

**Registered number**  
**02958517**

**London & Regional (Sheffield) Limited**

**Annual report and financial statements**

**for the year ended**  
**30 September 2013**

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**London & Regional (Sheffield) Limited**  
**Annual report and financial statements for the year ended 30 September 2013**  
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**London & Regional (Sheffield) Limited**  
**Company information for the year ended 30 September 2013**

**Director**

Mr L K Sebastian

**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**

02958517

**London & Regional (Sheffield) Limited**  
**Strategic report for the year ended 30 September 2013**

The director presents his strategic report for the year ended 30 September 2013

**Review of the business**

The company acts as a commercial property investment company. It made a loss of £0.3m for the financial year ended 30 September 2013 (2012: £0.3m). Net liabilities were £1.4m at the year end (2012: £1.6m), the improvement being due to £0.5m rise in the value of the investment property held.

A long term inter-company loan from fellow group undertaking London & Regional Portfolio Finance Limited ("LRPF") matured in October 2013. LRPF itself has loans from a further group undertaking, London & Regional Debt Securitisation No 2 plc ("LORDS 2") and another party, that also matured in October 2013. Effective 20 December 2013, agreement was reached with all parties that all these loans be extended to October 2014, with further extensions to October 2016 permitted subject to certain amortisation targets being achieved for the inter-company loan from LORDS 2 to LRPF.

As part of this restructuring, the amount of the inter-company loan from LRPF was decreased, as was the effective interest rate. See note 9 for further detail.

**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 director of the group has 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.

**Financial risk management**

The company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. Further discussion of the financial risk management objectives and policies, 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**

London & Regional (Sheffield) Limited is managed by the director in accordance with the strategies of its ultimate parent company, Loopsign Limited. For this reason, the director believes that further 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 director believes 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 director has 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.

By order of the board



Mr R N Luck  
Company Secretary

30 June 2014

**London & Regional (Sheffield) Limited**  
**Director's report for the year ended 30 September 2013**

The director presents his annual report and the audited financial statements of 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 director does not recommend the payment of a dividend (2012 £nil)

**Director**

The following persons served as director during the year and up to the date of signing the financial statements

Mr L K Sebastian

**Qualifying third party indemnity provisions**

The company maintains liability insurance for its director and officer. Following shareholder approval, the company has also provided an indemnity for its director 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**

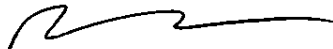
The director confirms that

- 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

**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 & Regional (Sheffield) Limited**

**Statement of director's responsibilities for the year ended 30 September 2013**

The director is responsible for preparing the strategic report, the director's report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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 & REGIONAL (SHEFFIELD) LIMITED**

We have audited the financial statements of London & Regional (Sheffield) Limited for the year ended 30 September 2013 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 director and auditors**

As explained more fully in the Statement of director's responsibilities on page 4, the director is 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 the 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. In addition, we read all the financial and non-financial information in the annual 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 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 loss 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 strategic report and director's 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 director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



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

30 June 2014

**London & Regional (Sheffield) Limited**  
**Profit and Loss Account**  
**for the year ended 30 September 2013**

	Note	2013 £	2012 £
<b>Turnover</b>	2	1,049,076	1,097,844
Cost of sales		(574,743)	(413,038)
<b>Gross profit</b>		<u>474,333</u>	<u>684,806</u>
Administrative expenses		(266,048)	(229,011)
Other operating income	3	108,770	-
<b>Operating profit</b>		<u>317,055</u>	<u>455,795</u>
Interest payable and similar charges	5	(600,031)	(606,659)
<b>Loss on ordinary activities before taxation</b>		<u>(282,976)</u>	<u>(150,864)</u>
Tax on loss on ordinary activities	7	-	(144,874)
<b>Loss for the financial year</b>	14	<u>(282,976)</u>	<u>(295,738)</u>

All amounts relate to continuing operations

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



**London & Regional (Sheffield) Limited**  
**Statement of total recognised gains and losses**  
**for the year ended 30 September 2013**

