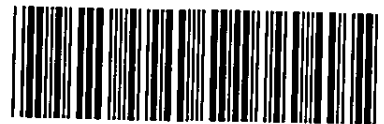


Registered number
02909660

London and Regional Properties Limited
Annual report and financial statements
for the year ended 30 September 2013

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London and Regional Properties Limited
Annual report and financial statements for the year ended 30 September 2013
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London and Regional Properties Limited
Company information for the year ended 30 September 2013

Directors

Mr R J Livingstone
Mr R N Luck

Company secretary

Mr R N Luck

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

Registered office

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

Registered number

02909660

London and Regional Properties Limited
Strategic report for the year ended 30 September 2013

The directors present their strategic report for the year ended 30 September 2013

Review of the business

The company acts as a provider of a wide range of property management and development services as well as holding investments and cash deposits. Turnover for the year was £10.5m (2012: £9.2m) and the company made a profit on ordinary activities before taxation of £6.4m (2012: loss of £3.3m), the difference primarily due to a foreign exchange gain in the year of £2.4m (2012: loss of £4.9m). In addition, the 2013 result was impacted by a £1.1m exceptional write-down in the carrying value of issued loan notes to reflect the final amount recovered on these notes after the year end. Net assets were £18.4m at the year end (2012: £9.6m).

The directors consider the financial position at 30 September 2013 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 fluctuating market place, which can result in large movements in foreign exchange and investment valuations. Further discussion of the risks and uncertainties, in the context of the group as a whole, are discussed in the company's ultimate parent's group annual report which does not form part of this report.

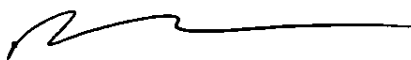
Key performance indicators

The company is managed by the directors in accordance with the group strategies of its ultimate parent company, Loopsign Limited, and 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.

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 Holdings Limited. The directors have received confirmation that London & Regional Group Holdings Limited intend to support the company for at least one year after these financial statements are signed.

By order of the board



Mr R N Luck
Company Secretary
30 June 2014

London and Regional Properties Limited
Directors' report for the year ended 30 September 2013

The directors present their report and the audited financial statements for the company for the year ended 30 September 2013

Results and dividends

The results for the financial year are set out in the profit and loss account on page 6. The directors do not recommend the payment of a dividend (2012: £nil).

Directors

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 R N Luck

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 indemnity provision for the purposes of the Companies Act 2006.

Disclosure of information to auditors

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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
30 June 2014

London and Regional Properties Limited

Statement of directors' responsibilities for the year ended 30 September 2013

The directors are responsible for preparing the strategic report, 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 prepared 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

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

30 June 2014

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LONDON AND REGIONAL PROPERTIES LIMITED

We have audited the financial statements of London and Regional Properties Limited for the year ended 30 September 2013 which comprise the profit and loss account, 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 set out on page 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, 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 directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the director's report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 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.

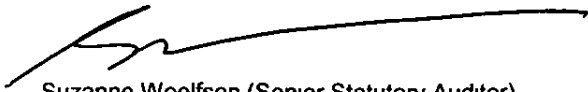
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and 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

30 June 2014

London and Regional Properties Limited
Profit and loss account
for the year ended 30 September 2013

	Note	2013 £	2012 £
Turnover	1	10,528,792	9,203,027
Administrative expenses before foreign exchange		(9,182,905)	(11,474,276)
Foreign exchange gains/(losses)		2,364,863	(4,940,846)
Total administrative expenses		<u>(6,818,042)</u>	<u>(16,415,122)</u>
Provisions against loans to group undertakings		(97,624)	(111,691)
Operating profit/(loss)	2	<u>3,613,126</u>	<u>(7,323,786)</u>
Exceptional items	4	(1,158,034)	-
Profit/(loss) on ordinary activities before interest		<u>2,455,092</u>	<u>(7,323,786)</u>
Income from investments	5	262	255
Interest receivable and similar income	6	3,979,999	4,388,949
Interest payable and similar charges	7	(2,947)	(399,670)
Profit/(loss) on ordinary activities before taxation		<u>6,432,406</u>	<u>(3,334,252)</u>
Tax on profit/(loss) on ordinary activities	8	2,307,141	2,987,370
Profit/(loss) for the financial year	15	<u>8,739,547</u>	<u>(346,882)</u>

All amounts relate to continuing operations

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of recognised gains and losses has been presented

