

Registered number
04333598

LR Healthcare Limited
Annual report and financial statements
for the year ended
30 September 2013

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LR Healthcare Limited

Annual report and financial statements for the year ended 30 September 2013

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LR Healthcare Limited

Company information for the year ended 30 September 2013

Directors

Mr R J Livingstone

Mr L K Sebastian

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
Strategic report for the year ended 30 September 2013

The directors present their 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 profit of £698 for the financial year ended 30 September 2013 (2012: loss of £1.7m due to permanent diminution in value of an investment property). Administrative expenses for the year include a bad debt provision of £62,214 (2012: £239,590) related to a tenant that is experiencing financial difficulties. Net liabilities were £5m at the year end (2012: £5m). Despite this the directors consider the financial position at 30 September 2013 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.

Financial risk management

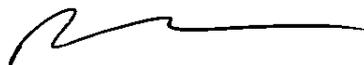
The company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. Further discussion of the financial risk management objectives and policies, in the context of the group as a whole, are discussed in the company's ultimate parent's group annual report which does not form part of this report.

Key performance indicators

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

Going concern

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



Mr R N Luck
Company secretary
30 June 2014

LR Healthcare Limited
Directors' report for the year ended 30 September 2013

The directors present their 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 directors do not recommend the payment of a dividend (2012: £nil)

Director

The directors 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
Mr L K Sebastian

Qualifying third party indemnity provisions

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

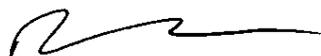
Each person who was a director at the time this report was approved confirms that

- 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

LR Healthcare Limited

Statement of directors' responsibilities for the year ended 30 September 2013

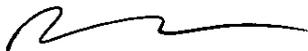
The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared 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 directors are 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 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.

By order of the board



Mr R N Luck
Company secretary

30 June 2014

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 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 directors and auditors

As explained more fully in the Statement of directors' responsibilities on page 4, 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 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 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 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 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 2013 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 strategic report and 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.



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

30 June 2014

LR Healthcare Limited
Profit and loss account
for the year ended 30 September 2013

	Note	2013 £	2012 £
Turnover	2	201,951	365,565
Cost of sales		(28,471)	(11,814)
Gross profit		<u>173,480</u>	<u>353,751</u>
Administrative expenses	2	(85,328)	(257,095)
Operating profit	3	<u>88,152</u>	<u>96,656</u>
Exceptional items			
Permanent diminution in value of investment property	3	-	(1,700,000)
		<u>88,152</u>	<u>(1,603,344)</u>
Interest payable and similar charges	4	(87,454)	(88,904)
Profit/(loss) on ordinary activities before taxation		<u>698</u>	<u>(1,692,248)</u>
Tax on profit/(loss) on ordinary activities	7	-	-
Profit/(loss) for the financial year	15	<u>698</u>	<u>(1,692,248)</u>

All amounts relate to continuing operations

There is no material difference between the profit / (loss) on ordinary activities before taxation and the profit / (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 2013

	Note	2013 £	2012 £
Profit/(loss) for the financial year		698	(1,692,248)
Unrealised (deficit)/surplus on revaluation of investment properties	8	(100,000)	840,000
Total recognised gains and losses related to the year		<u>(99,302)</u>	<u>(852,248)</u>

LR Healthcare Limited
 Balance sheet
 as at 30 September 2013

Registered number
 04333598

	Note	2013 £	2012 £
Fixed assets			
Investment properties	8	2,900,000	3,000,000
Current assets			
Debtors	9	17,558	26,756
Creditors amounts falling due within one year	10	<u>(6,609,314)</u>	<u>(6,593,431)</u>
Net current liabilities		(6,591,756)	(6,566,675)
Total assets less current liabilities		<u>(3,691,756)</u>	<u>(3,566,675)</u>
Creditors amounts falling due after more than one year	11	(1,394,327)	(1,420,106)
Net liabilities		<u>(5,086,083)</u>	<u>(4,986,781)</u>
Capital and reserves			
Called up share capital	13	1	1
Revaluation reserve	14	(572,782)	(472,782)
Profit and loss account	15	(4,513,302)	(4,514,000)
Total shareholders' deficit	16	<u>(5,086,083)</u>	<u>(4,986,781)</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

LR Healthcare 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

Going concern

The directors believe 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 directors have received confirmation that London & Regional Group Investments 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 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 directors consider 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.

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 principal 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 profit and loss account when earned.