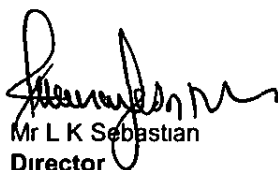
	Notes	2013 £	2012 £
Loss for the financial year		(282,976)	(295,738)
Unrealised surplus/(deficit) on revaluation of investment properties	8	511,960	(1,575,938)
Total recognised gains and losses related to the year		<u>228,984</u>	<u>(1,871,676)</u>

**London & Regional (Sheffield) Limited**  
**Balance Sheet**  
**as at 30 September 2013**

**Registered number**  
**02958517**

	Notes	2013 £	2012 £
<b>Fixed assets</b>			
Investment properties	8	5,810,000	5,300,000
<b>Current assets</b>			
Debtors	9	3,105,325	3,853,665
<b>Creditors amounts falling due within one year</b>	10	<u>(10,267,958)</u>	<u>(842,148)</u>
<b>Net current (liabilities)/assets</b>		<u>(7,162,633)</u>	<u>3,011,517</u>
<b>Total assets less current liabilities</b>		<u>(1,352,633)</u>	<u>8,311,517</u>
<b>Creditors amounts falling due after more than one year</b>	11	-	(9,893,134)
<b>Net liabilities</b>		<u>(1,352,633)</u>	<u>(1,581,617)</u>
<b>Capital and reserves</b>			
Called up share capital	12	2	2
Revaluation reserve	13	(3,331,710)	(3,843,670)
Profit and loss account	14	1,979,075	2,262,051
<b>Total shareholders' deficit</b>	15	<u>(1,352,633)</u>	<u>(1,581,617)</u>

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

  
Mr L K Sebastian  
Director

30 June 2014

**London & Regional (Sheffield) 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 as modified for the revaluation of investment properties, 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 director believes 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 director has 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.

**Investment properties**

In accordance with SSAP 19 'Accounting for investment properties', investment properties are revalued by the director 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 year.

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.

**Finance costs**

Finance costs, including issue costs which are initially recognised as a reduction in the proceeds of the associated capital instrument, are amortised over the period of the loans in accordance with FRS4.

**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.

**London & Regional (Sheffield) Limited**  
**Notes to the financial statements**  
**for the year ended 30 September 2013**

**1 Accounting policies (continued)**

**Cash flow statement**

The company has taken advantage of the exemption in the Financial Reporting Standards No 1 (Revised 1996) 'Cash flow statements' 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

**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 the profit and loss when earned

**Provisions**

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation

**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.

<b>2 Turnover</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Net rental income</b>		
Rental income	638,556	791,000
Recoverable property expenses	410,520	306,844
Turnover	<u>1,049,076</u>	<u>1,097,844</u>
Net property (outgoings)/income	(164,223)	(106,194)
Recoverable property expenses	(410,520)	(306,844)
Property outgoings	<u>(574,743)</u>	<u>(413,038)</u>
Net rental income	<u>474,333</u>	<u>684,806</u>
<b>3 Other operating income</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Compensation for dilapidation received from departing tenant	<u>108,770</u>	<u>-</u>
<b>4 Operating profit</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging		
Auditors' remuneration	<u>-</u>	<u>-</u>
Auditors' remuneration has been borne by London & Regional Properties Limited		
<b>5 Interest payable and similar charges</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Other interest payable	327	4,253
Interest payable to group undertakings	599,704	602,406
	<u>600,031</u>	<u>606,659</u>

**London & Regional (Sheffield) Limited**  
**Notes to the financial statements**  
**for the year ended 30 September 2013**

**6 Director's emoluments**

The director did not receive any emoluments in respect of his services to the company (2012 £nil) The company has no employees (2012 none) other than the director

The above details of director's 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 2013 amounted to 24,000 (2012 £24,000), 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 Sebastian is an employee of a fellow subsidiary and his total emoluments are included in the aggregate of employee wages and salaries included in the financial statements of the ultimate parent company

**7 Taxation on loss on ordinary activities**

	2013 £	2012 £
Current tax		
Adjustments in respect of previous years	-	144,874

No tax has been provided for due to the taxable losses in the year

**Factors affecting tax charge for the year**

From 01 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) than the blended rate of corporation tax in the UK of 23.5% (2012 25%) The differences are explained below

