

04315125

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2012
FOR
LANCASTER PARTNERSHIP LIMITED**



LANCASTER PARTNERSHIP LIMITED (REGISTERED NUMBER. 04315125)

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2012**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Profit and Loss Account	6
Balance Sheet	7
Notes to the Financial Statements	8
Trading and Profit and Loss Account	11

LANCASTER PARTNERSHIP LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 29 FEBRUARY 2012

DIRECTORS:

D H L Au
P K H Ma

REGISTERED OFFICE.

26-34 Barbican House
Old Street
London
EC1V 9QR

REGISTERED NUMBER:

04315125 (England and Wales)

AUDITORS

Blackstone Franks LLP
Chartered Accountants
& Statutory Auditors
Barbican House
26-34 Old Street
LONDON
EC1V 9QR

LANCASTER PARTNERSHIP LIMITED (REGISTERED NUMBER: 04315125)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 29 FEBRUARY 2012**

The directors present their report with the financial statements of the company for the year ended 29 February 2012

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of developing, marketing and sale of properties located at 19 - 21 Lancaster Gate, London, W2 3LN

DIRECTORS

The directors shown below have held office during the whole of the period from 1 March 2011 to the date of this report

D H L Au
P K H Ma

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director 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 auditors are aware of that information.

AUDITORS


The auditors, Blackstone Franks LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

LANCASTER PARTNERSHIP LIMITED (REGISTERED NUMBER: 04315125)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 29 FEBRUARY 2012**

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

ON BEHALF OF THE BOARD:


P K H Ma - Director

Date - 8 NOV 2012

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LANCASTER PARTNERSHIP LIMITED

We have audited the financial statements of Lancaster Partnership Limited for the year ended 29 February 2012 on pages six to ten. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 a Report of the Auditors 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 explained more fully in the Statement of Directors' Responsibilities set out on page two, 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, including "APB Ethical Standard - Provisions Available for Small Entities (Revised)", in the circumstances set out in note nine to the financial statements.

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 Report of the Directors to identify material inconsistencies with the audited financial statements. 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 29 February 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

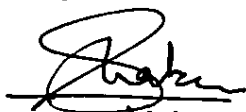
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LANCASTER PARTNERSHIP LIMITED**

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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Report of the Directors



Subhash V Thakrar (Senior Statutory Auditor)
for and on behalf of Blackstone Franks LLP
Chartered Accountants
& Statutory Auditors
Barbican House
26-34 Old Street
LONDON
EC1V 9QR

Date 16 November 2012

LANCASTER PARTNERSHIP LIMITED (REGISTERED NUMBER: 04315125)

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 29 FEBRUARY 2012**

	Notes	29/2/12 £	28/2/11 £
TURNOVER		-	1,960,000
Cost of sales		-	(1,971,315)
GROSS LOSS		-	(11,315)
Administrative expenses		(90,660)	(49,957)
		(90,660)	(61,272)
Other operating income		361	-
OPERATING LOSS	2	(90,299)	(61,272)
Interest receivable and similar income		14	189
		(90,285)	(61,083)
Interest payable and similar charges		(603,330)	(603,330)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(693,615)	(664,413)
Tax on loss on ordinary activities	3	-	-
LOSS FOR THE FINANCIAL YEAR		(693,615)	(664,413)

The notes form part of these financial statements

LANCASTER PARTNERSHIP LIMITED (REGISTERED NUMBER: 04315125)

**BALANCE SHEET
29 FEBRUARY 2012**

	Notes	29/2/12 £	28/2/11 £
CURRENT ASSETS			
Debtors	4	5,047	23,227
Cash at bank and in hand		4,784	8,974
		<u>9,831</u>	<u>32,201</u>
CREDITORS			
Amounts falling due within one year	5	(5,767,396)	(5,096,151)
NET CURRENT LIABILITIES		<u>(5,757,565)</u>	<u>(5,063,950)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(5,757,565)</u>	<u>(5,063,950)</u>
CAPITAL AND RESERVES			
Called up share capital	6	1,000	1,000
Share premium	7	584,000	584,000
Profit and loss account	7	(6,342,565)	(5,648,950)
SHAREHOLDERS' FUNDS		<u>(5,757,565)</u>	<u>(5,063,950)</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

- 8 NOV 2012

The financial statements were approved by the Board of Directors on behalf by

and were signed on its


P K H Ma - Director

The notes form part of these financial statements

LANCASTER PARTNERSHIP LIMITED (REGISTERED NUMBER: 04315125)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2012

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Exemption from preparing a cash flow statement

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

Fundamental accounting concept-going concern

The financial statements have been prepared on a going concern basis. The directors believe this basis to be appropriate due to the ultimate parent undertaking's commitment to continue to provide adequate financial support to the company for the foreseeable future to enable it to meet its liabilities as and when they fall due. However, should the ultimate parent undertaking fail to provide the continued support, the going concern basis used in preparing the company's financial statements would be invalid and adjustments would have to be made to reduce the value of assets to their realisable amount and to provide for any further liabilities which might arise.

