

Registered number
04333598

LR Healthcare Limited

Annual report and financial statements

for the year ended
30 September 2011

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LR Healthcare Limited**Annual report and financial statements for the year ended 30 September 2011****Contents**

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LR Healthcare Limited
Company information for the year ended 30 September 2011

Director

Mr R J Livingstone

Company secretary

Mr R N Luck

Registered office

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

Independent auditors

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

Registered number

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LR Healthcare Limited

Director's report for the year ended 30 September 2011

The director presents his annual report and the audited financial statements of the company for the year ended 30 September 2011

Principal activities

The company acts as a commercial property investment company. During the year the company has suffered a £366,344 reduction in turnover due to the financial difficulties of a tenant requiring the bringing forward of deferred lease incentive costs. Despite this the director considers the financial position at 30 September 2011 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 competitive market place. The directors of the group have 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.

Key performance indicators

The company is managed by the director in accordance with the strategies of its ultimate parent company, Loopsign Limited. For this reason, the director believes 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.

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 (2010: £nil).

Director

The director of the company who served during the year and up to the date of signing the financial statements was as follows:

Mr R J Livingstone

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 Investments Limited. The director has received confirmation that London & Regional Group Investments Limited intends to support the company for at least one year after these financial statements are signed.

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.

LR Healthcare Limited

Director's report for the year ended 30 September 2011 (continued)

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

22 June 2012

LR Healthcare Limited

Statement of director's responsibilities for the year ended 30 September 2011

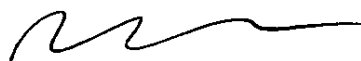
The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 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 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

22 June 2012

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF LR HEALTHCARE LIMITED

We have audited the financial statements of LR Healthcare Limited for the year ended 30 September 2011 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 director's responsibilities, 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 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 annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications of 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 2011 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 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 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

22 June 2012

LR Healthcare Limited
Profit and loss account
for the year ended 30 September 2011

	Note	2011 £	2010 £
Turnover	2	55,714	485,448
Cost of sales		(15,083)	(14,580)
Gross profit		<u>40,631</u>	<u>470,868</u>
Administrative expenses		(4,284)	(15,244)
Operating profit	3	<u>36,347</u>	<u>455,624</u>
Interest receivable and similar income		-	109
Interest payable and similar charges	4	(90,315)	(91,558)
(Loss)/profit on ordinary activities before taxation		<u>(53,968)</u>	<u>364,175</u>
Tax on (loss)/profit on ordinary activities	6	-	-
(Loss)/profit for the financial year	14	<u>(53,968)</u>	<u>364,175</u>

All amounts relate to continuing operations

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

LR Healthcare Limited
Statement of total recognised gains and losses
for the year ended 30 September 2011

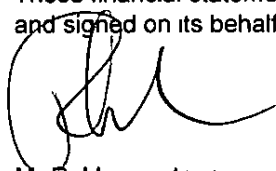
	Note	2011 £	2010 £
(Loss)/profit for the financial year		(53,968)	364,175
Unrealised (deficit)/surplus on revaluation of investment properties	7	(655,000)	275,000
Total recognised (losses) and gains related to the year		<u>(708,968)</u>	<u>639,175</u>

LR Healthcare Limited
Balance sheet
as at 30 September 2011

Registered number
04333598

	Note	2011 £	2010 £
Fixed assets			
Investment properties	7	3,860,000	4,515,000
Current assets			
Debtors	8	971	388,455
Creditors, amounts falling due within one year	9	(6,551,157)	(6,861,883)
Net current liabilities		(6,550,186)	(6,473,428)
Total assets less current liabilities		(2,690,186)	(1,958,428)
Creditors: amounts falling due after more than one year	10	(1,444,347)	(1,467,137)
Net liabilities		(4,134,533)	(3,425,565)
Capital and reserves			
Called up share capital	12	1	1
Revaluation reserve	13	(1,312,782)	(657,782)
Profit and loss reserve	14	(2,821,752)	(2,767,784)
Total shareholder's deficit	15	(4,134,533)	(3,425,565)

These financial statements were approved by the Board of Directors on *22 June* 2012
and signed on its behalf by



Mr R J Livingstone
Director

22 June 2012

LR Healthcare Limited
Notes to the financial statements
for the year ended 30 September 2011

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

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 Investments Limited. The director has received confirmation that London & Regional Group Investments Limited intends to support the company for at least one year after these financial statements are signed

Depreciation

Compliance with the Statement of Standard Accounting Practice (SSAP 19) "Accounting for Investment Properties" requires departure from the requirements of the Companies Act 2006 relating to depreciation and an explanation for the departure is given below

Investment properties

In accordance with SSAP 19 'Accounting for investment properties', investment properties are revalued by the directors 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 Companies Act 2006 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

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

LR Healthcare Limited
Notes to the financial statements
for the year ended 30 September 2011

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

Turnover

Turnover comprises 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 aggregate cost of incentives is deducted from the rental income and allocated to the profit and loss account over the lease term or to the next rent review date, whichever is shorter. The total turnover for the company for the year has been derived from its principle activity, wholly undertaken in the UK.

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 account when earned.

2 Turnover

Net rental income	2011 £	2010 £
Rental income	40,631	470,868
Recoverable property expenses	15,083	14,580
Turnover	<u>55,714</u>	<u>485,448</u>
Recoverable property expenses	(15,083)	(14,580)
Property outgoings	<u>(15,083)</u>	<u>(14,580)</u>
Net rental income	<u>40,631</u>	<u>470,868</u>

Lease incentive costs of £366,344 that were previously allocated against future periods have been deducted against turnover in the current year because the tenant concerned is experiencing financial difficulties and there is uncertainty as to the payment of rents in the future.

