

Registered number
04333598

LR Healthcare Limited

Annual report and financial statements

for the year ended
30 September 2009

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LR Healthcare Limited
Annual report and financial statements for the year ended 30 September 2009
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LR Healthcare Limited
Company information
for the year ended 30 September 2009

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

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LR Healthcare Limited
Director's report for the year ended 30 September 2009

The director presents his report and the audited accounts of the company for the year ended 30 September 2009

Principal activities and review of the business

The company acts as a commercial property investment company. In October 2008, the company took out a mortgage of £1,539,000 on one of its existing freehold properties. The company has made a loss for the year due to the impairment in the value of one of its investment properties, reflecting current market conditions, but the directors are satisfied with the future prospects of the company. The company continues to seek new property development and investment opportunities.

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. 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

LR Healthcare Limited is managed by the director in accordance with the group 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 accounts 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 intend to support the company for at least one year after these financial statements are signed.

Results and dividends

The result for the year is set out in the profit and loss account on page 5. The director does not recommend the payment of a dividend (2008: £nil).

Director

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

Mr C King (resigned 21 August 2009)

Mr R J Livingstone (appointed 21 August 2009)

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

In so far as the director is aware:

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

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.

The report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

By order of the board



Mr R N Luck

Company secretary

29 JUNE 2010

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LR Healthcare Limited

Statement of Director's Responsibilities for the year ended 30 September 2009

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 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 director 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 director is 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 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 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

29 JUNE 2010

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LR HEALTHCARE LIMITED

We have audited the financial statements of LR Healthcare Limited for the year ended 30 September 2009 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) as applicable to financial statements prepared in accordance with the small companies regime of the Companies Act 2006.

Respective responsibilities of director and auditors

As explained more fully in the Director's Responsibilities Statement, 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 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 director, and the overall presentation of the financial statements.

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 2009 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 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
- the director was not entitled to prepare financial statements and the director's report in accordance with the small company regime.



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

29 June 2010

LR Healthcare Limited
Profit and loss account
for the year ended 30 September 2009

	Note	2009 £	2008 £
Turnover	2	479,193	137,159
Administrative expenses		(20,843)	(23,437)
Operating profit	3	458,350	113,722
Exceptional items			
Permanent diminution in value of investment property	5	(1,013,170)	(2,615,596)
		(554,820)	(2,501,874)
Interest receivable and similar income		3,484	3,650
Interest payable and similar charges	7	(90,567)	-
Loss on ordinary activities before taxation		(641,903)	(2,498,224)
Tax on loss on ordinary activities	6	-	-
Loss for the financial year	15	<u>(641,903)</u>	<u>(2,498,224)</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 cost equivalents

LR Healthcare Limited
Statement of total recognised gains and losses
for the year ended 30 September 2009

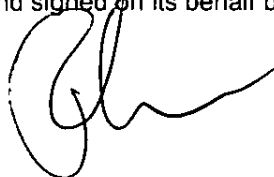
	2009 £	2008 £
Loss for the financial year	(641,903)	(2,498,224)
Unrealised deficit on revaluation of investment properties	(1,085,000)	(15,000)
Total recognised gains and losses related to the year	<u>(1,726,903)</u>	<u>(2,513,224)</u>

LR Healthcare Limited
Balance sheet
as at 30 September 2009

Registered number
04333598

	Note	2009 £	2008 £
Fixed assets			
Investment properties	8	4,240,000	6,325,000
Current assets			
Debtors	9	411,398	110,905
Cash at bank and in hand		153,955	153,614
		565,353	264,519
Creditors, amounts falling due within one year	10	(7,381,532)	(8,927,356)
Net current liabilities		(6,816,179)	(8,662,837)
Total assets less current liabilities		(2,576,179)	(2,337,837)
Creditors amounts falling due after more than one year	11	(1,488,561)	-
Net assets		<u>(4,064,740)</u>	<u>(2,337,837)</u>
Capital and reserves			
Called up share capital	13	1	1
Investment revaluation reserve	14	(932,782)	152,218
Profit and loss account	15	(3,131,959)	(2,490,056)
Total shareholder's deficit	16	<u>(4,064,740)</u>	<u>(2,337,837)</u>

These financial statements were approved by the Board of Directors on 29 JUNE 2010
and signed on its behalf by



Mr R J Livingstone
Director
29 JUNE 2010

LR Healthcare Limited
Notes to the financial statements
for the year ended 30 September 2009

1 Accounting policies

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention as modified by the revaluation of investment properties, and in accordance with the small companies regime of 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 accounts 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 intend to support the company for at least one year after these financial statements are signed.

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.

Depreciation

Compliance with Statement of Standard Accounting Practice 19 (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, 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) in the profit and loss account of the period. 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 increased the loss for the year) 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 2009

1 Accounting policies (continued)

Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (revised 1996) 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

Turnover

Turnover comprises rental income, 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.

Accrued income

Income from rental properties is allocated in the year to which it relates, with amounts owed from tenants, but not invoiced at the year end held as accrued income.

Deferred income

Income from rental properties is allocated in the year to which it relates, with payments received in advance held as deferred income and credited to the profit and loss when earned.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity, wholly undertaken in the UK.

