

Registered number
5039087

Loopsign Limited
Report and Accounts
30 September 2005



Loopsign Limited
Report and accounts
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Loopsign Limited
Company Information

Director

Mr I M Livingstone

Secretary

Mr R N Luck

Auditors

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

Registered office

St Alphage House
2 Fore Street
London
EC2Y 5DH

Registered number

5039087

Loopsign Limited
Director's Report

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

Principal activities and review of the business

The group's principal activity during the year was property investment and development. The company's principal activity is that of a holding company. The director considers the financial position at 30 September 2005 to be satisfactory.

Policy on payment of creditors

It is a group policy that all suppliers are dealt with in accordance with standard payment practices whereby all outstanding trade accounts are settled within the greater of the settled terms advised by the supplier at the time of the supply and 45 days following the date of purchase.

Results and dividends

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

Director

The director who served during the year was:

Mr I M Livingstone

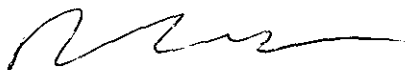
The director held one ordinary share of the company throughout the year.

Auditors

The Company has passed an Elective Resolution, 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 23 June 2006.

Mr R N Luck



Secretary

Loopsign 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 him 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

Statement of Auditors' Responsibilities

The responsibilities of the Company's independent auditors are established by statute, the Auditing Practices Board and the accountancy profession's ethical guidance. Their responsibilities in relation to the annual report are set out below.

They report to the shareholders their opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. They also report to shareholders if, in their opinion, the directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if they have not received all the information and explanations they require for their audit, or if information specified by law regarding directors' remuneration and transactions with the Company is not disclosed.

They read the other information contained in the annual report and consider whether it is consistent with the audited financial statements. They consider the implications for their report to shareholders if they become aware of any apparent statements of material inconsistencies with the financial statements.

Loopsign Limited

Independent auditors' report to the shareholders of Loopsign Limited

We have audited the accounts of Loopsign Limited and the group accounts for the year ended 30 September 2005, which comprise pages 5 to 21. These accounts have been prepared under the historical cost convention as modified to include 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 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.

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 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 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 affairs of the group and company as at 30 September 2005 and of the group profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



UHY Hacker Young
Chartered Accountants and Registered Auditors

168 Church Road
Hove
East Sussex
BN3 2DL

23 June 2006

Loopsign Limited
Consolidated Profit and Loss Account
for the year ended 30 September 2005

	Notes	2005 £	2004 £
Turnover: group and share of joint ventures	2	242,241,140	223,916,161
Less: share of joint ventures' turnover		(14,284,046)	(15,068,868)
Group turnover		227,957,094	208,847,293
Cost of sales		(7,743,764)	(13,836,326)
Gross profit		220,213,330	195,010,967
Administrative expenses		(69,852,906)	(47,982,756)
Other operating income		5,748,388	1,634,545
Operating profit	3	156,108,812	148,662,756
Share of operating profit in joint ventures		18,840,970	23,277,167
Exceptional items	4	49,958,815	48,594,904
		224,908,597	220,534,827
Income from investments		1,688	943,091
Interest receivable	6	14,760,206	8,161,383
Interest payable and similar charges	7	(189,283,670)	(148,808,951)
Profit on ordinary activities before taxation		50,386,821	80,830,350
Tax on profit on ordinary activities	9	(2,328,132)	(1,518,260)
Profit on ordinary activities after taxation		48,058,689	79,312,090
Minority interests		(2,952,303)	298,411
Profit for the financial year	23	45,106,386	79,610,501

All transactions are derived from continuing activities.

