

**Registered number**  
**4524346**

**London & Regional (Empire) Limited**

**Report and accounts**

**for the year ended**  
**30 September 2007**

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**London & Regional (Empire) Limited**  
**Report and accounts**  
**for the year ended 30 September 2007**  
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**London & Regional (Empire) Limited**  
**Company information**  
**for the year ended 30 September 2007**

**Director**  
Mr C King

**Company secretary**  
Mr R N Luck

**Registered office**  
Quadrant House, Floor 6  
17 Thomas More Street  
Thomas More Square  
London  
E1W 1YW

**Independent auditors**  
PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
1 Embankment Place  
London  
WC2N 6RH

**Registered number**  
4524346

**London & Regional (Empire) Limited**  
**Director's report for the year ended 30 September 2007**

The director presents his report and the audited accounts of the company for the year ended 30 September 2007

**Principal activities and review of the business**

The company acts as a property investment company. The director considers the financial position at 30 September 2007 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 (2006 £nil).

**Directors**

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

Mr C King

Mr I M Livingstone (resigned 4 April 2007)

**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 1985.

**Independent auditors and disclosure of information to auditors**

In so far as the director is aware:

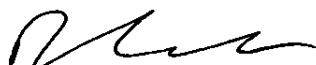
- there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The company passed an elective resolution during the period, 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.

During the year UHY Hacker Young resigned as auditors to the company, and the director appointed PricewaterhouseCoopers LLP to fill the casual vacancy. PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

The report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board



Mr R N Luck

**Company secretary**

25 June 2008

## **London & Regional (Empire) Limited**

### **Statement of director's responsibilities for the year ended 30 September 2007**

The director is responsible for preparing the Annual 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). The financial statements are required by law to 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 those 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The director confirms that he has complied with the above requirements in preparing the financial statements.

The director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with 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.



Mr R N Luck

**Company secretary**

25 June 2008

**London & Regional (Empire) Limited**  
**Independent auditors' report**  
**to the members of London & Regional (Empire) Limited**

We have audited the financial statements of London & Regional (Empire) Limited for the year ended 30 September 2007 which comprise the profit and loss account, the statement of recognised gains and losses, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

**Respective responsibilities of director and auditors**

The director's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of director's responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the director's report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 director's remuneration and other transactions 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 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 financial statements. It also includes an assessment of the significant estimates and judgments made by the director in the preparation of the financial statements, 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 financial statements 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 financial statements.

**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 2007 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 director's report is consistent with the financial statements.



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

9 July 2008

**London & Regional (Empire) Limited**  
**Profit and loss account**  
**for the year ended 30 September 2007**

	Note	2007 £	2006 £
<b>Turnover</b>	2	2,525,000	645,548
Administrative expenses		(113,602)	(132,181)
Other operating income		10,727	-
<b>Operating profit</b>	3	<u>2,422,125</u>	<u>513,367</u>
Interest receivable and similar income		3	78,816
Interest payable and similar charges	5	(2,757,565)	(2,684,632)
<b>Loss on ordinary activities before taxation</b>		<u>(335,437)</u>	<u>(2,092,449)</u>
Tax on loss on ordinary activities	6	-	-
<b>Loss for the financial year</b>	13	<u>(335,437)</u>	<u>(2,092,449)</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 costs equivalents

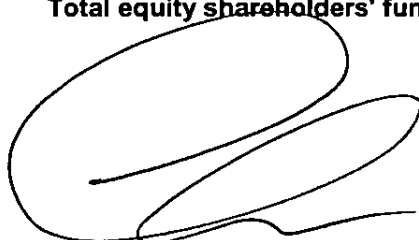
**London & Regional (Empire) Limited**  
**Statement of total recognised gains and losses**  
**for the year ended 30 September 2007**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Loss for the financial year	(335,437)	(2,092,449)
Unrealised surplus on revaluation of investment properties	-	9,550,000
Total recognised gains and losses related to the year	<u>(335,437)</u>	<u>7,457,551</u>



**London & Regional (Empire) Limited**  
**Balance sheet**  
**as at 30 September 2007**

	Note	2007 £	2006 £
<b>Fixed assets</b>			
Investment properties	7	52,250,000	52,250,000
<b>Current assets</b>			
Debtors	8	18,449,108	19,492,704
Cash at bank and in hand		-	750
		<u>18,449,108</u>	<u>19,493,454</u>
<b>Creditors: amounts falling due within one year</b>	9	(10,866,199)	(10,767,962)
<b>Net current assets</b>		<u>7,582,909</u>	<u>8,725,492</u>
<b>Total assets less current liabilities</b>		<u>59,832,909</u>	<u>60,975,492</u>
<b>Creditors amounts falling due after more than one year</b>	10	(44,407,242)	(45,214,388)
<b>Net assets</b>		<u>15,425,667</u>	<u>15,761,104</u>
<b>Capital and reserves</b>			
Called up share capital	11	1,455,001	1,455,001
Investment revaluation reserve	12	18,981,061	18,981,061
Profit and loss account	13	(5,010,395)	(4,674,958)
<b>Total equity shareholders' funds</b>	14	<u>15,425,667</u>	<u>15,761,104</u>



Mr C King  
Director  
25 June 2008

**London & Regional (Empire) Limited**  
**Notes to the accounts**  
**for the year ended 30 September 2007**

**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 Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the period, are set out below.

