year	12	<u>3,510,995</u>	<u>440,867</u>

London & Regional Properties Limited
Statement of total recognised gains and losses
for the year ended 30 September 2003

	Notes	2003 £	2002 £
Profit for the financial year		3,510,995	440,867
Movement on revaluation reserve on transfer of investment in joint venture	11	-	(16,315,121)
Total recognised gains and losses related to the year		<u>3,510,995</u>	<u>(15,874,254)</u>

London & Regional Properties Limited
Balance Sheet
as at 30 September 2003

	Notes	2003 £	2002 £
Fixed assets			
Tangible assets	7	105,053	108,373
Current assets			
Debtors	8	154,689,629	174,565,695
Cash at bank and in hand		17,652,491	6,003,931
		<u>172,342,120</u>	<u>180,569,626</u>
Creditors: amounts falling due within one year	9	(173,026,067)	(184,767,888)
Net current liabilities		(683,947)	(4,198,262)
		<u>(578,894)</u>	<u>(4,089,889)</u>
Capital and reserves			
Called up share capital	10	8	8
Profit and loss account	12	(578,902)	(4,089,897)
Shareholders' funds:			
Equity		(578,900)	(4,089,895)
Non-equity		6	6
	13	<u>(578,894)</u>	<u>(4,089,889)</u>

Mr I M Livingstone
Director

Approved by the board on 18 June 2004



London & Regional Properties Limited
Cash Flow Statement
for the year ended 30 September 2003

	Notes	2003 £	2002 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit/(loss)		7,857,764	(6,241,767)
Depreciation charges		55,946	57,217
Decrease/(increase) in debtors		19,876,066	(31,569,416)
(Decrease)/increase in creditors		(18,645,222)	39,698,654
Net cash inflow from operating activities		<u>9,144,554</u>	<u>1,944,688</u>
CASH FLOW STATEMENT			
Net cash inflow from operating activities		9,144,554	1,944,688
Returns on investments and servicing of finance	14	1,004,762	917,458
Capital expenditure	14	5,297,927	(40,747)
Joint ventures		-	-
		<u>10,096,201</u>	<u>2,821,399</u>
Increase in cash		<u>10,096,201</u>	<u>2,821,399</u>
Reconciliation of net cash flow to movement in net debt			
Increase in cash in the period		10,096,201	2,821,399
Change in net debt	15	<u>10,096,201</u>	<u>2,821,399</u>
Net funds at 1 October		<u>3,445,233</u>	<u>623,834</u>
Net funds at 30 September		<u>13,541,434</u>	<u>3,445,233</u>

London & Regional Properties Limited
Notes to the Accounts
for the year ended 30 September 2003

1 Accounting policies

The accounts have been prepared in accordance with applicable accounting standards. A summary of the more important accounting policies which have been consistently applied are given below.

Accounting convention

The accounts have been prepared under the historical cost convention as modified to include the revaluation of fixed assets and in accordance with applicable accounting standards.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay less or to receive more, tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Turnover

Turnover comprises management charges receivable from group undertakings net of value added tax.

Depreciation

Provision is made for depreciation on all tangible assets at rates calculated to write off the cost of each asset over its expected useful life as follows:

Fixtures & Fittings	20% per annum on a straight line basis
Motor Vehicles	25% per annum on a straight line basis

2 Net operating expenses	2003	2002
	£	£
Property expenses	(4,435,385)	3,816,621
Administrative expenses	419,856	419,856
	<u>(4,015,529)</u>	<u>4,236,477</u>
 3 Operating loss/profit	 2003	 2002
	£	£
This is stated after charging:		
Audit fees	21,246	44,808
Waivers less provisions against intercompany balances	(9,455,357)	(5,589,042)
Depreciation of owned fixed assets	<u>55,946</u>	<u>57,217</u>

London & Regional Properties Limited
Notes to the Accounts
for the year ended 30 September 2003

4 Staff costs	2003	2002
	£	£
Employee costs including executive directors amounted to:		
Salaries	2,431,126	2,261,310
Other pension costs	34,134	33,905
Social security costs	287,302	251,440
	<u>2,752,562</u>	<u>2,546,655</u>
	Number	Number
The average weekly number of employees including executive directors was:		
Management and administration	<u>29</u>	<u>29</u>
	£	£
Directors' emoluments were as follows:		
Directors' remuneration	<u>625,000</u>	<u>419,253</u>
5 Interest payable	2003	2002
	£	£
Other interest	<u>243,650</u>	<u>245,074</u>

6 Taxation

The tax charge for the year is an adjustment in respect of previous periods.