Loopsign Limited
Consolidated Statement of Total Recognised Gains and Losses
for the year ended 30 September 2005


	Notes	2005 £	2004 £
Profit for the financial year		45,106,386	79,610,501
Unrealised surplus on revaluation of properties	20	143,457,399	165,042,410
Unrealised surplus on revaluation of properties with joint ventures	20	41,361,454	28,827,170
Unrealised loss on re-translation of opening net assets of overseas subsidiaries		(2,795,340)	(809,468)
Unrealised gain on other reserves	22	3,689,462	13,291,222
Total recognised gains and losses related to the year		<u>230,819,361</u>	<u>285,961,835</u>

Note of historical cost profits and losses
for the year ended 30 September 2005

	2005 £	2004 £
Profit on ordinary activities before taxation	50,386,821	80,830,350
Realisation of prior year revaluations of investment properties	57,649,505	54,014,704
Historical cost profit on ordinary activities before taxation	<u>108,036,326</u>	<u>134,845,054</u>

Loopsign Limited
Consolidated Balance Sheet
as at 30 September 2005

	Notes	2005 £	2004 £
Fixed assets			
Tangible assets	10	2,867,674,820	2,032,854,753
Investments in joint ventures:	11		
Share of gross assets		239,527,913	190,576,052
Share of gross liabilities		(174,535,008)	(166,066,696)
		64,992,905	24,509,356
Other investments	11	8,699,503	93,175
		<u>2,941,367,228</u>	<u>2,057,457,284</u>
Current assets			
Development properties	12	22,520,108	31,221,328
Debtors	13	90,499,892	53,736,410
Investments held as current assets	14	31,892,978	26,145,776
Cash at bank and in hand		<u>333,402,501</u>	<u>192,492,916</u>
		478,315,479	303,596,430
Creditors: amounts falling due within one year	15	<u>(189,196,785)</u>	<u>(129,835,635)</u>
Net current assets		289,118,694	173,760,795
Total assets less current liabilities		<u>3,230,485,922</u>	<u>2,231,218,079</u>
Creditors: amounts falling due after more than one year	16	(2,514,252,916)	(1,746,602,325)
Provisions for liabilities and charges			
Other provisions	18	(2,763,865)	(2,727,402)
		<u>713,469,141</u>	<u>481,888,352</u>
Capital and reserves			
Called up share capital	19	2	2
Revaluation reserve	20	365,867,013	240,091,840
Merger reserve	21	11,384,349	16,525,278
Profit and loss account	23	251,083,025	153,398,669
Other reserve	22	60,432,173	65,414,290
Shareholders' funds:			
Equity	24	<u>688,766,562</u>	<u>475,430,079</u>
Minority interests		24,702,579	6,458,273
		<u>713,469,141</u>	<u>481,888,352</u>

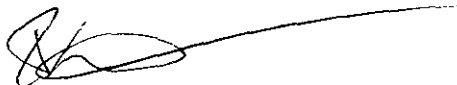

 Mr I M Livingstone
 Director
 Approved by the board on 23 June 2006

Loopsign Limited
Balance Sheet
as at 30 September 2005

	Notes	Company	Company
		2005 £	2004 £
Fixed assets			
Investments	11	1	-
Current assets			
Debtors	13	<u>1</u>	<u>2</u>
Net current assets		1	2
Total assets		<u>2</u>	<u>2</u>
		<u>2</u>	<u>2</u>
Capital and reserves			
Called up share capital	19	2	2
Shareholders' funds:			
Equity		<u>2</u>	<u>2</u>
	24	<u>2</u>	<u>2</u>

Mr I M Livingstone
 Director

Approved by the board on 23 June 2006



Loopsign Limited
Consolidated Cash Flow Statement
for the year ended 30 September 2005

