

Lanemore Limited

FINANCIAL STATEMENTS

for the year ended

31 May 2014

TUESDAY



L3NCQ6EY

L12

23/12/2014

#216

COMPANIES HOUSE

Company Registration No. 03941320

Lanemore Limited

COMPANY INFORMATION

DIRECTORS	R Tchenguiz V A Tchenguiz
COMPANY NUMBER	03941320 (England & Wales)
REGISTERED OFFICE	5th Floor Leconfield House Curzon Street London W1J 5JA
AUDITOR	Baker Tilly UK Audit LLP 3rd Floor One London Square Cross Lanes Guildford Surrey GU1 1UN
SOLICITORS	Osborne Clarke One London Wall London EC2Y 5EB

Lanemore Limited

DIRECTORS' REPORT

For the year ended 31 May 2014

The directors present their report and the financial statements of Lanemore Limited for the year ended 31 May 2014.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the company, which has remained unchanged during the year, was property investment by holding lease interests in land and buildings.

In the opinion of the directors the result for the year and the financial position of the company at 31 May 2014 were satisfactory, given the support of Rotch Property Group Limited.

DIVIDENDS

The directors do not recommend payment of a dividend.

POST BALANCE SHEET EVENTS

On 2 September 2014 the company sold its finance lease investment for £16,094,737 less costs of £169,648 and repaid its group undertaking loan and investment deposit.

DIRECTORS

The following directors have held office since 1 June 2013:

R Tchenguiz
V A Tchenguiz

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

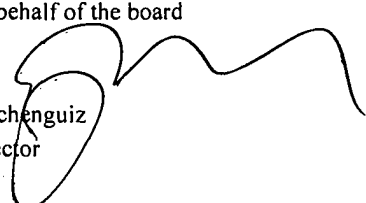
The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

The auditor, Baker Tilly UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board


R Tchenguiz
Director

16 December 2014

Lanemore Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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 those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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.

Lanemore Limited

INDEPENDENT AUDITOR'S REPORT

To The Members Of Lanemore Limited

We have audited the financial statements on pages 4 to 13. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor

As more fully explained in the Directors' Responsibilities Statement, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

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 31 May 2014 and of its result 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 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

BAKER TILLY UK AUDIT LLP

Christopher Hurren FCA (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
3rd Floor, One London Square
Cross Lanes, Guildford
Surrey, GU1 1UN
16 December 2014

Lanemore Limited
PROFIT AND LOSS ACCOUNT
For the year ended 31 May 2014

	Notes	2014 £	2013 £
TURNOVER	1	868,216	865,109
Other operating expenses	2	(8,000)	(8,000)
OPERATING PROFIT		860,216	857,109
Interest payable and similar charges	3	(677,236)	(688,248)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	182,980	168,861
Taxation	6	44,809	(25,575)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	12	227,789	143,286

All amounts derive from discontinued activities.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

Lanemore Limited

BALANCE SHEET

As at 31 May 2014

Company registration No. 03941320

	Notes	2014 £	2013 £
CURRENT ASSETS			
Debtors: amounts falling due within one year	7	943,303	907,901
Debtors: amounts falling due after more than one year	7	11,253,001	11,212,596
		<u>12,196,304</u>	<u>12,120,497</u>
CREDITORS: Amounts falling due within one year	8	<u>(11,148,317)</u>	<u>(11,249,633)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,047,987	870,864
CREDITORS: Amounts falling due after more than one year	9	(495,415)	(501,272)
PROVISIONS FOR LIABILITIES	10	<u>(665,125)</u>	<u>(709,934)</u>
NET LIABILITIES		<u><u>(112,553)</u></u>	<u><u>(340,342)</u></u>
CAPITAL AND RESERVES			
Called up share capital	11	1	1
Profit and loss account	12	<u>(112,554)</u>	<u>(340,343)</u>
SHAREHOLDERS' FUNDS	13	<u><u>(112,553)</u></u>	<u><u>(340,342)</u></u>

The financial statements on pages 4 to 13 were approved by the board of directors and authorised for issue on 16 December 2014 and are signed on its behalf by:

R Tchenguiz

Director

Lanemore Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards.

The financial statements have been prepared under the historical cost convention.