	2013 £	2012 £
Loss on ordinary activities before taxation	(282,976)	(150,864)
Loss on ordinary activities multiplied by the blended rate in the UK of 23.5% (2012 25%)	(66,499)	(37,716)
Effects of		
Surrender of tax losses	66,499	37,716
Adjustments in respect of previous years	-	144,874
<b>Current tax charge for the year</b>	<b>-</b>	<b>144,874</b>

The company surrendered the benefit of tax losses amounting to £282,976 (2012 £150,864) 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 director has 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 director considers 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 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

**London & Regional (Sheffield) Limited**  
**Notes to the financial statements**  
**for the year ended 30 September 2013**

**8 Investment properties**

	<b>Leasehold land and buildings</b>
	<b>2013 £</b>
<b>Valuation</b>	
At 1 October 2012	5,300,000
Adjustment to prior year additions	(1,960)
Unrealised surplus on revaluation	511,960
<b>At 30 September 2013</b>	<b><u>5,810,000</u></b>
<b>Cost</b>	<b><u>9,141,710</u></b>

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 2013. The valuation has been made in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors in the United Kingdom.

The investment property has been charged to secure loan notes issued by a fellow subsidiary company and the loan made to a further fellow subsidiary company.

<b>9 Debtors</b>	<b>2013 £</b>	<b>2012 £</b>
Trade debtors	187,492	104,323
Amounts owed by group undertakings	2,893,040	3,742,565
Prepayments and accrued income	24,793	6,777
	<b><u>3,105,325</u></b>	<b><u>3,853,665</u></b>

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

<b>10 Creditors amounts falling due within one year</b>	<b>2013 £</b>	<b>2012 £</b>
Trade creditors	76,023	265,398
Amounts owed to group undertakings	9,937,602	-
Corporation tax	-	85,069
Other taxation and social security	16,772	11,951
Accruals and deferred income	237,561	479,730
	<b><u>10,267,958</u></b>	<b><u>842,148</u></b>

The amounts owed to group undertakings are secured over the property of the company, bore interest at between 5.53% and 6.16% (2012 5.53% and 6.16%) and were repayable in October 2013. Following the restructuring of the loans on 20 December 2013, as described in the strategic report, these amounts were decreased to £6,513,748, now bear interest at an average rate of 2.82% over 3 month Sterling LIBOR and are repayable in October 2014 with further extensions to October 2016 permitted subject to certain amortisation targets being met.

**London & Regional (Sheffield) Limited**  
**Notes to the financial statements**  
**for the year ended 30 September 2013**

<b>11 Creditors amounts falling due after more than one year</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Amounts owed to group undertakings	-	9,893,134

The prior year amounts owed to group undertakings were secured over the properties of the company, were repayable in October 2013 and bore interest at between 5.53% and 6.16%

<b>12 Called up share capital</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Authorised 1,000 (2012 1,000) ordinary shares of £1 each	1,000	1,000
	<b>2013</b>	<b>2012</b>
	<b>Number</b>	<b>Number</b>
Allotted, and fully paid Ordinary shares of £1 each	2	2

<b>13 Revaluation reserve</b>	<b>2013</b>
	<b>£</b>
At 1 October 2012	(3,843,670)
Unrealised surplus on revaluation of investment properties	511,960
At 30 September 2013	(3,331,710)

<b>14 Profit and loss account</b>	<b>2013</b>
	<b>£</b>
At 1 October 2012	2,262,051
Loss for the financial year	(282,976)
At 30 September 2013	1,979,075

<b>15 Reconciliation of movements in shareholders' (deficit / funds)</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
At 1 October	(1,581,617)	290,059
Loss for the financial year	(282,976)	(295,738)
Unrealised surplus/(deficit) on revaluation of investment	511,960	(1,575,938)
At 30 September	(1,352,633)	(1,581,617)

**16 Post Balance Sheet Event**

In May 2014 the company sold its sole investment property for gross consideration of £7,050,000. The net sales proceeds were used to repay the secured amounts due to group undertakings.

**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.

**London & Regional (Sheffield) Limited**  
**Notes to the financial statements**  
**for the year ended 30 September 2013**

**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 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 Mr I M Livingstone and Mr R J Livingstone through their joint ownership of Loopsign Limited