	Notes	2005 £	2004 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		156,108,812	148,662,756
Depreciation and amortisation charges		960,544	112,046
Decrease in stocks		8,701,220	1,344,603
(Increase)/decrease in debtors		(930,770)	50,517,245
Decrease in creditors		(126,477,548)	(65,642,735)
Net cash inflow from operating activities		<u>38,362,258</u>	<u>134,993,915</u>
CASH FLOW STATEMENT			
Net cash inflow from operating activities		38,362,258	134,993,915
Returns on investments and servicing of finance	25	(146,754,796)	(90,202,972)
Taxation		(6,009,792)	(6,423,457)
Acquisitions and disposals	25	(504,506,136)	(105,466,131)
		<u>(618,908,466)</u>	<u>(67,098,645)</u>
Management of liquid resources	25	(5,747,202)	(16,145,776)
Financing	25	766,368,253	149,776,806
Increase in cash		<u>141,712,585</u>	<u>66,532,385</u>
Reconciliation of net cash flow to movement in net debt			
Increase in cash in the period		141,712,585	66,532,385
Increase in debt		(795,990,975)	(138,360,042)
Increase in liquid resources		5,747,202	16,145,776
Translation difference		18,231,805	(8,865,322)
Change in net debt	26	<u>(630,299,383)</u>	<u>(64,547,203)</u>
Net debt at 1 October		<u>(1,572,876,787)</u>	<u>(1,508,329,584)</u>
Net debt at 30 September		<u>(2,203,176,170)</u>	<u>(1,572,876,787)</u>

1 Accounting policies

Accounting convention

The accounts have been prepared under the historical cost convention as modified to include the revaluation of fixed assets and in accordance with applicable accounting standards except as explained below in respect of the treatment of negative goodwill.

Basis of consolidation

The group accounts consolidate the company and its subsidiaries. Group reconstructions are accounted for under the merger accounting rules. Subsidiaries acquired are accounted for under the acquisition accounting rules. Intra-group transactions have been eliminated.

As permitted by section 230 of the Companies Act 1985, the profit and loss account of the company is not presented in these accounts. The profit for the year attributable to the shareholders of the company was £nil (2004: £nil).

Joint venture undertakings are consolidated under the gross equity method of accounting.

Foreign subsidiaries are translated using the closing rate method under SSAP 20. Exchange differences arising are taken to reserves.

Negative goodwill

Negative goodwill arising on the acquisition of subsidiaries is included in the statement of total recognised gains and losses and is credited to other reserves, to the extent that it arises on investment properties. This is not in accordance with FRS 10, which requires that negative goodwill should be presented as a negative asset immediately below the goodwill heading on the balance sheet. Since the negative goodwill relates to investment properties, which are neither depreciated nor held for resale, the negative goodwill could remain on the balance sheet as a negative asset indefinitely. The directors consider that the treatment required by FRS 10 would not show a true and fair view, as it would not properly reflect the particular transaction or correctly state the net assets of the group. The treatment adopted is not inconsistent with the requirements of the Companies Act 1985.

Depreciation

Compliance with Statement of Standard Accounting Practice 19 (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 unless a deficit is expected to be permanent, in which case it is transferred to the profit and loss account. No depreciation is provided in respect of investment properties. This departure from the Companies Act 1985, which requires all properties to be depreciated, is, in the opinion of the directors, necessary for the financial statements to show a true and fair view in accordance with applicable accounting standards.

Investment properties are treated as acquired or sold where there is an unconditional contract for purchase or sale. The profit or loss on sale is treated as an exceptional item in the profit and loss account.

Other tangible assets

Provision is made for depreciation on all other tangible assets at rates calculated to write off the cost of each asset over its useful life as follows:

Fixtures & Equipment	6.67% to 20% per annum on straight line basis
Plant & Machinery	25% per annum on straight line basis
Motor Vehicles	20% per annum on straight line basis

Development properties

Development properties represent property held with the intention of resale and work in progress. Development property is included at the lower of cost and net realisable value. Where cost exceeds the value of the property then adjustments are made to write down the value accordingly. Cost represents all costs incurred to the balance sheet date but does not include any interest costs. Sales of development properties are shown as turnover when there is an unconditional contract for sale.

Loopsign Limited
Notes to the Accounts
for the year ended 30 September 2005

Current asset investments

Current asset investments are stated at the lower of cost and net realisable value.

Pension costs

The pension costs charged in the financial statements represent the contribution payable by the group during the year.

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.

Finance Costs

Finance costs associated with raising bank loans are amortised over the period of the loan. Unamortised finance costs are deducted from the loan in accordance with FRS4.