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

GOING CONCERN

At 31 May 2014 the company was party to a cross-collateralised group loan funding structure effected via a £100 million loan to a fellow group company, Greenflat Limited, which was due to be repaid in April 2014. The group had entered into a standstill agreement with the bank until 31 July 2014 to allow for the orderly disposal of the group's property investment portfolio by 31 August 2014 and repay its exposure under the loan facility agreement and the associated swaps at an agreed level of £108,000,000.

The group completed the disposals by 2 September 2014 and repaid the agreed settlement value in full.

Following the disposal of the company's finance lease investment the company has net current assets.

The directors have assessed that the company has, or can expect to have, sufficient working capital for its needs for at least the next 12 months from the date of approval of these financial statements. In view of this the directors consider it appropriate to prepare the accounts on the going concern basis.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. An asset is not recognised to the extent that the transfer of economic benefits in future is uncertain. Deferred tax is measured on a non-discounted basis.

FINANCE LEASES

Finance leases are initially stated at cost including acquisition costs. The carrying amount is increased by finance charges in the accounting period and reduced by payments received in the period. Finance charges are recognised in the profit and loss account so as to produce a constant return on the carrying amount.

CASH FLOW STATEMENT

The company is exempt from the requirement to prepare a cash flow statement, as more than 90% of the voting rights are controlled within the group and consolidated financial statements in which the company is included are publicly available.

Lanemore Limited

ACCOUNTING POLICIES (CONTINUED)

HEDGING FINANCIAL INSTRUMENTS

Receipts and payments arising from financial instruments entered into in order to fix the interest payable on loans are treated as additions to or reductions from interest payable.

Receipts and payments arising from financial instruments entered into in order to fix the rental income used to determine the finance lease finance charges are treated as additions to or reductions from that rental income.

The fair value of the financial instruments is not recognised in these accounts.

INVESTMENT DEPOSITS

Investment deposits arise where funding has been provided by way of complex financial instruments and are initially stated as cost. Where the funding is part of a hedging structure utilised to regularise income from rent the investment deposit is amortised at its internal rate of return and the reduction of the investment deposit is treated as an addition to rental income.

Where the funding otherwise has the attributes of loan relationships the carrying value is increased by advances received and by finance charges arising is reduced by payments made. Finance charges are calculated so as to produce a constant charge on the carrying amount.

Lanemore Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2014

1 TURNOVER

Turnover represents finance charges allocated to the period so as to give a constant periodic rate of return over the duration of the lease.

2	OTHER OPERATING EXPENSES	2014 £	2013 £
	Administrative expenses	<u>8,000</u>	<u>8,000</u>
3	INTEREST PAYABLE AND SIMILAR CHARGES	2014 £	2013 £
	Loan interest payable to group undertakings	659,051	664,001
	Amortisation of finance costs	<u>18,185</u>	<u>24,247</u>
		<u>677,236</u>	<u>688,248</u>
4	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2014 £	2013 £
	Profit is stated after charging:		
	Auditor's remuneration	<u>3,000</u>	<u>3,000</u>
5	EMPLOYEES		

There were no employees during the year apart from the directors, who received no emoluments.

Lanemore Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2014

6	TAXATION	2014 £	2013 £
	UK Corporation tax	-	-
	Current tax charge	-	-
	Deferred tax		
	Effects of changes in tax rates and laws	(92,600)	(28,515)
	Deferred tax charge current year	47,791	54,090
	Total deferred tax	(44,809)	25,575
	Tax on profit on ordinary activities	(44,809)	25,575
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	182,980	168,861
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2013 - 23.00%)	38,426	38,838
	Effects of:		
	Non deductible expenses	39,306	45,515
	Group relief	(32,827)	(33,183)
	UK transfer pricing	2,886	2,920
	Adjustment in respect of finance leases	(47,791)	(54,090)
		(38,426)	(38,838)
	Current tax charge	-	-

Lanemore Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2014

7 DEBTORS	2014 £	2013 £
Amounts owed by group undertakings	942,928	889,341
Finance lease	11,253,001	11,212,596
Other debtors	375	375
Prepayments and accrued income	-	18,185
	<u>12,196,304</u>	<u>12,120,497</u>

Amounts falling due after more than one year and included in the debtors above are:

	2014 £	2013 £
Finance lease	<u>11,253,001</u>	<u>11,212,596</u>

The original cost of the finance lease was £10,072,285 (2013: £10,072,285).

