

Registered number
05139897

LR Life No.1 (UK) Limited

Annual report and financial statements

for the year ended
30 September 2009



LR Life No.1 (UK) Limited

Annual report and financial statements for the year ended 30 September 2009

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LR Life No.1 (UK) Limited
Company information for the year ended 30 September 2009

Directors

Mr R J Livingstone
Mr R N Luck

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

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LR Life No 1 (UK) Limited
Directors' report for the year ended 30 September 2009

The directors present their report and the audited accounts of the company for the year ended 30 September 2009

Principal activities and review of the business

The company acts as a commercial property investment company. The directors consider the financial position at 30 September 2009 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

LR Life No 1 (UK) Limited is managed by the directors in accordance with its ultimate parent company, Loopsign Limited, group strategies and for this reason, the directors believe 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 result for the year is set out in the profit and loss account on page 5. The company paid a dividend of £21,000,000 (£21,000,000 per ordinary share) during the year (2008: £32,700,000).

Directors

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

Mr C King (resigned 21 August 2009)
Mr R J Livingstone (appointed 21 August 2009)
Mr R N Luck

Qualifying third party indemnity provisions

The Company maintains liability insurance for its directors and officer. Following shareholder approval, the Company has also provided an indemnity for its directors and the secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

Disclosure of information to auditors

In so far as the directors are aware:

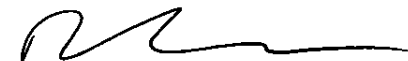
- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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.

The report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

By order of the board



Mr R N Luck
Company secretary
30 March 2010

LR Life No.1 (UK) Limited

Statement of directors' responsibilities for the year ended 30 September 2009

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are 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 them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other

By order of the board



Mr R N Luck

Company secretary

30 March 2010

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LR LIFE NO.1 (UK) LIMITED

We have audited the financial statements of LR Life No 1 (UK) Limited for the year ended 30 September 2009 which comprise of the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses 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) as applicable to financial statements prepared in accordance with the small companies regime of the Companies Act 2006.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are 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 of the financial statements

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 directors, 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 2009 and of its profit for the year then ended, and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

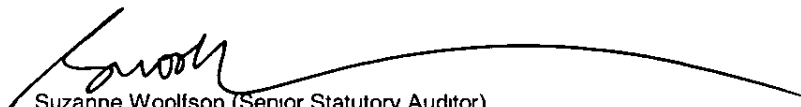
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' 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
- the directors were not entitled to prepare financial statements and the directors' report in accordance with the small company regime.



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

30 March 2010

LR Life No.1 (UK) Limited
Profit and loss account
for the year ended 30 September 2009

	Note	2009 £	2008 £
Turnover	2	21,415,768	20,592,085
Administrative expenses		(122,523)	(120,285)
Other operating income		7,030	2,190
Operating profit	3	<u>21,300,275</u>	<u>20,473,990</u>
Interest payable and similar charges	4	(15,171)	(14,449)
Profit on ordinary activities before taxation		<u>21,285,104</u>	<u>20,459,541</u>
Tax on profit on ordinary activities	6	-	-
Profit for the financial year	13	<u>21,285,104</u>	<u>20,459,541</u>

All amounts relate to continuing operations

There is no material difference between the profit on ordinary activities before taxation and the profit for the year stated above and their historical costs equivalents

LR Life No.1 (UK) Limited
Statement of total recognised gains and losses
for the year ended 30 September 2009

	2009	2008
	£	£
Profit for the financial year	21,285,104	20,459,541
Unrealised deficit on revaluation of investment properties	(26,303,840)	(51,710,500)
Total recognised gains and losses related to the year	<u>(5,018,736)</u>	<u>(31,250,959)</u>

LR Life No.1 (UK) Limited
Balance sheet
as at 30 September 2009

Registered number
05139897

	Note	2009 £	2008 £
Fixed assets			
Investment properties	8	269,985,660	296,289,500
Current assets			
Debtors	9	7,533,310	56,769,768
Creditors: amounts falling due within one year	10	(226,725,717)	(276,247,279)
Net current liabilities		(219,192,407)	(219,477,511)
Net assets		<u>50,793,253</u>	<u>76,811,989</u>
Capital and reserves			
Called up share capital	11	1	1
Investment revaluation reserve	12	50,461,654	76,765,494
Profit and loss account	13	331,598	46,494
Total shareholders' funds	14	<u>50,793,253</u>	<u>76,811,989</u>

These financial statements were approved by the Board of Directors on **30** March 2010
and signed on its behalf by



Mr R N Luck
Director
30 March 2010

LR Life No 1 (UK) Limited
Notes to the financial statements
for the year ended 30 September 2009

1 Accounting policies

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention as modified to include the revaluation of investment properties, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the period, are set out below.

