

Registered number
4524346

London & Regional (Empire) Limited

Report and Accounts

30 September 2005



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London & Regional (Empire) Limited
Report and accounts
Contents

	Page
Company information	1
Director's report	2
Statement of director's responsibilities	3
Auditors' report	4
Profit and loss account	5
Statement of total recognised gains and losses	6
Balance sheet	7
Notes to the accounts	8 - 11

London & Regional (Empire) Limited
Company Information

Director

Mr I M Livingstone

Secretary

Mr R N Luck

Registered Office

St Alphage House
2 Fore Street
London
EC2Y 5DH

Auditors

UHY Hacker Young
168 Church Road
Hove
East Sussex
BN3 2DL

Registered number

4524346

London & Regional (Empire) Limited
Director's Report

The director presents his report and accounts for the year ended 30 September 2005.

Principal activities and review of the business

The company acts as a property investment company. The director considers the financial position at 30 September 2005 to be satisfactory.

Results and dividends

The results for the year are set out in the profit and loss account on page 5. The director does not recommend the payment of a dividend.

Directors

The director who served during the year was:

Mr I M Livingstone

The director had no interest in the ordinary shares of the company at any time during the year.

Auditors

The Company passed an Elective Resolution during the year, pursuant to Section 386 of the Companies Act 1985, electing to dispense with the obligation to re-appoint auditors annually. The resolution remains in force.

This report was approved by the board on 9 May 2006.

Mr R N Luck



Secretary

London & Regional (Empire) Limited

Statement of Director's Responsibilities

Company law requires the director to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those accounts, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. 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.

London & Regional (Empire) Limited

Independent auditors' report to the shareholders' of London & Regional (Empire) Ltd

We have audited the accounts of London & Regional (Empire) Ltd for the year ended 30 September 2005 which comprise pages 5 to 11. These accounts have been prepared under the historical cost convention as modified by the revaluation of fixed assets and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors

As described in the Statement of Director's Responsibilities the company's director are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Director's Report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Director's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

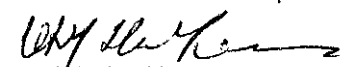
Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30 September 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



UHY Hacker Young
Chartered Accountants & Registered Auditors
168 Church Road
Hove
East Sussex
BN3 2DL

9 May 2006

London & Regional (Empire) Limited
Profit and Loss Account
for the year ended 30 September 2005

	Notes	2005 £	2004 £
Turnover	2	1,275,000	1,091,667
Net operating expenses		(40,502)	(41,986)
Operating profit	3	<u>1,234,498</u>	<u>1,049,681</u>
Exceptional items:			
loss on the write down of investments		-	(1,455,000)
		<u>1,234,498</u>	<u>(405,319)</u>
Interest receivable		105,187	21,406
Interest payable	4	(2,368,499)	(1,169,782)
Loss on ordinary activities before taxation		<u>(1,028,814)</u>	<u>(1,553,695)</u>
Tax on loss on ordinary activities	5	-	-
Loss for the financial year		<u>(1,028,814)</u>	<u>(1,553,695)</u>
Retained loss for the financial year	13	<u>(1,028,814)</u>	<u>(1,553,695)</u>

London & Regional (Empire) Limited
Statement of total recognised gains and losses
for the year ended 30 September 2005

	Notes	2005 £	2004 £
Loss for the financial year	13	(1,028,814)	(1,553,695)
Unrealised surplus on revaluation of properties	12	1,553,345	7,877,716
Total recognised gains and losses related to the year		<u>524,531</u>	<u>6,324,021</u>

London & Regional (Empire) Limited
Balance Sheet
as at 30 September 2005

	Notes	2005 £	2004 £
Fixed assets			
Investment property	6	42,700,000	40,750,000
Current assets			
Debtors	7	4,815,323	1,351,517
Cash at bank and in hand		2,275,965	2,172,172
		<u>7,091,288</u>	<u>3,523,689</u>
Creditors: amounts falling due within one year	8	(7,418,922)	(2,365,439)
Net current (liabilities)/assets		<u>(327,634)</u>	<u>1,158,250</u>
Total assets less current liabilities		<u>42,372,366</u>	<u>41,908,250</u>
Creditors: amounts falling due after more than one year	9	(34,068,813)	(34,129,228)
		<u>8,303,553</u>	<u>7,779,022</u>
Capital and reserves			
Called up share capital	11	1,455,001	1,455,001
Revaluation reserve	12	9,431,061	7,877,716
Profit and loss account	13	(2,582,509)	(1,553,695)
Shareholders' funds:			
Equity		<u>8,303,553</u>	<u>7,779,022</u>
	14	<u>8,303,553</u>	<u>7,779,022</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.



Mr I M Livingstone
 Director

Approved by the board on 9 May 2006

London & Regional (Empire) Limited
Notes to the Accounts
for the year ended 30 September 2005

1 Accounting policies

The accounts have been prepared in accordance with applicable accounting standards. A summary of the more important accounting policies which have been consistently applied are given below.

Accounting convention

The accounts have been prepared under the historical cost convention as modified by the revaluation of fixed assets and in accordance with applicable accounting standards.

Finance costs

Finance costs are amortised over the period of the loan in accordance with FRS4.