Operating leases

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

2 Turnover

Turnover represents the invoiced value of rental income and trading property sales, net of value added tax.

	2005 £	2004 £
Analysis by geographical market:		
United Kingdom	113,278,634	151,402,297
Scandinavia	120,610,999	72,513,864
Germany	8,351,507	-
	<u>242,241,140</u>	<u>223,916,161</u>
Analysis by activity:		
Rental income	231,784,458	207,982,342
Property sales	10,456,682	15,933,819
	<u>242,241,140</u>	<u>223,916,161</u>

3 Operating profit

	2005 £	2004 £
This is stated after charging:		
Depreciation of owned fixed assets	471,347	112,046
Provisions against/(waivers of) loans to/(from) related undertakings	-	3,673,819
Auditors' remuneration:		
Parent company auditors	153,215	141,400
Other auditors	123,804	64,145
Amortisation of purchased goodwill (see note 29)	489,198	-
Operating lease charges - land and buildings	<u>205,793</u>	<u>251,196</u>

Loopsign Limited
Notes to the Accounts
for the year ended 30 September 2005

4 Exceptional items	2005	2004
	£	£
Profit on sale of subsidiary undertakings	411,034	43,081,019
Profit/(loss) on sale of investment properties	51,507,487	(8,754,672)
Profit/(loss) on sale of other fixed assets	813,146	-
Share of joint ventures' (loss)/profit on sale of fixed assets	<u>(2,772,852)</u>	<u>14,268,557</u>
	<u>49,958,815</u>	<u>48,594,904</u>

5 Staff costs	2005	2004
	£	£
Employee costs including executive directors amounted to:		
Wages and salaries	7,144,578	2,763,163
Social security costs	1,061,549	379,502
Pension costs (note 8)	<u>496,173</u>	<u>118,880</u>
	<u>8,702,300</u>	<u>3,261,545</u>

The average weekly number of employees including executive directors was:

	Number	Number
Management and administration	<u>277</u>	<u>35</u>
	£	£

Director's remuneration	<u>50,000</u>	<u>50,000</u>
-------------------------	---------------	---------------

6 Interest receivable	2005	2004
	£	£
Bank and other interest	11,724,733	7,552,370
Share of joint ventures' bank and other interest	<u>3,035,473</u>	<u>609,013</u>
	<u>14,760,206</u>	<u>8,161,383</u>

7 Interest payable and similar charges	2005	2004
	£	£
Bank loans	134,780,909	121,668,034
Amortisation of finance costs	10,820,957	4,529,532
Swap break costs	27,375,837	-
Other loans	414,221	2,712,522
Share of joint ventures' loan interest and finance costs	<u>15,891,746</u>	<u>19,898,863</u>
	<u>189,283,670</u>	<u>148,808,951</u>

8 Pension costs

The group operates a defined contribution scheme in respect of the staff employed by a foreign subsidiary. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the group to the scheme and amount to £487,079 (2004: £95,034). In addition, the group has made contributions to employees' personal pension schemes amounting to £9,094 (2004: £23,846).

Loopsign Limited
Notes to the Accounts
for the year ended 30 September 2005

9 Taxation

	2005	2004
	£	£
UK corporation tax	57,481	(360,777)
Share of joint ventures' taxation	-	59,412
Overseas taxes	2,270,651	1,819,625
	<u>2,328,132</u>	<u>1,518,260</u>

Factors affecting tax charge for period

	2005	2004
	£	£
Profit on ordinary activities before tax	<u>50,386,821</u>	<u>80,830,350</u>
Standard rate of corporation tax in the UK	30%	30%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	15,116,046	24,249,105
Effects of:		
Expenses not deductible for tax purposes	152,060	1,108,079
Capital allowances for period in excess of depreciation	(5,916,248)	(8,721,595)
Realised revaluation gains less adjustments for taxation	10,800,551	16,204,411
Share of joint ventures' taxation	-	59,412
Overseas taxes	2,270,651	1,819,625
Utilisation of tax losses	(19,894,928)	(32,840,000)
Adjustments to tax charge in respect of previous periods	-	(360,777)
Current tax charge for period	<u>2,328,132</u>	<u>1,518,260</u>