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

London and Regional Properties Limited
Balance sheet
as at 30 September 2013

Registered number
02909660

	Note	2013 £	2012 £
Fixed assets			
Tangible assets	9	46,160	61,775
Investments	10	64,659,199	50,536,838
		<u>64,705,359</u>	<u>50,598,613</u>
Current assets			
Debtors	11	651,401,071	560,942,496
Investments	12	7,038	7,038
Cash at bank and in hand		54,930,278	111,141,726
		<u>706,338,387</u>	<u>672,091,260</u>
Creditors amounts falling due within one year	13	(752,678,258)	(713,063,932)
Net current liabilities		<u>(46,339,871)</u>	<u>(40,972,672)</u>
Total assets less current liabilities		<u>18,365,488</u>	<u>9,625,941</u>
Net assets		<u>18,365,488</u>	<u>9,625,941</u>
Capital and reserves			
Called up share capital	14	60,000,008	60,000,008
Profit and loss reserve	15	(41,634,520)	(50,374,067)
Total shareholder's funds	16	<u>18,365,488</u>	<u>9,625,941</u>

These financial statements were approved by the Board of Directors on 30 June 2014
and signed on its behalf by



Mr R N Luck
Director
30 June 2014

London and Regional Properties Limited
Notes to the financial statements
for the year ended 30 September 2013

1 Accounting policies

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. 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 Holdings Limited. The directors have received confirmation that London & Regional Group Holdings Limited intend to support the company for at least one year after these financial statements are signed.

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.

Investments

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

Other investments are stated at cost less any impairment provisions. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

Investments held as current assets

Investments held as current assets are recorded at the lower of cost and net realisable value.

Development properties

Development properties represent properties held with the intention of resale. Development properties are included at the lower of cost and net realisable value. Where cost exceeds the value of the properties then adjustments are made to write down the value accordingly. Costs represent all costs incurred to the balance sheet date but does not include any interest costs.

Turnover

Turnover comprises management charges receivable from group undertakings and other sundry turnover net of value added tax. The total turnover of the company for the year has been derived from its principal activity, wholly undertaken in the UK.

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	20% per annum on a straight line basis

Pension

The pension cost charge in the financial statements represents the contributions payable by the company during the year to employees' personal pension schemes.

London and Regional Properties Limited
Notes to the financial statements
for the year ended 30 September 2013

1 Accounting policies (continued)

Operating leases

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

Cash flow statement

The company has taken advantage of the exemption permitted by Financial Reporting Standard 1, (revised 1996) "Cash flow statements" from including a cash flow statement on the grounds that the company is wholly owned and its ultimate parent publishes a consolidated cash flow statement

Exemption from consolidation

The financial statements contain information about London and Regional Properties Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its intermediate parent, London & Regional Group Holdings Limited, a company incorporated in England and Wales

2 Operating profit/(loss)	2013	2012
	£	£
This is stated after charging/(crediting)		
Depreciation of owned fixed assets	42,370	69,689
Operating leases - land and buildings	589,320	590,820
Impairment loss on development projects	-	1,350
Foreign exchange (gains)/losses on ordinary activities	(2,364,863)	4,940,846
Auditors' remuneration	238,057	297,438

3 Staff costs	2013	2012
	£	£
Employee costs including executive directors amounted to		
Wages and salaries	3,120,002	3,088,948
Social security costs	411,384	405,660
Other pension costs	161,321	89,137
	<u>3,692,707</u>	<u>3,583,745</u>

The pension costs comprise contributions to employees' personal pension schemes

	2013	2012
	Number	Number
The average monthly number of employees including executive directors was		
Management and administration	<u>37</u>	<u>38</u>

	2013	2012
	£	£
Directors' emoluments were as follows		
Directors' remuneration	366,897	341,340
Contributions to directors' personal pension schemes	22,600	69,600
Benefits in kind	3,303	3,288
	<u>392,800</u>	<u>414,228</u>
Highest paid director		
Remuneration	308,564	241,340
Contributions to personal pension schemes	22,600	69,600
Benefits in kind	2,089	2,079
	<u>333,253</u>	<u>313,019</u>

London and Regional Properties Limited
Notes to the financial statements
for the year ended 30 September 2013

4 Exceptional items	2013	2012
	£	£
Impairment of unlisted investments	<u>1,158,034</u>	<u>-</u>

The impairment relates to a write-down in the carrying value of issued loan notes to reflect the final amount recovered on these notes after the year end. See note 10