Depreciation

Compliance with the Statement of Standard Accounting Practice (SSAP 19) "Accounting for Investment Properties" requires departure from the requirements of the Companies Act 1985 relating to depreciation and an explanation for the departure is given below.

Investment Properties

In accordance with SSAP 19, investment properties are revalued annually and the surplus or deficit is transferred to the revaluation reserve. No depreciation is provided in respect of investments properties. The Companies Act 1985 requires all properties to be depreciated. However, this conflicts with SSAP 19 and the director considers that to depreciate would not give a true and fair view.

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.

Cash flow statement

The company has taken advantage of the exemption permitted by Financial Reporting Standard 1, whereby a cash flow statement need not be prepared by a small company as defined in the Companies Act 1985.

2 Turnover

Turnover represents rental income net of value added tax.

3 Operating profit

This is stated after charging:

Auditors' remuneration

2005
£

2004
£

1,750

1,650

London & Regional (Empire) Limited
Notes to the Accounts
for the year ended 30 September 2005

4 Interest payable	2005 £	2004 £
On borrowings wholly repayable within five years	2,305,528	1,057,721
Amortisation of loan fees	62,971	112,061
	<u>2,368,499</u>	<u>1,169,782</u>

5 Taxation

No provision for taxation is made due to the taxable losses in the year.

Factors that may affect future tax charges

No provision has been made for deferred tax on gains recognised on revaluing property to its open market value. Such tax would only become payable if the property were sold. The directors have no intention of selling the property and therefore, at present, it is not envisaged that any tax will become payable in the foreseeable future.

6 Investment Property

Valuation	Freehold land and buildings £
At 1 October 2004	40,750,000
Additions	396,655
Surplus on revaluation	1,553,345
At 30 September 2005	<u>42,700,000</u>
At cost	<u>33,268,939</u>

The investment property was valued by the directors on an open market value basis at 30 September 2005.

7 Debtors	2005 £	2004 £
Amounts owed by group undertakings	<u>4,815,323</u>	<u>1,351,517</u>

London & Regional (Empire) Limited
Notes to the Accounts
for the year ended 30 September 2005

8 Creditors: amounts falling due within one year	2005	2004
	£	£
Bank loan (see note 10)	105,692	70,461
Amounts owed to group undertakings	6,656,762	1,340,516
Other taxes and social security costs	710	66,719
Accruals and deferred income	655,758	887,743
	<u>7,418,922</u>	<u>2,365,439</u>

9 Creditors: amounts falling due after one year	2005	2004
	£	£
Bank loan (see note 10)	34,301,635	34,407,327
Financing costs	(232,822)	(278,099)
	<u>34,068,813</u>	<u>34,129,228</u>

10 Loans	2005	2004
	£	£
Loans wholly repayable within five years:		
Bank loan	<u>34,407,327</u>	<u>34,477,788</u>
Analysis of maturity of debt:		
Within one year or on demand	105,692	70,461
Between one and two years	352,305	105,692
Between two and five years	33,949,330	34,301,635
	<u>34,407,327</u>	<u>34,477,788</u>

The bank loan is secured over the property and is repayable from surplus rents and by a bullet in July 2009. The loan bears interest at an effective fixed rate of 6.75% per annum.

11 Share capital	2005	2004
	£	£
Authorised:		
5,000,000 Ordinary shares of £1 each	<u>5,000,000</u>	<u>5,000,000</u>
	<u>5,000,000</u>	<u>5,000,000</u>
	2005	2004
	No	No
Allotted, called up and fully paid:		
Ordinary shares of £1 each	1,455,001	1,455,001
	<u>1,455,001</u>	<u>1,455,001</u>

London & Regional (Empire) Limited
Notes to the Accounts
for the year ended 30 September 2005

Movement in share capital	2005 £	2004 £
At 1 October	1,455,001	1
Shares issued	-	1,455,000
At 30 September	<u>1,455,001</u>	<u>1,455,001</u>

12 Revaluation reserve	2005 £	2004 £
At 1 October 2004	7,877,716	-
Arising on revaluation during the year	1,553,345	7,877,716
At 30 September 2005	<u>9,431,061</u>	<u>7,877,716</u>

13 Profit and loss account	2005 £	2004 £
At 1 October 2004	(1,553,695)	-
Retained loss	<u>(1,028,814)</u>	<u>(1,553,695)</u>
At 30 September 2005	<u>(2,582,509)</u>	<u>(1,553,695)</u>

14 Reconciliation of movement in shareholders' funds	2005 £	2004 £
At 1 October 2004	7,779,022	1
Loss for the financial year	(1,028,814)	(1,553,695)
Other recognised gains and losses	1,553,345	7,877,716
Shares issued	-	1,455,000
At 30 September 2005	<u>8,303,553</u>	<u>7,779,022</u>

15 Related Party Transactions

The company has taken advantage of the exemption in FRS 8 that transactions do not need to be disclosed with companies 90% or more of whose voting rights are controlled within the group.

16 Parent undertaking

The company is a wholly owned subsidiary of London & Regional Investment Holdings Ltd, a company incorporated and registered in England and Wales. The ultimate parent undertaking is Loopsign Limited, a company incorporated in England and Wales. The ultimate controlling parties are I M Livingstone and R J Livingstone through their joint ownership of Loopsign Limited.