Factors that may affect future tax charges

No provision has been made for deferred tax on gains recognised on revaluing properties to their open market value. The directors have no intention of selling the properties, and therefore, at present, it is not envisaged that any tax will become payable in the foreseeable future. The directors consider that it is too onerous to provide an estimate of the tax that would be payable if the properties were sold at the values shown. Such a tax estimate is not considered meaningful as properties are often divested through the sale of companies.

No deferred tax asset has been recognised in the accounts in respect of taxation losses as there is no certainty as to when the group will make sufficient taxable profits to utilise the taxation losses. The group has an unrecognised deferred tax asset of approximately £8 million (2004: £6 million) in this respect.

Loopsign Limited
Notes to the Accounts
for the year ended 30 September 2005

10 Tangible fixed assets

Investment Properties

Group	Long Leasehold Properties £	Freehold Properties £	Total £
Valuation			
At 1 October 2004	358,642,953	1,673,858,701	2,032,501,654
Currency exchange difference on translation	-	(17,380,897)	(17,380,897)
Acquisition of group companies	171,807,129	180,786,652	352,593,781
Additions	12,510,227	693,925,217	706,435,444
Reclassifications	(75,500,000)	75,500,000	-
Surplus on revaluation	75,816,270	69,504,849	145,321,119
Disposals	(57,234,923)	(299,314,082)	(356,549,005)
At 30 September 2005	<u>486,041,656</u>	<u>2,376,880,440</u>	<u>2,862,922,096</u>
Cost			
At 30 September 2005	<u>342,110,912</u>	<u>2,221,453,615</u>	<u>2,563,564,527</u>

The investment properties were valued on an open market valuation basis as at 30 September 2005 by the directors with the advice of independent valuers.

Other tangible assets

Group	Fixtures & Equipment £	Motor Vehicles £	Total £
Cost			
At 1 October 2004	772,667	238,082	1,010,749
Additions	<u>4,864,386</u>	<u>6,585</u>	<u>4,870,971</u>
At 30 September 2005	<u>5,637,053</u>	<u>244,667</u>	<u>5,881,720</u>
Depreciation			
At 1 October 2004	433,215	224,435	657,650
Charge for the year	<u>453,115</u>	<u>18,231</u>	<u>471,346</u>
At 30 September 2005	<u>886,330</u>	<u>242,666</u>	<u>1,128,996</u>
Net book value			
At 30 September 2005	<u>4,750,723</u>	<u>2,001</u>	<u>4,752,724</u>
At 1 October 2004	<u>339,452</u>	<u>13,647</u>	<u>353,099</u>

11 Investments

Company	Investments in subsidiary undertakings £
Cost	
Additions	<u>1</u>
At 30 September 2005	<u>1</u>

The company holds directly 100% of the ordinary share capital of London & Regional Group Holdings Limited, which is incorporated in England & Wales and whose principal activity is a holding company.

Loopsign Limited
Notes to the Accounts
for the year ended 30 September 2005

The company holds indirectly through London & Regional Group Holdings Limited 100% of the ordinary share capital of the following companies, all of which are incorporated in England & Wales:

Company	Principal activity
London & Regional Investment Holdings Ltd	Holding company
London & Regional Properties Ltd (also owns deferred share capital)	Property management
London & Regional Group Finance Ltd	Treasury
London & Regional Hotel Holdings Ltd	Holding company
London & Regional Overseas Ltd	Holding company
London & Regional Dormant Holdings Ltd	Holding company
London & Regional Commercial Properties Holdings Ltd	Holding company
London & Regional PFI Projects Holdings Ltd	Holding company

The above indirectly owned subsidiaries hold a number of subsidiaries. Details of these have not been disclosed because disclosure would be too excessive.