LR Healthcare Limited
Notes to the financial statements
for the year ended 30 September 2013

2 Turnover

Net rental income	2013	2012
	£	£
Rental income	183,215	352,600
Recoverable property expenses	18,736	12,965
Turnover	<u>201,951</u>	<u>365,565</u>
Net property expenditure	(9,735)	1,151
Recoverable property expenses	(18,736)	(12,965)
Property outgoings	<u>(28,471)</u>	<u>(11,814)</u>
Net rental income	<u>173,480</u>	<u>353,751</u>

Administrative expenses include a bad debt provision of £62,214 (2012 £239,590) relating to a tenant that is in liquidation

3 Operating profit

	2013	2012
	£	£
Operating profit is stated after charging		
Loss on impairment of investment property	-	1,700,000
Auditors' remuneration	-	-
	<u>-</u>	<u>-</u>

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

4 Interest payable and similar charges

	2013	2012
	£	£
Bank loans and overdrafts	86,612	88,062
Amortisation of finance costs	842	842
	<u>87,454</u>	<u>88,904</u>

5 Director's emoluments

The directors 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 directors

The above details of directors' 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 £5,496 (2012 £10,578), 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 directors' 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 The total emoluments of Mr L K Sebastian are included in the aggregate of employees' salaries included in the financial statements of the ultimate parent company

LR Healthcare Limited
Notes to the financial statements
for the year ended 30 September 2013

6	Exceptional items	2013	2012
		£	£
	Permanent diminution in value of investment property	<u>-</u>	<u>(1,700,000)</u>

7 Tax on profit/(loss) on ordinary activities

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

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
	£	(restated) £
Profit/(loss) on ordinary activities before taxation	<u>698</u>	<u>(1,692,248)</u>
Blended rate of corporation tax in the UK	23.5%	25%
	£	£
Profit/(loss) on ordinary activities multiplied by the blended rate of corporation tax	164	(423,062)
Effects of		
Expenses not deductible for tax purposes	-	425,000
Utilisation of tax losses	(164)	(1,938)
Total current tax charge for the year	<u>-</u>	<u>-</u>

The corporation tax for the year has been reduced by £164 (2012 £1,938) because of losses surrendered by fellow subsidiary undertakings without making a payment. The 2012 comparatives have been restated following finalisation of the 2012 corporation tax return.

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.

LR Healthcare Limited
Notes to the financial statements
for the year ended 30 September 2013

8 Investment properties

	Freehold land and buildings £
Valuation	
At 1 October 2012	3,000,000
Arising on revaluation of investment properties	(100,000)
At 30 September 2013	<u>2,900,000</u>
At cost (less cumulative impairment provisions)	<u>3,472,782</u>

The investment properties were 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.

9 Debtors	2013 £	2012 £
Trade debtors	2,449	-
Other debtors	1	1
Taxation	12,562	22,753
Prepayments and accrued income	2,546	4,002
	<u>17,558</u>	<u>26,756</u>

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

Other debtors relates to unpaid share capital of £1 (2012 £1)

10 Creditors amounts falling due within one year	2013 £	2012 £
Bank loans and overdrafts	25,780	24,241
Trade creditors	9,970	5,109
Amounts owed to group undertakings	6,537,350	6,519,250
Accruals and deferred income	36,214	44,831
	<u>6,609,314</u>	<u>6,593,431</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 (2012 £842) to be allocated to the following year.

11 Creditors amounts falling due after more than one year	2013 £	2012 £
Bank loans and overdrafts (Note 12)	<u>1,394,327</u>	<u>1,420,106</u>

The bank loan is stated net of finance charges of £6,795 (2012 £7,637) to be allocated to future periods.

LR Healthcare Limited
Notes to the financial statements
for the year ended 30 September 2013

12 Bank loans	2013	2012
	£	£
Bank loan	<u>1,420,106</u>	<u>1,444,347</u>
Analysis of maturity of debt		
Within one year or on demand	25,780	24,240
Between one and two years	57,402	54,034
Between two and five years	64,769	60,976
After five years	<u>1,272,155</u>	<u>1,305,097</u>
	<u>1,420,106</u>	<u>1,444,347</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	2013	2012
	£	£
Authorised 1,000 (2012 1,000) ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	2013	2012
	Number	Number
Allotted and unpaid Ordinary shares of £1 each	<u>1</u>	<u>1</u>
	2013	2012
	£	£
	<u>1</u>	<u>1</u>

14 Revaluation reserve	£
At 1 October 2012	(472,782)
Arising on revaluation of investment properties	<u>(100,000)</u>
At 30 September 2013	<u>(572,782)</u>

15 Profit and loss account	£
At 1 October 2012	(4,514,000)
Profit for the financial year	698
At 30 September 2013	<u>(4,513,302)</u>

16 Reconciliation of movement in shareholder's deficit	2013	2012
	£	£
At 1 October	(4,986,781)	(4,134,533)
Profit/(loss) for the financial year	698	(1,692,248)
Arising on revaluation during the year	<u>(100,000)</u>	840,000
At 30 September	<u>(5,086,083)</u>	<u>(4,986,781)</u>

LR Healthcare Limited
Notes to the financial statements
for the year ended 30 September 2013

17 Post balance sheet events

In May 2014 the company sold one of its investment properties for gross consideration of £1,530,000. The net sales proceeds were used to repay the outstanding loan balance.

18 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.

19 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 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 I M Livingstone and R J Livingstone through their joint ownership of Loopsign Limited.