3 Operating profit

2009	2008
£	£

Operating profit is stated after charging
Auditors' remuneration

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

4 Director's emoluments

The director did not receive any emoluments in respect of his services to the company (2008 £nil).
The company has no employees (2008 nil) other than the director.

The above details of director's emoluments does 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 2009 amounted to £14,376 (2008 £3,407), 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.

5 Exceptional items

2009	2008
£	£

Permanent diminution in value of investment property (note 8)

(1,013,170)	(2,615,596)
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LR Healthcare Limited
Notes to the financial statements
for the year ended 30 September 2009

6 Tax on loss on ordinary activities

No tax has been provided for due to the availability of losses through group relief

Factors affecting the tax charge for the period

On 1 April 2008 the standard rate of corporation tax was reduced from 30% to 28%, giving a blended average rate for the prior year of 29%

The tax assessed for the year is lower (2008 lower) than the standard/blended rate of corporation tax in the UK of 28% (2008 29%) The differences are explained below

	2009 £	2008 £
Loss on ordinary activities before taxation	(641,903)	(2,498,224)
Loss on ordinary activities multiplied by standard (2008 blended) rate of corporation tax in the UK of 28% (2008 29%)	(179,733)	(724,485)
Effects of:		
Expenses not deductible for tax purposes	283,688	-
(Utilisation)/surrender of tax losses	(103,955)	724,485
Total current tax charge	<u>-</u>	<u>-</u>

The corporation tax charge for the year has been reduced by £103,955 because of losses surrendered by fellow subsidiary undertakings. No payment for this surrender is to be made by the company. In the prior year the company surrendered the benefit of tax losses amounting to £2,498,224 to fellow subsidiary undertakings without receiving any payment.

7 Interest payable

	2009 £	2008 £
On bank borrowings repayable after more than 5 years	89,788	-
Amortisation of loan fees	779	-
	<u>90,567</u>	<u>-</u>

LR Healthcare Limited
Notes to the financial statements
for the year ended 30 September 2009

8 Investment properties

	Freehold land and buildings £
Investment properties at valuation	
At 1 October 2008	6,325,000
Additions	13,170
Unrealised deficit arising on revaluation during the year	(1,085,000)
Impairment in value of investment properties	(1,013,170)
At 30 September 2009	<u>4,240,000</u>
At cost less provision for impairment	<u>5,172,782</u>

The investment properties were valued on an open market valuation basis as at 30 September 2009 by the director with the advice of independent valuers

9 Debtors

	2009 £	2008 £
Trade debtors	21,963	24,398
Other debtors	1	62,908
Prepayments and accrued income	389,434	23,599
	<u>411,398</u>	<u>110,905</u>

Included within other debtors is £1 of unpaid share capital (2008 £1)

10 Creditors amounts falling due within one year

	2009 £	2008 £
Bank loans and overdrafts	20,136	-
Trade creditors	891	17,164
Amounts owed to group undertakings	7,161,379	8,728,395
Taxation	4,788	-
Other creditors	150,000	150,000
Accruals and deferred income	44,338	31,797
	<u>7,381,532</u>	<u>8,927,356</u>

The amounts owed to group undertakings are interest free, payable on demand and unsecured

The bank loan is stated net of of finance charges of £842 (2008 £nil) to be allocated to the following year

11 Creditors amounts falling due after one year

	2009 £	2008 £
Bank loans (Note 12)	<u>1,488,561</u>	<u>-</u>

The bank loan is stated net of of finance charges of £10,162 (2008 £nil) to be allocated to future periods

LR Healthcare Limited
Notes to the financial statements
for the year ended 30 September 2009

12 Bank loan	2009	2008
	£	£
Bank loan	<u>1,508,697</u>	<u>-</u>
Analysis of maturity of debt		
Within one year or on demand	20,136	-
Between one and two years	44,214	-
Between two and five years	50,020	-
After five years	1,394,327	-
	<u>1,508,697</u>	<u>-</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.

13 Called up share capital	2009	2008
	£	£
Authorised		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	2009	2008
	Number	Number
Allotted		
Ordinary shares of £1 each	<u>1</u>	<u>1</u>
	2009	2008
	£	£
	<u>1</u>	<u>1</u>

14 Investment revaluation reserve	£
At 1 October 2008	152,218
Unrealised deficit arising on revaluation during the year	(1,085,000)
At 30 September 2009	<u>(932,782)</u>

15 Profit and loss account	£
At 1 October 2008	(2,490,056)
Loss for the financial year	(641,903)
At 30 September 2009	<u>(3,131,959)</u>

16 Reconciliation of movement in shareholder's deficit	2009	2008
	£	£
At 1 October	(2,337,837)	175,387
Loss for the financial year	(641,903)	(2,498,224)
Unrealised deficit arising on revaluation during the year	(1,085,000)	(15,000)
At 30 September	<u>(4,064,740)</u>	<u>(2,337,837)</u>

LR Healthcare Limited
Notes to the financial statements
for the year ended 30 September 2009

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 accounts are publicly available

18 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

Loopsign Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 30 September 2009. 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