

# **REGENER LCEP HOLDCO LIMITED**

## **DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010**

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26/05/2011  
COMPANIES HOUSE

**Registered Number 5340333**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010**

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**REGENER LCEP HOLDCO LIMITED**

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**DIRECTORS AND ADVISORS**

**Directors**

M Baybutt  
S M Colvin  
J Saunders  
V L Everett

(resigned 6 September 2010)  
(resigned 23 February 2010)

**Company secretary and registered office**

M Lewis  
Allington House  
150 Victoria Street  
London  
SW1E 5LB

**Auditors**

Deloitte LLP  
Chartered Accountants  
London

## DIRECTORS' REPORT

The Directors submit their Annual Report and the audited financial statements for the year ended 31 December 2010

The Directors' report has been prepared in accordance with the special provisions relating to small companies under section 417 of the Companies Act 2006

The Company is wholly owned subsidiary of Palio (No 6) Limited which in turn is a wholly owned subsidiary of John Laing Infrastructure Fund Limited. During the year the shares in the Company were transferred from John Laing plc to John Laing Infrastructure Fund Limited

The Directors are aware that during the year dividends in excess of distributable reserves were declared. They have reviewed the future profits of the Company and are content that these will be sufficient to cover the current year shortfall. No further dividends will be paid until sufficient distributable reserves are available.

## BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The principal activity of the Company is to act as a holding company to Regenter LCEP Limited, a company which currently manages a PFI contract to the London Borough of Newham

There have not been any significant changes in the Company's principal activities in the year under review. The Directors are not aware, at the date of this report, of any major changes in the Company's activities in the next year.

## GOING CONCERN

The Directors have considered the use of the going concern basis in the preparation of the financial statements in light of current market conditions and concluded that it is appropriate. In reaching this conclusion, the Directors have specifically considered the Company's relationships with its immediate parent company. More information is provided in note 1 to the financial statements.

## FUTURE DEVELOPMENTS

The Directors are not aware, at the date of this report, of any major changes in the Company's activities in the coming year.

## STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who is a Director at the date of approval of this report confirms that

- as 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 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 auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of section 418 of the Companies Act 2006.

## DIRECTORS

The Directors who served throughout the year, except as noted, are shown on page 1.

## EMPLOYEES

Details of the number of employees and related costs can be found in note 4 to the financial statements on page 8.

## AUDITORS

Pursuant to section 386 Companies Act 1985, an elective resolution was passed on 13 June 2006 dispensing with the requirement to appoint auditors annually. This election was in force immediately before 1 October 2007. Therefore Deloitte LLP are deemed to continue as auditors.

On behalf of the Board



M Baybutt  
Director  
26 April 2011

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The Directors are responsible for preparing the Annual 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 year. 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, and
- 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 irregularities.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REGENER LCEP HOLDCO LIMITED**

We have audited the financial statements of Regenter Lcep Holdco Limited for the year ended 31 December 2010 which comprise the profit and loss account, the balance sheet and the related notes 1 to 16. 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).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditors' 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 a body, for our audit work, for this report, or for the opinions we have formed.

### **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 and express an opinion on 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 (APB's) Ethical Standards for Auditors.

### **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 financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2010 and of its profit for the year then ended,
- 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 matter 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, or
- the Directors were not entitled to take advantage of the small companies exemption in preparing the Directors' Report.



Ross Howard (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditors  
London, United Kingdom  
26 April 2011

# REGENER LCEP HOLDCO LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 £	2009 £
Income from shares in group undertakings	5	<u>252,525</u>	<u>632,804</u>
<b>Profit on ordinary activities before interest</b>		<b>252,525</b>	<b>632,804</b>
Interest receivable		250,669	259,376
Interest payable		<u>(250,669)</u>	<u>(259,376)</u>
Net interest	6	-	-
<b>Profit on ordinary activities before taxation</b>		<b>252,525</b>	<b>632,804</b>
Tax on profit on ordinary activities	7	-	-
<b>Profit for the financial year</b>	13	<b><u>252,525</u></b>	<b><u>632,804</u></b>

A reconciliation of movements in shareholder's funds is given in note 14

All items in the profit and loss account relate to continuing operations

There is no material difference between the results stated in the profit and loss account and their historical cost equivalents