7 Tangible fixed assets

	Fixtures & Equipment	Motor Vehicles	Total
	£	£	£
Cost			
At 1 October 2002	377,690	234,506	612,196
Additions	34,884	20,231	55,115
Disposals	-	(16,655)	(16,655)
At 30 September 2003	<u>412,574</u>	<u>238,082</u>	<u>650,656</u>
Depreciation			
At 1 October 2002	296,928	206,895	503,823
Charge for the year	37,026	18,920	55,946
On disposals	-	(14,166)	(14,166)
At 30 September 2003	<u>333,954</u>	<u>211,649</u>	<u>545,603</u>
Net book value			
At 30 September 2003	<u>78,620</u>	<u>26,433</u>	<u>105,053</u>
At 30 September 2002	<u>80,762</u>	<u>27,611</u>	<u>108,373</u>

London & Regional Properties Limited
Notes to the Accounts
for the year ended 30 September 2003

8 Debtors	2003	2002
	£	£
Trade debtors	-	3,819
Amounts owed by related undertakings	133,085,565	135,290,260
Amounts owed by joint ventures	-	-
Development projects	16,209,063	22,841,481
Prepayments and accrued income	3,888,865	3,563,745
Other taxes and social security costs	-	40,609
Other debtors	1,506,136	12,825,781
	<u>154,689,629</u>	<u>174,565,695</u>

9 Creditors: amounts falling due within one year	2003	2002
	£	£
Bank loans and overdrafts	4,111,057	2,558,698
Amounts owed to former and current directors	10,599,485	12,830,170
Trade creditors	1,956,119	679,771
Amounts owed to related undertakings	150,369,052	160,898,722
Corporation tax	5,351,042	-
Other taxes and social security costs	400,147	67,602
Other creditors	225,415	7,721,175
Accruals and deferred income	13,750	11,750
	<u>173,026,067</u>	<u>184,767,888</u>

10 Share capital	2003	2002	2003	2002
	No	No	£	£
Authorised:				
Ordinary shares of £1 each	2	2	2	2
Deferred shares of \$1 each	10	10	6	6
			<u>8</u>	<u>8</u>
	2003	2002	2003	2002
	No	No	£	£
Allotted, called up and fully paid:				
Ordinary shares of £1 each	2	2	2	2
Deferred shares of \$1 each	10	10	6	6
			<u>8</u>	<u>8</u>

11 Revaluation reserve	2003	2002
	£	£
At 1 October	-	16,315,121
Disposal in year	-	(16,315,121)
	<u>-</u>	<u>-</u>
At 30 September	-	-

London & Regional Properties Limited
Notes to the Accounts
for the year ended 30 September 2003

12 Profit and loss account	2003	2002
	£	£
At 1 October 2002	(4,089,897)	(4,343,471)
Retained profit	3,510,995	264,733
Share of joint venture's profit	-	176,134
Disposal of interest in joint venture	-	(187,293)
At 30 September 2003	<u>(578,902)</u>	<u>(4,089,897)</u>

13 Reconciliation of movement in shareholders' funds	2003	2002
	£	£
At 1 October 2002	(4,089,889)	11,971,658
Profit for the financial year	3,510,995	440,867
Arising on disposal of share of joint venture's revaluation surplus	-	(16,315,121)
Arising on disposal of share of joint venture's retained profit	-	(187,293)
At 30 September 2003	<u>(578,894)</u>	<u>(4,089,889)</u>

14 Gross cash flows	2003	2002
	£	£
Returns on investments and servicing of finance		
Interest received	1,248,412	1,162,532
Interest paid	(243,650)	(245,074)
	<u>1,004,762</u>	<u>917,458</u>
Capital expenditure		
Payments to acquire tangible fixed assets	(55,115)	(40,747)
Receipts from sales of tangible fixed assets	2,000	-
	<u>5,297,927</u>	<u>(40,747)</u>

15 Analysis of changes in net debt	At 1 Oct	Cash flows	Non-cash	At 30 Sep
	2002		changes	2003
	£	£	£	£
Cash at bank and in hand	6,003,931	11,648,560		17,652,491
Overdrafts	(2,558,698)	(1,552,359)		(4,111,057)
		<u>10,096,201</u>		
Total	<u>3,445,233</u>	<u>10,096,201</u>	<u>-</u>	<u>13,541,434</u>

London & Regional Properties Limited
Notes to the Accounts
for the year ended 30 September 2003

16 Ultimate parent undertaking

The company is a wholly owned subsidiary of London & Regional Group Holdings Limited, a company incorporated in England and Wales. The ultimate parent undertaking is Nutmeg Limited, a company incorporated in Guernsey, Channel Islands.

17 Related parties

At 30 September 2003 the company owed I.M. Livingstone and R J. Livingstone, current and former directors of the company, £10,599,485 (2002 £12,830,170). The loan is included under creditors in note 9 to the accounts.

The company has taken advantage of the exemption in FRS8 that transactions do not need to be disclosed with companies 90% or more whose voting rights are controlled within the group.