**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 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 by the director annually on an open market basis and independently valued when required by SSAP 19 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.

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 be 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 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.

**London & Regional (Empire) Limited**  
**Notes to the accounts**  
**for the year ended 30 September 2007**

**1 Accounting policies (continued)**

**Cash flow statement**

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

**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 the profit and loss when earned

**Turnover**

Turnover comprises rental income net of value added tax and is recognised when all financial risks and rewards are transferred

**2 Turnover**

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

**3 Operating profit**

<b>2007</b>	<b>2006</b>
<b>£</b>	<b>£</b>

This is stated after charging

Auditors' remuneration	-	2,000
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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 (2006 £nil)

**5 Interest payable and similar charges**

<b>2007</b>	<b>2006</b>
<b>£</b>	<b>£</b>

Bank loan	-	1,955,533
Other loan	2,757,565	496,277
Amortisation of loan fees	-	232,822
	<u>2,757,565</u>	<u>2,684,632</u>

**6 Tax on loss on ordinary activities**

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

**London & Regional (Empire) Limited**  
**Notes to the accounts**  
**for the year ended 30 September 2007**

**7 Investment properties**

<b>Valuation</b>	<b>Total £</b>
At 1 October 2006 and at 30 September 2007	<u>52,250,000</u>
At cost	<u>33,268,939</u>

The investment property was valued by the director on an open market value basis at 30 September 2007

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**

	<b>2007 £</b>	<b>2006 £</b>
Amounts owed by group undertakings	18,297,641	19,193,579
Prepayments and accrued income	<u>151,467</u>	<u>299,125</u>
	<u>18,449,108</u>	<u>19,492,704</u>

**9 Creditors: amounts falling due within one year**

	<b>2007 £</b>	<b>2006 £</b>
Trade creditors	319,837	167,850
Amounts owed to group undertakings	9,710,390	9,292,866
Taxation social security	100,222	133,437
Accruals and deferred income	<u>735,750</u>	<u>1,173,809</u>
	<u>10,866,199</u>	<u>10,767,962</u>

The amounts owed to group undertakings are secured over the properties of the company

**10 Creditors amounts falling due after more than one year**

	<b>2007 £</b>	<b>2006 £</b>
Amount owed to group undertakings	<u>44,407,242</u>	<u>45,214,388</u>

The amounts owed to group undertakings are secured over the properties of the company and are fully repayable in July 2015 at an interest rate of 5.51%

**London & Regional (Empire) Limited**  
**Notes to the accounts**  
**for the year ended 30 September 2007**

<b>11 Called up share capital</b>			<b>2007</b>	<b>2006</b>
			<b>£</b>	<b>£</b>
Authorised				
5,000,000 ordinary shares of £1 each			<u>5,000,000</u>	<u>5,000,000</u>
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>Number</b>	<b>Number</b>	<b>£</b>	<b>£</b>
Allotted and fully paid				
Ordinary shares of £1 each	<u>1,455,001</u>	<u>1,455,001</u>	<u>1,455,001</u>	<u>1,455,001</u>
<b>12 Investment revaluation reserve</b>				<b>2007</b>
				<b>£</b>
At 1 October 2006 and 30 September 2007				<u>18,981,061</u>
<b>13 Profit and loss account</b>				<b>2007</b>
				<b>£</b>
At 1 October 2006				(4,674,958)
Loss for the financial year				<u>(335,437)</u>
At 30 September 2007				<u>(5,010,395)</u>
<b>14 Reconciliation of movement in shareholders' funds</b>			<b>2007</b>	<b>2006</b>
			<b>£</b>	<b>£</b>
At 1 October			15,761,104	8,303,553
Loss for the financial year			(335,437)	(2,092,449)
Other recognised gains and losses			-	9,550,000
At 30 September			<u>15,425,667</u>	<u>15,761,104</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

The ultimate parent undertaking is Loopsign Limited, a company incorporated in England and Wales

Copies of the Loopsign Limited consolidated financial statements can be obtained from the company secretary at

Quadrant House, Floor 6  
17 Thomas More Street  
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