Other investments

Group	2005 £	2004 £
Investments in joint ventures	64,992,905	24,509,356
Listed investments	42,675	42,675
Unlisted investments	8,656,828	50,500
	<u>73,692,408</u>	<u>24,602,531</u>

Investments in joint ventures

The group's share of the net assets of the joint ventures are as follows:

	2005 £	2004 £
<i>Share of assets</i>		
Share of fixed assets	219,008,939	182,117,990
Share of current assets	<u>20,518,974</u>	<u>8,458,062</u>
	<u>239,527,913</u>	<u>190,576,052</u>
<i>Share of liabilities</i>		
Liabilities due within one year	26,933,832	6,480,599
Liabilities due after more than one year	<u>147,601,176</u>	<u>159,586,097</u>
	<u>174,535,008</u>	<u>166,066,696</u>
Share of net assets	<u>64,992,905</u>	<u>24,509,356</u>

The group has the following joint venture investments:

Company	Holding	Principal Activity
Octane Properties Ltd	50%	Property investment
WH2001/L&R Holdings Partnership (an investment held by LR Horizon Ltd)	33% of partnership net assets	Property investment

Listed investments	2005 £	2004 £
Listed investments - market value	<u>78,545</u>	<u>60,095</u>

Loopsign Limited
Notes to the Accounts
for the year ended 30 September 2005

12 Development Properties	Group 2005 £	2004 £
Properties held for resale	7,137,816	11,868,549
Work in progress	15,382,292	19,352,779
	<u>22,520,108</u>	<u>31,221,328</u>

13 Debtors	Group 2005 £	2004 £
Trade debtors	14,765,305	8,792,585
Amounts owed by related undertakings	-	1,364,428
Amounts owed by joint ventures	7,703,448	-
Other debtors	49,705,687	18,121,600
Prepayments and accrued income	18,325,452	25,457,797
	<u>90,499,892</u>	<u>53,736,410</u>

	Company 2005 £	2004 £
Other debtors	1	2
	<u>1</u>	<u>2</u>

14 Investments held as current assets	Group 2005 £	2004 £
Listed investments	31,892,978	26,145,776
Valuation:		
Listed investments - market value	31,892,978	25,189,018

15 Creditors: amounts falling due within one year	Group 2005 £	2004 £
Bank loans and overdrafts	36,965,708	30,244,667
Trade creditors	9,464,985	7,108,493
Amounts owed to related undertakings and undertakings in which the company has a participating interest	-	5,320,288
Amounts owed to joint ventures	16,930,083	-
Corporation tax	111,231	3,792,891
Other taxes and social security costs	4,689,646	2,205,793
Other creditors	8,436,860	6,167,392
Accruals and deferred income	112,598,272	74,996,111
	<u>189,196,785</u>	<u>129,835,635</u>

The bank loans are secured by fixed charges over the investment properties and properties held for resale.

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16 Creditors: amounts falling due after one year	Group	
	2005	2004
	£	£
Bank loans	2,495,867,577	1,760,971,049
Other loans	36,441,364	299,763
Finance costs	(18,056,025)	(14,668,487)
	<u>2,514,252,916</u>	<u>1,746,602,325</u>

The bank loans are secured by fixed charges over the investment properties and properties held for resale.

17 Loans	Group	
	2005	2004
	£	£
Loans are repayable as follows:		
Bank loans and overdrafts	2,532,833,285	1,791,215,716
Other loans	36,441,364	299,763
	<u>2,569,274,649</u>	<u>1,791,515,479</u>
Analysis of maturity of debt:		
Within one year or on demand	36,973,168	30,244,667
Between one and two years	195,523,749	44,964,946
Between two and five years	1,186,970,860	631,074,082
After five years	1,149,806,872	1,085,231,784
	<u>2,569,274,649</u>	<u>1,791,515,479</u>

The bank loans are secured by fixed charges over the investment properties and properties held for resale. The loans are repayable by instalments from surplus rental income and by bullets on fixed repayment dates. The loans bear interest at LIBOR plus a margin and, in most cases, the interest rate is effectively fixed through hedging.

