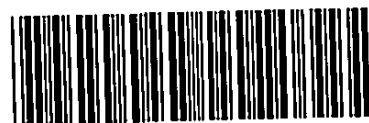


Registered number
04524346

London & Regional (Empire) Limited
Annual report and financial statements
for the year ended
30 September 2010

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London & Regional (Empire) Limited
Annual report and financial statements for the year ended 30 September 2010
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London & Regional (Empire) Limited
Company information for the year ended 30 September 2010

Director

Mr R J Livingstone

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

04524346

London & Regional (Empire) Limited

Director's report for the year ended 30 September 2010

The director presents his annual report and the audited financial statements of the company for the year ended 30 September 2010

Principal activities

The company acts as a commercial property investment company. The director considers the financial position at 30 September 2010 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.

Key performance indicators

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

Results and dividends

The results for the year are set out in the profit and loss account on page 6. The director does not recommend the payment of a dividend (2009: £nil).

Director

The director 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

Going concern

The director believes that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of London & Regional Group Securitisation No 2 Limited. The director has received confirmation that London & Regional Group Securitisation No 2 Limited intends to support the company for at least one year after these financial statements are

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 2006.

Disclosure of information to auditors

The director 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.

London & Regional (Empire) Limited

Director's Report report for the year ended 30 September 2010 (continued)

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
21 April 2011

London & Regional (Empire) Limited

Statement of director's responsibilities for the year ended 30 September 2010

The director is responsible for preparing the report and 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). Under company law the directors must not approve the financial statements unless they are 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 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,

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. 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.

By order of the board



Mr R N Luck
Company secretary

21 April 2011

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 2010 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 director's responsibilities, the director is 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 the financial statements in accordance with 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

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 director, and the overall presentation of the financial statements.

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 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- have been prepared in accordance with the requirements of the Companies Act 2006.

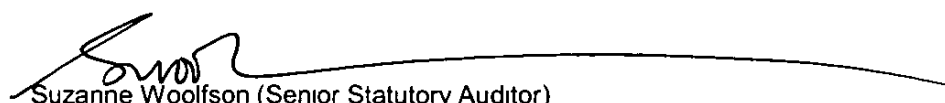
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the director's 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.



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

21 April 2011

London & Regional (Empire) Limited
Profit and loss account
for the year ended 30 September 2010

	Note	2010 £	2009 £
Turnover	2	2,726,150	2,907,217
Cost of sales		(135,446)	(382,217)
Gross profit		2,590,704	2,525,000
Administrative expenses		(117,580)	(91,420)
Operating profit	3	2,473,124	2,433,580
Interest payable and similar charges	4	(2,643,631)	(2,651,772)
Loss on ordinary activities before taxation		(170,507)	(218,192)
Tax on loss on ordinary activities	6	-	-
Loss for the financial year		<u>(170,507)</u>	<u>(218,192)</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 2010

	Note	2010 £	2009 £
Loss for the financial year		(170,507)	(218,192)
Unrealised (deficit)/surplus on revaluation of investment properties	7	(1,500,000)	2,290,000
Total recognised gains and (losses) related to the year		<u>(1,670,507)</u>	<u>2,071,808</u>

London & Regional (Empire) Limited
Balance sheet
as at 30 September 2010

Registered number
04524346

	Note	2010 £	2009 £
Fixed assets			
Investment properties	7	46,500,000	48,000,000
Current assets			
Debtors	8	7,334,313	7,477,873
Creditors amounts falling due within one year	9	(1,417,967)	(1,333,421)
Net current assets		5,916,346	6,144,452
Total assets less current liabilities		52,416,346	54,144,452
Creditors amounts falling due after more than one year	10	(43,418,381)	(43,475,980)
Net assets		<u>8,997,965</u>	<u>10,668,472</u>
Capital and reserves			
Called up share capital	11	1,455,001	1,455,001
Revaluation reserve	12	13,231,061	14,731,061
Profit and loss reserve	13	(5,688,097)	(5,517,590)
Total shareholder's funds	14	<u>8,997,965</u>	<u>10,668,472</u>

These financial statements were approved by the Board of Directors on 21 April 2011 and signed on its behalf by

Mr R J Livingstone
 Director
 21 April 2011

London & Regional (Empire) Limited
Notes to the financial statements
for the year ended 30 September 2010

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. For the year ended 30 September 2010, recoverable property expenses have been grossed up (see note 2) and consequently prior year turnover and administrative expenses of £382,217 have been reclassified for comparative purposes. There is no impact on profit for the prior financial year. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Going concern

The director believes that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of London & Regional Group Securitisation No 2 Limited. The director has received confirmation that London & Regional Group Securitisation No 2 Limited intends to support the company for at least one year after these financial statements are signed.