2 OPERATING LOSS

The operating loss is stated after charging

	29/2/12	28/2/11
	£	£
Auditors remuneration	<u>4,000</u>	<u>5,750</u>
Directors' remuneration and other benefits etc	<u>-</u>	<u>-</u>

3 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 29 February 2012 nor for the year ended 28 February 2011

LANCASTER PARTNERSHIP LIMITED (REGISTERED NUMBER: 04315125)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 29 FEBRUARY 2012**

3 TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	29/2/12 £	28/2/11 £
Loss on ordinary activities before tax	<u>(693,615)</u>	<u>(664,413)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26% (2011 - 28%)	<u>(180,340)</u>	<u>(186,036)</u>
Effects of Expenses not deductible for tax purposes	156,866	168,924
Tax losses arising in the year not utilised	<u>23,474</u>	<u>17,112</u>
Current tax charge	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

The company has an unrecognised deferred tax asset of £568,730 (2011- £585,078) in respect of the carried forward trading losses. In accordance with FRS 19 and the company's accounting policy, no deferred tax asset is recognised due to the uncertainty of future taxable profits available for utilisation of the tax losses

4 DEBTORS

	29/2/12 £	28/2/11 £
Amounts falling due within one year		
Other debtors	<u>5,047</u>	<u>10,077</u>
Amounts falling due after more than one year		
Other debtors	<u>-</u>	<u>13,150</u>
Aggregate amounts	<u>5,047</u>	<u>23,227</u>

5 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	29/2/12 £	28/2/11 £
Bank loans and overdrafts	-	8,039
Deep discounted bonds	4,309,500	4,309,500
Trade creditors	15,798	4,663
Taxation and social security	-	(44)
Other creditors	<u>1,442,098</u>	<u>773,993</u>
	<u>5,767,396</u>	<u>5,096,151</u>

LANCASTER PARTNERSHIP LIMITED (REGISTERED NUMBER. 04315125)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 29 FEBRUARY 2012**

5 CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

On 29 January 2003, Lancaster Partnership Limited issued to CPE Investments Limited, deep discounted bonds with a nominal value of £4,309,500 at an aggregate issue price of £3,315,000. The bonds are unsecured and were due to be redeemed at their nominal value on 24th January 2006. During the year to date finance charges totalling £603,330 (2011-£603,330) have been accrued based on a 14% default interest charge on non repayment of the loan from the due redemption date to the year end

6 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid		Nominal value	29/2/12	28/2/11
Number	Class		£	£
95,000	Ordinary 'A' shares	£0.01	950	950
5,000	Ordinary 'B' shares	£0.01	50	50
			<u>1,000</u>	<u>1,000</u>

'A' shareholders have the ability to appoint two 'A' directors and to appoint the chairman of the board of directors from one of the two 'A' directors. 'B' shareholders have the ability to appoint one 'B' director. All shareholders have equal voting rights in proportion to the number of the shares they hold.

7. RESERVES

	Profit and loss account £	Share premium £	Totals £
At 1 March 2011	(5,648,950)	584,000	(5,064,950)
Deficit for the year	<u>(693,615)</u>		<u>(693,615)</u>
At 29 February 2012	<u><u>(6,342,565)</u></u>	<u><u>584,000</u></u>	<u><u>(5,758,565)</u></u>

8 RELATED PARTY DISCLOSURES

There were no related party transactions except those disclosed in note 5

9 APB ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements

10 ULTIMATE CONTROLLING PARTY

The company's immediate and ultimate parent undertaking is CPE Investments Limited. Its registered office is located at Trident Chambers, Wickhams Cay, Road Town, Tortola, British Virgin Islands.

In the director's opinion, the company's ultimate controlling parties are the directors Mr P Ma and Mr D Au.