Depreciation

Compliance with Statement of Standard Accounting Practice 19 (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) in 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 increased the loss for the year) 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.

Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (revised 1996) from including a cash flow statement on the grounds that the company is wholly owned and its ultimate parent publishes a consolidated cash flow statement.

Turnover

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

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 profit and loss when earned.

2 Turnover

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

LR Life No 1 (UK) Limited
Notes to the financial statements
for the year ended 30 September 2009

3 Operating profit	2009	2008
	£	£
Operating profit is stated after charging		
Auditors' remuneration	-	-

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

4 Interest payable and similar charges	2009	2008
	£	£
Interest payable to group undertakings	15,171	14,449

5 Directors and employees

The directors did not receive any emoluments in respect of their services to the company (2008 £nil) The company has no employees (2008 nil) other than the directors

The above details of directors' 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 2009 amounted to £107,079 (2008 £102,960), 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 directors' emoluments

6 Tax on profit 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 1 April 08 the rate of corporation tax has reduced from 30% to 28%, giving a blended average rate for the prior year of 29%

The tax assessed for the year is lower (2008 lower) than the standard/blended rate of corporation tax in the UK 28% (2008 29%) The differences are explained below

	2009	2008
	£	£
Profit on ordinary activities before taxation	21,285,104	20,459,541
Profit on ordinary activities multiplied by standard (2008 blended) rate of corporation tax in the UK of 28% (2008 29%)	5,959,829	5,933,267
Effects of		
Utilisation of tax losses	(5,959,829)	(5,933,267)
Total current tax charge	-	-

The corporation tax charge for the year has been reduced by £5,959,829 because of losses surrendered by fellow subsidiary undertakings (2008 £5,933,267) No payment for this surrender is to be made by the company

LR Life No 1 (UK) Limited
Notes to the financial statements
for the year ended 30 September 2009

Tax on profit on ordinary activities (cont)

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 foreseeable 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.

7 Dividends	2009	2008
	£	£
Equity dividends on ordinary shares - interim paid	<u>21,000,000</u>	<u>32,700,000</u>

8 Investment properties

	Freehold land and buildings £
Valuation	
At 1 October 2008	296,289,500
Deficit on revaluation	<u>(26,303,840)</u>
At 30 September 2009	<u>269,985,660</u>
 At cost	 <u>219,524,006</u>

The investment properties were valued on an open market valuation basis as at 30 September 2009 by the director with the advice of independent valuers.

The investment properties have been charged to secure the bank loan made to a fellow subsidiary company.

9 Debtors	2009	2008
	£	£
Amounts owed by related undertakings	<u>7,533,310</u>	<u>56,769,768</u>

Amounts owed by related undertakings are interest free and payable on demand.

10 Creditors amounts falling due within one year	2009	2008
	£	£
Amounts owed to group undertakings	226,618,638	276,144,319
Accruals and deferred income	<u>107,079</u>	<u>102,960</u>
	<u>226,725,717</u>	<u>276,247,279</u>

Of the amounts owed to group undertakings £303,429 bears interest at 5%. The remaining amounts owed to group undertakings are interest free, payable on demand and unsecured.

11 Called up share capital	2009	2008
	£	£
Authorised 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	2009	2008
	Number	Number
Allotted and fully paid Ordinary shares of £1 each	<u>1</u>	<u>1</u>

LR Life No 1 (UK) Limited
Notes to the financial statements
for the year ended 30 September 2009

12 Investment revaluation reserve

	£
At 1 October 2008	76,765,494
Deficit on revaluation during the year	(26,303,840)
At 30 September 2009	<u>50,461,654</u>

13 Profit and loss account

	£
At 1 October 2008	46,494
Profit for the financial year	21,285,104
Dividend paid	(21,000,000)
At 30 September 2009	<u>331,598</u>

14 Reconciliation of movement in shareholders' funds

	2009 £	2008 £
At 1 October	76,811,989	140,762,948
Profit for the financial year	21,285,104	20,459,541
Dividends	(21,000,000)	(32,700,000)
Other recognised gains and losses	<u>(26,303,840)</u>	<u>(51,710,500)</u>
At 30 September	<u>50,793,253</u>	<u>76,811,989</u>

15 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 Limited, whose accounts are publicly available

16 Parent undertaking

The immediate parent undertaking is LR Property Holdings Ltd, a company incorporated and registered in Jersey

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

Loopsign Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 30 September 2009. 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