

**Lightstone
(Coventry)
Limited**

**Annual Report and Audited Financial
Statements**

30 September 2009

Company Registration Number
05404391 (England and Wales)

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COMPANIES HOUSE

Directors	A D Ingman W J Killick A J Pettit R J Ramsdale
Secretary	A D Ingman
Registered office	201 Bishopsgate London EC2M 3AF
Registered number	05404391 (England and Wales)
Auditors	Buzzacott LLP 12 New Fetter Lane London EC4A 1AG
Bankers	Bank of Scotland plc 38 Threadneedle Street London EC2P 2EH
Solicitors	Pinsent Masons 3 Colmore Circus Birmingham B4 6BH

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Directors' report 30 September 2009

The directors present their report with the financial statements of the company for the year ended 30 September 2009

Principal activity

The principal activity of the company in the year under review was that of commercial property trading

Directors

The directors in office during the year were as follows

A D Ingman
W J Killick
A J Pettit
R J Ramsdale

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the directors to prepare financial statements 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 of the company for that period. In preparing those financial statements, the directors are required to

- ◆ select suitable accounting policies and then apply them consistently,
- ◆ make judgements and estimates that are reasonable and prudent,
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 proper accounting records which 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

Directors' report 30 September 2009

Directors' responsibilities (continued)

Each of the directors confirm that

- ◆ so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- ◆ the director has taken all the steps that they ought to have taken as director in order to make themselves 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 provisions of s418 of the Companies Act 2006

Signed on behalf of the board of directors

A handwritten signature in black ink, appearing to read 'A Ingman', written over a horizontal line.

A Ingman
Director

Approved by the board on 18/02/10

Independent auditor's report 30 September 2009

Independent auditor's report to the shareholders of Lightstone (Coventry) Limited

We have audited the financial statements of Lightstone (Coventry) Limited for the year ended 30 September 2009, which comprise the profit and loss account, 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).

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 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 a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and independent auditors

As explained more fully in the statement of directors' responsibilities set out in the directors' report, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Property valuation

In forming our opinion, we have considered the adequacy of disclosures made in the financial statements regarding the valuation of trading properties with carrying values of £1,600,625.

The carrying value of the trading properties has not been supported by independent valuation reports at year end and the properties are not valued at the lower of net realisable value and cost, in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The directors consider the write-down in the value of trading properties to be sufficient to adequately reflect the open market value of the properties as at 30 September 2009. Our opinion is qualified in this respect.

Opinion on financial statements

In our opinion, except for the effects of such adjustments, if any, required to be able to satisfy ourselves as to the valuations of trading properties, 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 loss for the year then ended,
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities (effective April 2008), 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

Emphasis of matter – going concern

In forming our opinion on the financial statements, we have considered the adequacy of disclosure made on page 8 concerning the company's ability to continue as a going concern. At 30 September 2009, the company had net liabilities of £1,490,887 and in the year ended 30 September 2009 incurred a loss of £715,967. This loss includes the impact of an impairment in the value of the trading properties of £743,675. These conditions indicate the existence of a material uncertainty which may cast doubt over the company's ability to continue as a going concern.

In the opinion of the directors, the company will be able to secure continuing support to enable it to continue trading for the foreseeable future. The financial statements do not include any adjustments that would result if sufficient funding was not obtained by the company. Our opinion is not qualified in respect of this matter.

Independent auditor's report 30 September 2009

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 the financial statements and the directors' report in accordance with the small companies regime



Cliff Cooper, Senior statutory auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
12 New Fetter Lane
London
EC4A 1AG

Date

9th March 2010

Profit and loss account Year ended 30 September 2009

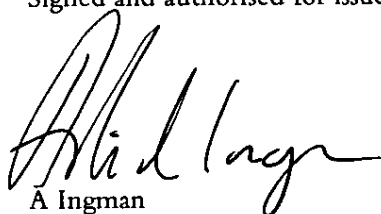
	Notes	2009 £	2008 £
Turnover	1	—	—
Exceptional items	2	(743,675)	(562,950)
Gross loss		(743,675)	(562,950)
Administrative expenses		(95,386)	(60,973)
Other operating income		226,909	249,544
Operating loss	3	(612,152)	(374,379)
Interest receivable		80	1,017
Interest payable		(103,895)	(172,543)
Loss on ordinary activities before taxation		(715,967)	(545,905)
Taxation	4	—	—
Loss on ordinary activities after taxation		(715,967)	(545,905)