5 Income from investments	2013	2012
	£	£
Income from listed investments	<u>262</u>	<u>255</u>

6 Interest receivable and similar income	2013	2012
	£	£
On amounts owed by group undertakings	1,615,894	1,840,546
On amounts owed by associated undertakings	58,650	109,742
Other interest receivable	<u>2,305,455</u>	<u>2,438,661</u>
	<u>3,979,999</u>	<u>4,388,949</u>

7 Interest payable and similar charges	2013	2012
	£	£
On amounts owed to group undertakings	2,947	3,100
Other interest payable	<u>-</u>	<u>396,570</u>
	<u>2,947</u>	<u>399,670</u>

8 Tax on profit/(loss) on ordinary activities	2013	2012
	£	£
Analysis of credit for the year		
Current tax		
Adjustments in respect of previous years	<u>(2,307,141)</u>	<u>(2,987,370)</u>

The adjustments in respect of previous years arise due to receipts from a group undertaking for the surrender of tax losses by the company. No taxation for the current year is considered payable due to surrender of losses through group relief.

Factors affecting tax credit for the year

From 1 April 2013 the rate of corporation tax has reduced from 24% to 23% giving a blended average rate for the year of 23.5%.

The tax assessed for the year is different (2012 different) to the blended rate of corporation tax in the UK 23.5%, (2012 25%). The differences are explained below.

	2013	2012
	£	£
Profit/(loss) on ordinary activities before taxation	<u>6,432,406</u>	<u>(3,334,252)</u>
	£	£
Profit/(loss) on ordinary activities multiplied by the blended rate of corporation tax in the UK of 23.5% (2012 25%)	1,511,615	(833,563)
Effects of		
Expenses not deductible for tax purposes	59,794	199,475
Capital allowances for year in excess of depreciation	(7,131)	(4,000)
Adjustments to tax charge in respect of previous years	(2,307,141)	(2,987,370)
(Utilisation)/surrender of tax losses	<u>(1,564,278)</u>	<u>638,088</u>
Total current tax credit for the year	<u>(2,307,141)</u>	<u>(2,987,370)</u>

London and Regional Properties Limited
Notes to the financial statements
for the year ended 30 September 2013

8 Tax on profit/(loss) on ordinary activities (continued)

The corporation tax charge for the year was reduced by £1,564,278 because of losses surrendered by fellow subsidiary undertakings. No payment for this surrender is to be made by the company. In the previous year the company surrendered the benefit of tax losses amounting to £2,429,092 to fellow subsidiary undertakings without receiving any payment.

Factors that may affect future tax charges

Reductions to the UK Corporation tax rate were announced in the March 2013 budget. The changes, which were enacted on 17 July 2013, reduce the UK corporation tax rate to 21% with effect from 1 April 2014 and to 20% from 1 April 2015. These changes have no impact on these financial statements.

9 Tangible fixed assets

	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost			
At 1 October 2012	397,249	6,584	403,833
Additions	26,755	-	26,755
At 30 September 2013	<u>424,004</u>	<u>6,584</u>	<u>430,588</u>
Accumulated depreciation			
At 1 October 2012	335,474	6,584	342,058
Charge for the year	42,370	-	42,370
At 30 September 2013	<u>377,844</u>	<u>6,584</u>	<u>384,428</u>
Net book value			
At 30 September 2013	<u>46,160</u>	<u>-</u>	<u>46,160</u>
At 30 September 2012	<u>61,775</u>	<u>-</u>	<u>61,775</u>

10 Investments

	Investments in subsidiary undertakings £
Cost	
At 1 October 2012	16,250
Additions	1
At 30 September 2013	<u>16,251</u>

At the end of the financial year the company held 20% or more of the share capital of the following companies, all incorporated in England and Wales:

Company	Principal Activity	Shares held Class	%
Mobyhold Limited	Ownership and operation of a corporate aircraft	Ordinary	100
First Central Management Company Limited	Property management	Ordinary	100
Panama Holding 1 BV	Holding company	Ordinary	100
LR Pacifico Limited	Holding company	Ordinary	100

London and Regional Properties Limited
Notes to the financial statements
for the year ended 30 September 2013