3 Operating profit	2011 £	2010 £
Operating profit is stated after charging		
Auditors' remuneration	<u>-</u>	<u>-</u>

Auditors' remuneration has been borne by London & Regional Properties Limited

4 Interest payable and similar charges	2011 £	2010 £
Bank loans and overdrafts	89,473	90,716
Amortisation of finance costs	842	842
	<u>90,315</u>	<u>91,558</u>

LR Healthcare Limited
Notes to the financial statements
for the year ended 30 September 2011

5 Director's emoluments

The director did not receive any emoluments in respect of his services to the company (2010 £nil)
The company has no employees (2010 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 2011 amounted to £1,218 (2010 £14,126), 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 Livingstone is a director of the parent company and a number of fellow subsidiary companies and his total emoluments are included in the aggregate of directors' emoluments included in the financial statements of the parent company.

6 Tax on (loss)/profit on ordinary activities

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

Factors affecting tax charge for the year

From 01 April 2011 the rate of corporation tax has reduced from 28% to 26%, giving a blended average rate for the year of 27%

The tax assessed for the year is different (2010 different) than the blended/standard rate of corporation tax in the UK of 27% (2010 28%). The differences are explained below

	2011 £	2010 £
(Loss)/profit on ordinary activities before taxation	(53,968)	364,175
	£	£
Profit on ordinary activities multiplied by the standard rate in the UK 27% (2010 28%)	(14,571)	101,969
Effects of		
Surrender/(utilisation) of tax losses	14,571	(101,969)
Total current tax charge for the year	-	-

The company surrendered the benefit of tax losses amounting to £53,968 to fellow subsidiary undertakings without receiving any payment. In 2010 the corporation tax charge was reduced by £101,969 because of losses surrendered by fellow subsidiary undertakings. No payment for this surrender is to be made by the company.

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 2011 Budget. The changes, which were enacted on 19 July 2011, reduce the rate by 1% per annum to 24% by 1 April 2014. These changes have no impact on these financial statements.

LR Healthcare Limited
Notes to the financial statements
for the year ended 30 September 2011

7 Investment properties

	Freehold land and buildings £
Valuation	
At 1 October 2010	4,515,000
Unrealised deficit arising on revaluation of investment property	(655,000)
At 30 September 2011	<u>3,860,000</u>
Cost	<u>5,172,782</u>

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 2011. The valuation has been made in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors in the United Kingdom.

8 Debtors	2011 £	2010 £
Trade debtors	970	21,516
Other debtors	1	1
Prepayments and accrued income	-	366,938
	<u>971</u>	<u>388,455</u>

Other debtors relates to unpaid share capital of £1 (2010: £1)

9 Creditors amounts falling due within one year	2011 £	2010 £
Bank loans and overdrafts	22,909	21,439
Trade creditors	4,048	9,065
Amounts owed to group undertakings	6,482,272	6,780,802
Other taxes and social security costs	10,428	6,191
Accruals and deferred income	31,500	44,386
	<u>6,551,157</u>	<u>6,861,883</u>

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

The bank loan is stated net of finance charges of £842 (2010: £842) to be allocated to the following year.

LR Healthcare Limited
Notes to the financial statements
for the year ended 30 September 2011

10 Creditors amounts falling due after more than one year	2011	2010
	£	£
Bank loans (Note 11)	<u>1,444,347</u>	<u>1,467,137</u>

The bank loan is stated net of finance charges of £8,549 (2010 £9,391) to be allocated to future periods

11 Bank loans	2011	2010
	£	£
Bank loan	<u>1,467,137</u>	<u>1,488,561</u>
Analysis of maturity of debt		
Within one year or on demand	22,789	21,424
Between one and two years	50,862	47,031
Between two and five years	65,182	53,193
After five years	<u>1,328,304</u>	<u>1,366,913</u>
	<u>1,467,137</u>	<u>1,488,561</u>

The bank loan is secured by a charge over an investment property of the company and is repayable from surplus income and by a bullet repayment in September 2022. The loan is hedged and bears interest at an effective fixed rate of 6.00% per annum.

12 Called up share capital	2011	2010
	£	£
Authorised 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	2011	2010
	Number	Number
2011		
2010		
2011		
2010		
£		
£		
Allotted and unpaid		
Ordinary shares of £1 each	<u>1</u>	<u>1</u>

13 Revaluation reserve	£
At 1 October 2010	(657,782)
Unrealised deficit arising on revaluation of investment property	(655,000)
At 30 September 2011	<u>(1,312,782)</u>

14 Profit and loss reserve	£
At 1 October 2010	(2,767,784)
Loss for the financial year	(53,968)
At 30 September 2011	<u>(2,821,752)</u>

LR Healthcare Limited
Notes to the financial statements
for the year ended 30 September 2011

15 Reconciliation of movement in shareholder's deficit	2011	2010
	£	£
At 1.October - - - - -	(3,425,565)	(4,064,740)
(Loss)/profit for the financial year	(53,968)	364,175
Unrealised deficit /surplus arising on revaluation during the year	(655,000)	275,000
At 30 September	<u>(4,134,533)</u>	<u>(3,425,565)</u>

16 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

17 Parent undertaking

The immediate parent undertaking is London & Regional Group Investments 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 2011. Loopsign Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 30 September 2011. 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