All gains and losses are recognised in the profit and loss account in both the current and preceding year, and therefore no separate statement of total recognised gains and losses has been presented

**REGENER LCEP HOLDCO LIMITED**

**BALANCE SHEET AS AT 31 DECEMBER 2010**

	Notes	2010 £	2009 £
<b>Fixed assets</b>			
Investments	9	25,000	25,000
<b>Current assets</b>			
Debtors		1,992,245	2,085,367
- due within one year	10	81,707	91,534
- due after more than one year	10	1,910,538	1,993,833
<b>Current liabilities</b>			
<b>Creditors</b> amounts falling due within one year	11	(86,173)	(100,466)
<b>Net current assets</b>		<u>1,906,072</u>	<u>1,984,901</u>
<b>Total assets less current liabilities</b>		1,931,072	2,009,901
<b>Creditors</b> amounts falling due after more than one year	11	(1,910,538)	(1,989,367)
<b>Net assets</b>		<u>20,534</u>	<u>20,534</u>
<b>Capital and reserves</b>			
Called up share capital	12	25,000	25,000
Profit and loss account	13	(4,466)	(4,466)
<b>Shareholder's funds</b>	14	<u>20,534</u>	<u>20,534</u>

The financial statements of Regenter LCEP Holdco Limited, registered number 5340333, were approved by the Board of Directors and authorised for issue on 26 April 2011. They were signed on its behalf by



M Baybutt  
Director  
26 April 2011



Notes to the financial statements for the year ended 31 December 2010

1 ACCOUNTING POLICIES

a) Basis of preparation of accounts

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards. A summary of the principal accounting policies adopted by the Directors, which have been applied consistently throughout the current and preceding year, is shown below.

The Company is a wholly owned subsidiary undertaking of John Laing Infrastructure Fund Limited and as such is exempt under FRS1 (revised 1996) from the requirement to prepare its own cash flow statement.

As a wholly owned subsidiary undertaking, the Company is also exempt under section 400 of the Companies Act 2006 from any requirement to prepare consolidated financial statements for its group. Accordingly, the financial statements present information about the Company as an individual undertaking, and the results of subsidiaries are reflected in these accounts only to the extent that dividends have been declared.

The Company exists to hold investments in its subsidiary that provides services under certain private finance agreements. The subsidiary is set up as a Special Purpose Company under non-recourse arrangements and therefore the Company has limited its exposure to the liabilities. In the event of default of the subsidiary, the exposure is limited to the extent of the investment it has made. Having reviewed the Company's investment portfolio including the associated future cash requirements and forecast receipts, the Directors are satisfied that they have a reasonable expectation that the Company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

b) Investments

Except as stated below, fixed asset investments are shown at cost less provision for impairment. Income from investments is included in the profit and loss account.

c) Taxation

Current tax, including United Kingdom Corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

In accordance with FRS19 'Deferred Tax', deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net 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 period in which the timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are not discounted.

There was no tax charge in the current or prior year.

Notes to the financial statements for the year ended 31 December 2010 (continued)

**2 OPERATING RESULTS**

The audit fee of £2,476 (2009 - £2,416) is being borne by Regenter LCEP Limited

**3 DIRECTORS' REMUNERATION**

No Directors received any remuneration for services to the Company during the current or prior year. The Company is managed by secondees from the shareholders under a management services contract.

**4 STAFF NUMBERS**

The Company had no employees during the year (2009 - nil)

**5 INCOME FROM SHARES IN GROUP UNDERTAKINGS**

	2010 £	2009 £
Dividend from shares in group undertakings	<u>252,525</u>	<u>632,804</u>

**6 NET INTEREST**

	2010 £	2009 £
<b>Interest receivable and similar income</b>		
Interest receivable on amounts due from group undertakings	<u>250,669</u>	<u>259,376</u>
	<u>250,669</u>	<u>259,376</u>
<b>Interest payable and similar charges</b>		
Interest payable to parent undertakings	<u>(250,669)</u>	<u>(259,376)</u>
	<u>(250,669)</u>	<u>(259,376)</u>
Net interest	<u>-</u>	<u>-</u>

**7 TAX ON PROFIT ON ORDINARY ACTIVITIES**

*Factors affecting tax for the year*

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax are as follows:

	2010 £	2009 £
Profit on ordinary activities before taxation	<u>252,525</u>	<u>632,804</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%)	<u>(70,707)</u>	<u>(177,185)</u>
<b>Effects of</b>		
Non-taxable UK dividends received	<u>70,707</u>	<u>177,185</u>
<b>Total current tax for the year</b>	<u>-</u>	<u>-</u>

**8 DIVIDENDS**

The following have been paid during the year:

	2010 £	2009 £
Equity shares		
- Interim and final dividend paid of 1,010 pence (2009 - 2,531 pence) per share	<u>(252,525)</u>	<u>(632,804)</u>

**REGENER LCEP HOLDCO LIMITED**

**Notes to the financial statements for the year ended 31 December 2010 (continued)**

**9 INVESTMENTS**

	Shares in group undertaking £
<b>Cost</b>	
At 1 January 2010	25,000
<b>At 31 December 2010</b>	<b>25,000</b>
<b>Net book value</b>	
<b>At 31 December 2010</b>	<b>25,000</b>
At 31 December 2009	25,000

The sole investment is a 100% interest in Regenter LCEP Limited, which is incorporated in Great Britain and registered in England and Wales. The principal activity of the Company is the refurbishment, lifecycle maintenance and management of over 1,000 local authority and 200 leasehold homes in Canning Town, London Borough of Newham.

In the opinion of the Directors the value of the investment in subsidiary undertaking is not less than the amount stated in the balance sheet.

**10 DEBTORS**

	2010 £	2009 £
<b>Due within one year</b>		
Amounts owed from group undertakings	81,707	91,534
	<b>81,707</b>	<b>91,534</b>
<b>Due after more than one year</b>		
Amounts due from group undertaking	1,910,538	1,993,833
	<b>1,910,538</b>	<b>1,993,833</b>

Amounts due from subsidiary undertakings comprise a subordinated loan payable in instalments by 30 June 2034 with interest at 12% per annum payable half yearly.

**11 CREDITORS**

	2010 £	2009 £
<b>Amounts falling due within one year</b>		
Amounts owed to parent undertaking	81,707	96,000
Accruals and deferred income	4,466	4,466
	<b>86,173</b>	<b>100,466</b>
<b>Amounts falling due after more than one year</b>		
Amounts owed to parent undertaking	1,910,538	1,989,367
	<b>1,910,538</b>	<b>1,989,367</b>
<b>Analysis of debt</b>		
Debt can be analysed as falling due		
In one year or less	81,707	96,000
Between one and two years	91,399	669,000
Between two and five years	787,766	1,320,367
In five years or more	1,031,373	-
	<b>1,992,245</b>	<b>2,085,367</b>

The Company has a subordinated loan provided by Palio (No 6) Limited. The loan is repayable in instalments over the next 23 years, until 30 June 2034 with interest at 12% per annum payable half yearly.

Notes to the financial statements for the year ended 31 December 2010 (continued)

12 CALLED UP SHARE CAPITAL

	2010 £	2009 £
Allotted, called up and fully paid		
25,000 ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>

13 MOVEMENT IN RESERVES

	Profit and loss account £
At 1 January 2010	(4,466)
Profit for the financial year	252,525
Dividends paid on equity shares (note 8)	<u>(252,525)</u>
At 31 December 2010	<u>(4,466)</u>

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2010 £	2009 £
Profit for the financial year	<b>252,525</b>	632,804
Dividends paid on equity shares (note 8)	<u>(252,525)</u>	<u>(632,804)</u>
Net addition to shareholder's funds	-	-
Opening shareholder's funds	<b>20,534</b>	20,534
Closing shareholder's funds	<u><b>20,534</b></u>	<u>20,534</u>

15 TRANSACTIONS WITH RELATED PARTIES

As a wholly owned subsidiary of John Laing Infrastructure Fund Limited, the Company has taken advantage of the exemption under Financial Reporting Standard 8 not to provide information on related party transactions with other undertakings within the John Laing Infrastructure Fund Limited group

16 ULTIMATE PARENT UNDERTAKING

The Company's immediate parent company is Palio (No 6) Limited, a company incorporated in Great Britain

The largest and smallest group in which its results are consolidated is John Laing Infrastructure Fund Limited, a company incorporated in Guernsey

The Company's ultimate parent and controlling entity is John Laing Infrastructure Fund Limited, a company incorporated in Guernsey