10 Investments (continued)

	2013	2012
	£	£
Unlisted investments	<u>64,642,948</u>	<u>50,520,588</u>

Unlisted investments include £48,155,522 (2012 £49,313,556) of unsecured loan notes issued by the David Lloyd Leisure Group, which were repaid in November 2013. £15,807,237 (2012 £nil) relates to a loan portfolio acquired in July 2013, which is secured over distressed property assets in the UK, Spain and Poland. No interest is being received on the loans and the loans are repaid out of the proceeds of selling the assets. In the opinion of the directors, the value of the unlisted investments was not less than the impaired cost.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

11 Debtors

	2013	2012
	£	£
Trade debtors	488,702	889,906
Amounts owed by group undertakings	555,082,288	535,542,808
Amounts owed by joint ventures	-	750
Amounts owed by associated undertakings	6,033,624	8,934,006
Amounts recoverable on development projects	8,732,622	11,549,071
Prepayments and accrued income	2,601,426	2,228,558
Other debtors	<u>78,462,409</u>	<u>1,797,397</u>
	<u>651,401,071</u>	<u>560,942,496</u>

Amounts due from group undertakings are repayable on demand, unsecured and non-interest bearing with the exception of

- £37,542,427 (2012 £34,751,198) which bears interest at a fixed rate of 3.75% per annum
- £2,524,126 (2012 £2,269,584) which bears interest at a fixed rate of 12.0% per annum and which is repayable in December 2024
- €10,071,013 (2012 nil) which bears interest at a fixed rate of 4.0% per annum

Amounts due from associated undertakings are unsecured, repayable on 1 August 2016, and bear interest at a fixed rate of 1.0% per annum.

12 Investments

	2013	2012
	£	£
Listed investments	<u>7,038</u>	<u>7,038</u>
Valuation		
Listed investments - market value	<u>10,091</u>	<u>8,356</u>

The directors believe that the carrying value of the investments is supported by their underlying net assets.

London and Regional Properties Limited
Notes to the financial statements
for the year ended 30 September 2013

13 Creditors amounts falling due within one year	2013	2012
	£	£
Amounts owed to ultimate controlling parties	16,341,581	1,518,740
Trade creditors	1,691,486	909,029
Amounts owed to group undertakings	729,692,174	706,455,029
Taxation and social security	873,179	498,810
Other creditors	3,021,041	2,363,426
Accruals and deferred income	1,058,797	1,094,111
Amounts owed to joint ventures	-	224,787
	<u>752,678,258</u>	<u>713,063,932</u>

Amounts owed to group undertakings are repayable on demand, unsecured and interest free with the exception of USD\$529,430 (2012 USD\$588,509) which bear interest at 1 month Libor + 0.75% per annum

14 Called up share capital	2013	2012	2013	2012
	Number	Number	£	£
Allotted and fully paid				
Ordinary shares of £1 each	<u>60,000,008</u>	<u>60,000,008</u>	<u>60,000,008</u>	<u>60,000,008</u>
Movement in share capital			2013	2012
			£	£
At 1 October			60,000,008	8
Shares issued			-	60,000,000
At 30 September			<u>60,000,008</u>	<u>60,000,008</u>

On 17 August 2012 the company issued 60,000,000 £1 ordinary shares at par for cash

15 Profit and loss reserve	2013
	£
At 1 October 2012	(50,374,067)
Profit for the financial year	8,739,547
At 30 September 2013	<u>(41,634,520)</u>

16 Reconciliation of movement in shareholder's funds/(deficit)	2013	2012
	£	£
At 1 October	9,625,941	(50,027,177)
Profit/(loss) for the financial year	8,739,547	(346,882)
Shares issued	-	60,000,000
At 30 September	<u>18,365,488</u>	<u>9,625,941</u>

London and Regional Properties Limited
Notes to the financial statements
for the year ended 30 September 2013

17 Other operating lease commitments

At the year end the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings 2013 £	Land and buildings 2012 £
Operating leases which expire in over five years	<u>588,320</u>	<u>588,320</u>

18 Related party transactions

At 30 September 2013 the company owed £16,341,581 (2012 £1,518,740) to I M Livingstone and R J Livingstone, the latter being a director of the company and both being the ultimate controlling parties of the company. The loan is included in creditors in note 13. The maximum amount owed to the company during the year was £nil (2012 £nil). The loan is interest free and repayable on demand.

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.

19 Parent undertaking

The immediate parent undertaking is London & Regional Group Holdings 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 2013. Loopsign Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 30 September 2013. 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.