Registered number
04524346

London & Regional (Empire) Limited

Annual report and financial statements

for the year ended
30 September 2008

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London & Regional (Empire) Limited
Annual report and financial statements for the year ended 30 September 2008

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London & Regional (Empire) Limited
Company information
for the year ended 30 September 2008

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

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04524346

London & Regional (Empire) Limited
Director's report for the year ended 30 September 2008

The director presents his report and the audited accounts of the company for the year ended 30 September 2008.

Principal activities and review of the business
The company acts as a property investment company. The director considers the financial position at 30 September 2008 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. 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
The company is managed by the Director in accordance with its ultimate parent company, Loopsign Ltd, group strategies and 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.

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 (2007 : £nil).

Director

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

Mr C King

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.

In the absence of a notice proposing that their appointment be terminated, PricewaterhouseCoopers LLP, are deemed to have beeen re-appointed as auditors for the next year.

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
22 May 2009

London & Regional (Empire) Limited
Statement of director's responsibilities for the year ended 30 September 2008

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
22 May 2009

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 2008 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 2008 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

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

26th May 2009

London & Regional (Empire) Limited
Profit and loss account
for the year ended 30 September 2008

	Note	2008 £	2007 £
Turnover	2	2,525,000	2,525,000
Administrative expenses		(104,500)	(113,602)
Other operating income		(10,727)	10,727
Operating profit	3	2,409,773	2,422,125
Interest receivable and similar income		-	3
Interest payable and similar charges	5	(2,698,776)	(2,757,565)
Loss on ordinary activities before taxation		(289,003)	(335,437)
Tax on loss on ordinary activities	6	-	-
Loss for the financial year	13	(289,003)	(335,437)

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 2008

	2008 £	2007 £
Loss for the financial year	(289,003)	(335,437)
Unrealised deficit on revaluation of investment properties	(6,540,000)	-
Total recognised gains and losses related to the year	(6,829,003)	(335,437)

London & Regional (Empire) Limited
Balance sheet as at 30 September 2008

	Note		2008		2007
			£		£
Fixed assets					
Investment properties	7		45,710,000		52,250,000
Current assets					
Debtors	8	11,935,820		18,449,108	
Creditors: amounts falling due within one year	9	(5,274,589)		(10,866,199)	
Net current assets			6,661,231		7,582,909
Total assets less current liabilities			52,371,231		59,832,909
Creditors: amounts falling due after more than one year	10		(43,774,567)		(44,407,242)
Net assets			8,596,664		15,425,667
Capital and reserves					
Called up share capital	11		1,455,001		1,455,001
Investment revaluation reserve	12		12,441,061		18,981,061
Profit and loss account	13		(5,299,398)		(5,010,395)
Total shareholders' funds	14		8,596,664		15,425,667

These financial statements were approved by the Board of Directors on 22 May 2009 and signed on its behalf by

Mr C King
Director
22 May 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 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 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.

The depreciation (which would, had the provisions of the 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 too 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 2008

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 represents rental income, net of value added tax, which is recognised over the term of the lease on a straight-line basis.

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	**2008**	**2007**
	£	**£**
This is stated after charging:		
Auditors' remuneration	-	-

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 (2007 : £nil).
The company has no employees (2007: nil) other than the director.

The above details of director's 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 2008 amounted to £104,500 (2007: £104,500), 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 Interest payable and similar charges	**2008**	**2007**
	£	**£**
Interest payable to group undertakings	2,698,776	2,757,565

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:

From 01 April 08 the rate of corporation tax has reduced from 30% to 28%, giving a blended average rate for the year of 29%.

The tax assessed for the year is lower (2007:lower) than the blended/standard rate of corporation tax in the UK (29%; 2007:30%). The differences are explained below:

	2008	2007
	£	£
Loss on ordinary activities before taxation	(289,003)	(335,437)
Profit on ordinary activities multiplied by blended (2007: standard) rate of corporation tax in the UK of 29% (2007: 30%)	(83,811)	(100,631)
Effects of:		
(Utilisation) / surrender of tax losses.	83,811	100,631
Total current tax charge	-	-

The company surrendered the benefit of tax losses amounting to £83,811 to fellow subsidiary undertakings without receiving any payment (2007: £100,631).

No provision has been made for deferred tax on gains recognised on revaluing the property to its open market value. 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 forseeable future. The directors consider 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.

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

7 Investment properties

Valuation	£
At 1 October 2007	52,250,000
Deficit on revaluation during the year	(6,540,000)
At 30 September 2008	45,710,000
At cost	33,268,939

The investment property was valued on an open market valuation basis as at 30 September 2008 by the director with the advice of independent valuers.

8 Debtors

	2008 £	2007 £
Amounts owed by group undertakings	11,935,820	18,297,641
Prepayments and accrued income	-	151,467
	11,935,820	18,449,108

9 Creditors: amounts falling due within one year

	2008 £	2007 £
Trade creditors	-	319,837
Amounts owed to group undertakings	4,222,676	9,710,390
Taxation	92,181	100,222
Accruals and deferred income	959,732	735,750
	5,274,589	10,866,199

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

10 Creditors: amounts falling due after more than one year

	2008 £	2007 £
Amount owed to group undertakings	43,774,567	44,407,242

The amounts owed to group undertakings are secured over the properties of the company, are repayable in October 2013 and bear interest at between 5.53% and 6.16% (2007: 5.53% and 6.16%).

11 Called up share capital

	2008 £	2007 £
Authorised:		
5,000,000 ordinary shares of £1 each	5,000,000	5,000,000

	2008 Number	2007 Number	2008 £	2007 £
Allotted and fully paid:				
Ordinary shares of £1 each	1,455,001	1,455,001	1,455,001	1,455,001

12 Investment revaluation reserve

	£
At 1 October 2007	18,981,061
Arising on revaluation during the year	(6,540,000)
At 30 September 2008	12,441,061

London & Regional (Empire) Limited
Notes to the accounts
for the year ended 30 September 2008

13 Profit and loss account

	£
At 1 October 2007	(5,010,395)
Loss for the financial year	(289,003)
At 30 September 2008	(5,299,398)

14 Reconciliation of movement in shareholders' funds

	2008 £	2007 £
At 1 October	15,425,667	15,761,104
Loss for the financial year	(289,003)	(335,437)
Deficit on revaluation during the year	(6,540,000)	-
At 30 September	8,596,664	15,425,667

15 Events after the balance sheet date

On 28 November 2008, as part of a group-wide restructuring, all the shares in the company were transferred from London & Regional Investment Holdings Ltd to London & Regional Group Securitisation No. 2 Limited.

16 Related party transactions

The company has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS8, 'Related Party Disclosures', on the grounds that it is wholly owned subsidiary of a group headed by Loopsign Ltd, whose accounts are publically available.

17 Parent undertaking

The immediate parent undertaking is London & Regional Group Securitisation No.2 Limited.

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

Loopsign Ltd is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 30 September 2008. The consolidated financial statements of Loopsign Limited 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.