18 Provisions for liabilities and charges			Group
	Other	Life Cycle	Total
	£	£	£
At 1 October 2004	72,958	2,654,444	2,727,402
Provisions made during the year	21,762	14,701	36,463
At 30 September 2005	<u>94,720</u>	<u>2,669,145</u>	<u>2,763,865</u>

The life cycle provision relates to contractual obligations under PFI project agreements in respect of life cycle replacement programmes.

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19 Share capital

			Company 2005 £	2004 £
Authorised:				
1,000 ordinary shares of £1 each			<u>1,000</u>	<u>1,000</u>
	2005 No	2004 No	2005 £	2004 £
Allotted, called up and fully paid:				
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Movement in share capital			2005 £	2004 £
At 1 October			2	2
At 30 September			<u>2</u>	<u>2</u>

20 Revaluation reserve

	Group 2005 £	2004 £
At 1 October	240,091,840	39,629,230
Companies merged into the group	-	59,318,533
Currency exchange difference on translation	-	1,289,201
Arising on revaluation of investment properties	143,457,399	165,042,410
Arising on revaluation of investment properties within joint ventures	41,361,454	28,827,170
Realised on disposals of investment properties	(57,649,505)	(49,598,819)
Realised on disposals of investment properties within joint ventures	-	(4,415,885)
Acquired by minority interest	(1,394,175)	-
At 30 September	<u>365,867,013</u>	<u>240,091,840</u>

21 Merger reserve

	Group 2005 £	2004 £
At 1 October	16,525,278	576,247
Currency exchange difference on translation	(450,803)	-
Movement during the year	(4,690,126)	15,949,031
At 30 September	<u>11,384,349</u>	<u>16,525,278</u>

The movement during the year ended 30 September 2005 relates to a former merged subsidiary being dissolved in the year.

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22 Other reserve	Group 2005 £	2004 £
At 1 October	65,414,290	53,574,542
Currency exchange difference on translation	(2,031,418)	(1,451,474)
Movement in the year	3,689,462	13,291,222
Acquired by minority interest	(6,640,161)	-
At 30 September	<u>60,432,173</u>	<u>65,414,290</u>

The other reserve arises from negative goodwill in foreign subsidiaries acquired (see note 28).

23 Profit and loss account	Group 2005 £	2004 £
At 1 October	153,398,669	44,500,645
Companies merged into the group	-	(24,079,986)
Currency exchange difference on translation	(763,922)	(647,195)
Retained profit	45,106,386	79,610,501
Transfer from revaluation reserve on realisation	57,649,505	54,014,704
Acquired by minority interest	(4,307,613)	-
At 30 September	<u>251,083,025</u>	<u>153,398,669</u>

24 Reconciliation of movement in shareholders' funds

	Group 2005 £	2004 £
At 1 October	475,430,079	138,280,666
Profit for the financial year	45,106,386	79,610,501
Currency exchange difference on translation	(2,795,340)	(809,468)
Unrealised surplus on revaluation of properties	184,818,853	193,869,580
Movement on merger reserve	(5,140,929)	15,949,031
Other recognised gains and losses - companies merged into the group	-	35,238,547
Movement on other reserve	3,689,462	13,291,222
Acquired by minority interest	(12,341,949)	-
At 30 September	<u>688,766,562</u>	<u>475,430,079</u>

