

Registered number
4524346

London & Regional (Empire) Limited

Report and Accounts

30 September 2006

MONDAY



LD9 30/07/2007 153
COMPANIES HOUSE

BK

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 C King

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 directors present their report and accounts for the year ended 30 September 2006

Principal activities and review of the business

The company acts as a property investment company. The directors consider the financial position at 30 September 2006 to be satisfactory.

Results and dividends

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

Directors

The directors who served during the year were

Mr C King (appointed 30 June 2006)

Mr I M Livingstone (resigned 4 April 2007)

The directors 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 18 July 2007.

Mr R N Luck



Secretary

London & Regional (Empire) Limited

Statement of Director's Responsibilities

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

Company law requires the directors 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 directors are 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 directors are 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. 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

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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 2006 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 Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 Directors' 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 Directors' 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 International Standards on Auditing (UK and Ireland) 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 financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2006 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements for the year ended 30 September 2006.

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

18 July 2007

London & Regional (Empire) Limited
Profit and Loss Account
for the year ended 30 September 2006

	Notes	2006 £	2005 £
Turnover	2	645,548	1,275,000
Net operating expenses		(132,181)	(40,502)
Operating profit	3	<u>513,367</u>	<u>1,234,498</u>
Interest receivable		78,816	105,187
Interest payable	4	(2,684,632)	(2,368,499)
Loss on ordinary activities before taxation		<u>(2,092,449)</u>	<u>(1,028,814)</u>
Tax on loss on ordinary activities	5	-	-
Loss for the financial year		<u>(2,092,449)</u>	<u>(1,028,814)</u>
Retained loss for the financial year	13	<u>(2,092,449)</u>	<u>(1,028,814)</u>

London & Regional (Empire) Limited
Statement of total recognised gains and losses
for the year ended 30 September 2006

	Notes	2006 £	2005 £
Loss for the financial year	13	(2,092,449)	(1,028,814)
Unrealised surplus on revaluation of properties	12	9,550,000	1,553,345
Total recognised gains and losses related to the year		<u>7,457,551</u>	<u>524,531</u>

London & Regional (Empire) Limited
Balance Sheet
as at 30 September 2006

	Notes	2006 £	2005 £
Fixed assets			
Investment property	6	52,250,000	42,700,000
Current assets			
Debtors	7	19,492,704	4,815,323
Cash at bank and in hand		750	2,275,965
		<u>19,493,454</u>	<u>7,091,288</u>
Creditors. amounts falling due within one year	8	(10,767,962)	(7,418,922)
Net current assets/(liabilities)		<u>8,725,492</u>	<u>(327,634)</u>
Total assets less current liabilities		<u>60,975,492</u>	<u>42,372,366</u>
Creditors. amounts falling due after more than one year	9	(45,214,388)	(34,068,813)
		<u>15,761,104</u>	<u>8,303,553</u>
Capital and reserves			
Called up share capital	11	1,455,001	1,455,001
Revaluation reserve	12	18,981,061	9,431,061
Profit and loss account	13	(4,674,958)	(2,582,509)
Shareholders' funds			
Equity		<u>15,761,104</u>	<u>8,303,553</u>
	14	<u>15,761,104</u>	<u>8,303,553</u>



Mr C King
Director
Approved by the board on 18 July 2007

London & Regional (Empire) Limited
Notes to the Accounts
for the year ended 30 September 2006

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 investment 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 in the Financial Reporting Standards No 1 (Revised 1996) from including a cashflow statement in the financial statements on the grounds that the company is a wholly owned and its ultimate parent publishes a consolidated cashflow statement.

2 Turnover

Turnover represents rental income net of value added tax.

London & Regional (Empire) Limited
Notes to the Accounts
for the year ended 30 September 2006

3 Operating profit	2006	2005
	£	£
This is stated after charging		
Auditors' remuneration	<u>2,000</u>	<u>1,750</u>

4 Interest payable	2006	2005
	£	£
Bank loan	1,955,533	2,305,528
Other loan	496,277	-
Amortisation of loan fees	<u>232,822</u>	<u>62,971</u>
	<u>2,684,632</u>	<u>2,368,499</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

	Freehold land and buildings £
Valuation	
At 1 October 2005	42,700,000
Surplus on revaluation	<u>9,550,000</u>
At 30 September 2006	<u>52,250,000</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 2006. The property has been charged to secure a loan made to a related undertaking.

7 Debtors	2006	2005
	£	£
Amounts owed by group undertakings	19,193,579	4,815,323
Prepayments and accrued income	<u>299,125</u>	<u>-</u>
	<u>19,492,704</u>	<u>4,815,323</u>

London & Regional (Empire) Limited
Notes to the Accounts
for the year ended 30 September 2006

8 Creditors: amounts falling due within one year	2006	2005
	£	£
Bank loan (see note 10)	-	105,692
Trade creditors	167,850	-
Amounts owed to group undertakings	9,292,866	6,656,762
Other taxes and social security costs	133,437	710
Accruals and deferred income	1,173,809	655,758
	<u>10,767,962</u>	<u>7,418,922</u>

9 Creditors: amounts falling due after one year	2006	2005
	£	£
Bank loan (see note 10)	-	34,301,635
Financing costs	-	(232,822)
Amount owed to group undertakings	45,214,388	-
	<u>45,214,388</u>	<u>34,068,813</u>

10 Loans	2006	2005
	£	£
Loans wholly repayable within five years		
Bank loan	-	34,407,327
Analysis of maturity of debt		
Within one year or on demand	-	105,692
Between one and two years	-	352,305
Between two and five years	-	33,949,330
	<u>-</u>	<u>34,407,327</u>

The bank loan was repaid during the year

11 Share capital	2006	2005
	£	£
Authorised		
5,000,000 Ordinary shares of £1 each	5,000,000	5,000,000
	<u>5,000,000</u>	<u>5,000,000</u>

	2006	2005	2006	2005
	No	No	£	£
Allotted, called up and fully paid				
Ordinary shares of £1 each	1,455,001	1,455,001	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 2006

12 Revaluation reserve	2006	2005
	£	£
At 1 October 2005	9,431,061	7,877,716
Arising on revaluation during the year	9,550,000	1,553,345
At 30 September 2006	<u>18,981,061</u>	<u>9,431,061</u>
 13 Profit and loss account	 2006	 2005
	£	£
At 1 October 2005	(2,582,509)	(1,553,695)
Retained loss	<u>(2,092,449)</u>	<u>(1,028,814)</u>
At 30 September 2006	<u>(4,674,958)</u>	<u>(2,582,509)</u>
 14 Reconciliation of movement in shareholders' funds	 2006	 2005
	£	£
At 1 October 2005	8,303,553	7,779,022
Loss for the financial year	(2,092,449)	(1,028,814)
Other recognised gains and losses	<u>9,550,000</u>	<u>1,553,345</u>
At 30 September 2006	<u>15,761,104</u>	<u>8,303,553</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.