Depreciation

Compliance with the Statement of Standard Accounting Practice (SSAP 19) "Accounting for Investment Properties" requires departure from the requirements of the Companies Act 2006 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 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 period.

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 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 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.

London & Regional (Empire) Limited
Notes to the financial statements
for the year ended 30 September 2010

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

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 the profit and loss when earned

Turnover

Turnover represents 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 total turnover of the company for the year has been derived from its principal activity, wholly undertaken in the UK

2 Turnover

Net rental income	2010 £	2009 £
Rental income	2,590,704	2,525,000
Recoverable property expenses	135,446	382,217
Turnover	2,726,150	2,907,217
Recoverable property expenses	(135,446)	(382,217)
Property outgoings	(135,446)	(382,217)
Net rental income	<u>2,590,704</u>	<u>2,525,000</u>

3 Operating profit

	2010 £	2009 £
Operating profit is stated after charging		
Auditors' remuneration	-	-

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

4 Interest payable and similar charges

	2010 £	2009 £
Interest payable to group undertakings	2,643,631	2,651,772

London & Regional (Empire) Limited
Notes to the financial statements
for the year ended 30 September 2010

5 Director's emoluments

The director did not receive any emoluments in respect of his services to the company (2009 £nil) The company has no employees (2009 none) 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 2010 amounted to £117,580 (2009 £91,420), 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 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

6 Tax on loss on ordinary activities

No tax has been provided for due to the company making taxable losses during the year

Factors affecting tax charge for period

The differences between the tax assessed for the year and the standard rate of corporation tax are explained as follows

	2010 £	2009 £
Loss on ordinary activities before taxation	(170,507)	(218,192)
Standard rate of corporation tax in the UK	28%	28%
	£	£
Loss on ordinary activities multiplied by the standard rate of corporation tax	(47,742)	(61,094)
Effects of		
Surrender of tax losses	47,742	61,094
Total current tax charge	<u>-</u>	<u>-</u>

The company surrendered the benefit of tax losses amounting to £165,927 (2009 £218,192) to fellow subsidiary undertakings without receiving any payment

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 June 2010 Budget The changes, which were enacted on 30 September 2010 reduce the rate by 1% per annum to 24% by 1 April 2014 These changes have no impact on these financial statements

London & Regional (Empire) Limited
Notes to the financial statements
for the year ended 30 September 2010

7 Investment properties

	Freehold land and buildings £
Valuation	
At 1 October 2009	48,000,000
Deficit on revaluation	(1,500,000)
At 30 September 2010	<u>46,500,000</u>
At cost	<u>33,268,939</u>

The investment property was valued by the director after taking independent advice from a professional valuer on an open market value basis at 30 September 2010. The valuation has been made in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors in the United Kingdom.

The investment property has been charged to secure loan notes issued by a fellow subsidiary company and the bank loan made to a further fellow subsidiary company.

8 Debtors	2010 £	2009 £
Trade debtors	157,690	-
Amounts owed by group undertakings	7,150,345	7,421,260
Prepayments and accrued income	26,278	56,613
	<u>7,334,313</u>	<u>7,477,873</u>

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

9 Creditors amounts falling due within one year	2010 £	2009 £
Trade creditors	223,982	216,303
Amounts owed to group undertakings	232,421	232,421
Other taxes and social security costs	120,752	94,687
Accruals and deferred income	840,812	790,010
	<u>1,417,967</u>	<u>1,333,421</u>

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

10 Creditors amounts falling due after more than one year	2010 £	2009 £
Amounts owed to group undertakings	<u>43,418,381</u>	<u>43,475,980</u>

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% (2009 5.53% and 6.16%).

London & Regional (Empire) Limited
Notes to the financial statements
for the year ended 30 September 2010

11 Called up share capital			2010	2009
			£	£
Authorised				
5,000,000 ordinary shares of £1 each			<u>5,000,000</u>	<u>5,000,000</u>
	2010	2009	2010	2009
	Number	Number	£	£
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>
12 Revaluation reserve				2010
				£
At 1 October 2009				14,731,061
Deficit on revaluation during the year				(1,500,000)
At 30 September 2010				<u>13,231,061</u>
13 Profit and loss reserve				2010
				£
At 1 October 2009				(5,517,590)
Loss for the financial year				(170,507)
At 30 September 2010				<u>(5,688,097)</u>
14 Reconciliation of movement in shareholder's funds			2010	2009
			£	£
At 1 October			10,668,472	8,596,664
Loss for the financial year			(170,507)	(218,192)
Other recognised gains and losses			(1,500,000)	2,290,000
At 30 September			<u>8,997,965</u>	<u>10,668,472</u>

15 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

London & Regional (Empire) Limited
Notes to the financial statements
for the year ended 30 September 2010

16 Parent undertaking

The immediate parent undertaking is London & Regional Group Securitisation No 2 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 2010. Loopsign Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 30 September 2010. 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