8 CREDITORS: amounts falling due within one year	2014 £	2013 £
Loan from group undertaking (note 9)	10,978,861	11,079,692
Investment deposit from group undertaking (note 9)	5,857	5,857
Trade creditors	8,041	8,041
Accruals and deferred income	155,558	156,043
	<u>11,148,317</u>	<u>11,249,633</u>

Lanemore Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2014

9 CREDITORS: amounts falling due after more than one year	2014 £	2013 £
Investment deposit from group undertaking	<u>495,415</u>	<u>501,272</u>
Investment deposit maturity analysis:		
In more than one year but not more than two years	5,857	5,857
In more than two years but not more than five years	33,965	27,407
In more than five years	<u>455,593</u>	<u>468,008</u>
	<u>495,415</u>	<u>501,272</u>

The group undertaking loan and investment deposit are with Greenflat Limited the funding for which is provided by a third party lender and has been provided to the company on the same interest and repayment terms. The loan which was due to be repaid in April 2014 was repaid in full on 2 September 2014 (see page 6). The loan bears interest at a fixed rate of 5.99% per annum. The investment deposit is amortised over the period to 2036. The loan and investment deposit are secured by a fixed and floating charge over the company's finance lease property.

The loan and investment deposit are subject to cross-guarantees and cross-collateralisation of the underlying properties used as security with other group loans and investment deposits. The total value of the group loans and investment deposits subject to the cross-collateralisation arrangement, including the company's loan and investment deposit, are £97,789,685 (2013: £98,687,801) and £2,881,000 (2013: £2,936,364) respectively and the fair value of the financial instruments also subject to the cross-collateralisation is £(44,001,472) (2013: £(52,010,223)).

Lanemore Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2014

10 PROVISIONS FOR LIABILITIES

	Deferred tax liability £
Balance at 1 June 2013	709,934
Profit and loss account	(44,809)
Balance at 31 May 2014	<u>665,125</u>

The deferred tax liability is made up as follows:

	2014 £	2013 £
Other timing differences	<u>665,125</u>	<u>709,934</u>

Other timing differences arise on the difference in recognition of net income from the finance lease over the lease term at a constant rate of return and that recognised for tax purposes. These timing differences are not expected to reverse until 2024 except upon a disposal.

During the year, Finance Act 2013 was enacted and included legislation to reduce the main rate of corporation tax to 21% with effect from 1 April 2014 and by a further 1%, reaching 20% with effect from 1 April 2015. As this change was substantively enacted at the balance sheet date, deferred tax is recognised at 20% in the current period.

11 SHARE CAPITAL	2014 £	2013 £
Allotted, issued and fully paid		
Equity		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

12 RESERVES

	Profit and loss account £
Balance at 1 June 2013	(340,343)
Profit for the year	<u>227,789</u>
Balance at 31 May 2014	<u>(112,554)</u>

Lanemore Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2014

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2014	2013
	£	£
Profit for the financial year	227,789	143,286
Opening shareholders' funds	(340,342)	(483,628)
	<hr/>	<hr/>
Closing shareholders' funds	(112,553)	(340,342)
	<hr/>	<hr/>

14 CONTROL

The company's immediate holding company is Birchlake Limited.

The parent undertaking of the smallest and largest group for which group accounts are prepared and of which the company is a member is Brookrain Limited, the company's ultimate United Kingdom holding company, which is registered in England. Copies of these group accounts are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

The directors regard the ultimate holding company to be Sunnymist Limited, a company incorporated in the British Virgin Islands.

The ultimate controlling party is the Tchenguiz Family Trust.

15 RELATED PARTY TRANSACTIONS

The company is related to fellow subsidiaries of Sunnymist Limited with whom in many cases it has directors in common.

One such company is Rotch Property Group Limited ("Rotch"). Rotch provides management services to the company. At the balance sheet date, and included within amounts owed by group undertakings, £645,694 (2013: £592,107) was due from that company. Management fees payable for the year amounted to £5,000 (2013: £5,000).

The company has taken advantage of the exemptions provided by Financial Reporting Standard Number 8 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.

16 POST BALANCE SHEET EVENTS

On 2 September 2014 the company sold its finance lease investment for £16,094,737 less costs of £169,648.

Following the disposal, the company repaid its group undertaking loan and investment deposit.