	Company 2005 £	2004 £
At 1 October	2	2
At 30 September	<u>2</u>	<u>2</u>

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25 Gross cash flows	2005	2004
	£	£
Returns on investments and servicing of finance		
Dividends received	1,688	943,091
Interest received	11,724,733	7,552,370
Distributions from joint venture investments	4,089,750	25,882,123
Interest paid	(162,570,967)	(124,380,556)
	<u>(146,754,796)</u>	<u>(90,202,972)</u>
Acquisitions and disposals		
Payments to acquire tangible fixed assets	(711,306,415)	(35,267,722)
Payments to acquire investments	(8,606,328)	(50,500)
Proceeds on sale of fixed assets	408,685,694	110,668,746
Proceeds on sale of subsidiary	411,034	46,933,253
Cash and loans acquired in merged companies	-	(185,560,384)
Cash and loans in subsidiary disposed of	-	306,937,517
Purchase of subsidiaries	(118,519,331)	(92,556,807)
Cash and loans acquired in acquired subsidiaries	(75,170,790)	(256,570,234)
	<u>(504,506,136)</u>	<u>(105,466,131)</u>
Management of liquid resources		
Purchase of current asset investments	(5,747,202)	(16,145,776)
	<u>(5,747,202)</u>	<u>(16,145,776)</u>
Financing		
Movement in loans	796,793,975	147,225,364
Financing costs incurred	(14,208,495)	(6,313,880)
Translation difference	(18,231,805)	8,865,322
Capital from minority	2,014,578	-
	<u>766,368,253</u>	<u>149,776,806</u>

26 Analysis of changes in net debt	At 1 October 2004	Cashflow	Exchange rate movement	At 30 Sept 2005
	£	£	£	£
Cash at bank and in hand	192,492,916	141,712,585	(803,000)	333,402,501
Debt due within 1 year	(30,244,667)	(7,241,317)	520,276	(36,965,708)
Debt due after 1 year	(1,761,270,812)	(789,552,658)	18,514,529	(2,532,308,941)
		(796,793,975)	-	
Current asset investments	26,145,776	5,747,202	-	31,892,978
Total	<u>(1,572,876,787)</u>	<u>(649,334,188)</u>	<u>18,231,805</u>	<u>(2,203,979,170)</u>

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27 Other financial commitments

At the year end the group had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2005 £	Land and buildings 2004 £	Other 2005 £	Other 2004 £
Operating leases which expire: in over five years	303,120	303,120	-	-

28 Purchase of subsidiaries

	Book value 2005 £	Fair value adjustment 2005 £	Fair value 2005 £
Fixed assets	350,783,431	1,810,350	352,593,781
Debtors	35,865,962	-	35,865,962
Cash	1,042,420	-	1,042,420
Creditors	(182,875,709)	-	(182,875,709)
Bank loans and provisions	(88,596,321)	3,689,462	(84,906,859)
	<u>116,219,783</u>	<u>5,499,812</u>	<u>121,719,595</u>
Negative goodwill arising		(3,689,462)	
Purchased goodwill arising		<u>489,198</u>	<u>(3,200,264)</u>
			<u>118,519,331</u>
Satisfied by:			
Cash			<u>118,519,331</u>

The fair value adjustment relates to achieving consistency of accounting policies.

Hotel Leeds West Ltd, Planttime Ltd, London & Regional (Baker Street) Ltd and a number of subsidiaries through London & Regional Overseas Ltd were acquired during the year. The subsidiaries acquired have been accounted for under the acquisition method of accounting.

29 Related party transactions

The company has taken advantage of the exemption in FRS8 that transactions do not need to be disclosed with companies 90% or more of whose voting rights are controlled within the group.

Included in other debtors is a director's loan account of £5,846,359 (2004: £Nil) in respect of I M Livingstone, which loan is jointly owned with R J Livingstone. The loan is interest free and repayable on demand. The maximum loan outstanding during the year was £5,846,359.

Included in other creditors is a director's loan account of £Nil (2004: £2,052,179) in respect of I M Livingstone, which loan is jointly owned with R J Livingstone.

At 30 September 2005 the group owed £16,930,083 (2004: £3,407,711) to Octane Properties Limited, a joint venture company. The loan bears interest at 8.0% per annum and is repayable on demand.

At 30 September 2005 the group was owed £698,875 (2004: £772,448) by Optika Holdings Limited, a company 50% indirectly owned by I M Livingstone. The loan does not bear interest and is repayable on demand.

30 Controlling parties

The controlling parties of Loopsign Limited are I M Livingstone and R J Livingstone.