Balance sheet 30 September 2009

	Notes	2009 £	2009 £	2008 £	2008 £
Current assets					
Stocks	5	1,600,625		2,344,300	
Debtors	6	147,950		115,527	
Cash at bank and in hand		25,063		36,078	
		<u>1,773,638</u>		<u>2,495,905</u>	
Creditors amounts falling due within one year	7	<u>(2,337,650)</u>		<u>(2,346,825)</u>	
Net current assets			<u>(564,012)</u>		<u>149,080</u>
Creditors amounts falling due after one year					
Total assets less current liabilities			<u>(564,012)</u>		<u>149,080</u>
Creditors amounts falling due after more than one year	8		<u>(926,875)</u>		<u>(924,000)</u>
Net liabilities			<u>(1,490,887)</u>		<u>(774,920)</u>
Capital and reserves					
Equity interests					
Called up share capital	9		1		1
Profit and loss account	10		<u>(1,490,888)</u>		<u>(774,921)</u>
Shareholder's deficit			<u>(1,490,887)</u>		<u>(774,920)</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Signed and authorised for issue on behalf of the board of directors only



A Ingman
Director

Approved by the board on 18/02/10

Lightstone (Coventry) Limited
Company registration number : 05404391 (England and Wales)

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Going Concern

The financial statements have been prepared on a going concern basis, which assumes the company will continue in operational existence for the foreseeable future, based on finance currently available to the company

Lightstone LLP has given assurances that it will not demand repayment of amounts owed to it for a period of at least 12 months from the date of signing of these financial statements or until the company is in a position to make such repayments and to provide continuing financial support to the company sufficient to allow it to continue trading for the foreseeable future

Anglo Irish Bank has provided assurances as to the extension of the loan facility, sufficient to allow the company to continue trading for the foreseeable future. In the opinion of the directors, the company will be able to secure sufficient funding to enable it to continue trading for the foreseeable future

On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustment to the company's assets or liability that might be necessary should this basis not continue to be appropriate

Cash flow

In accordance with the Financial Reporting Standards for Smaller Entities (effective April 2008), a voluntary cash flow statement has not been prepared

Turnover

Turnover from property sales is recognised on completion of the sale

Other operating income

Other operating income represents amounts receivable for rent and management of property net of VAT

Rental income is recognised as the tenancy period progresses and the right to consideration is earned. Rent free periods are adjusted for and the cost is recognised over the term of the lease

Principal accounting policies 30 September 2009

Deferred tax

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Stock

Stock consists of trading properties which are valued at the lower of cost and net realisable value.

The trading properties have not been independently valued at 30 September 2009. Values have been based on valuations performed by A Ingman, a director of the company.

Notes to the financial statements 30 September 2009

1 Turnover

Turnover arises solely from the company's principal activity. All turnover originates in the United Kingdom.

2 Exceptional items

	2009 £	2008 £
Stock write downs	743,675	562,950

3 Operating loss

	2009 £	2008 £
This is stated after charging		
Auditors' remuneration	7,010	7,010
Other operating income		
- rental income	226,909	228,490
- other income	—	21,054

4 Taxation

	2009 £	2008 £
Domestic current period tax		
UK corporation tax - 21% (2008: 20%)	—	—

5 Stock

	2009 £	2008 £
Stock – property held for resale	1,600,625	2,344,300

6 Debtors

	2009 £	2008 £
Prepayments	8,956	8,956
Other debtors	92,976	95,871
Amounts due from group undertakings (note 11)	46,018	10,700
	147,950	115,527

All accounts fall due for payment within one year.

Notes to the financial statements 30 September 2009

7 Creditors: amounts falling due within one year

	2009 £	2008 £
Bank overdraft	—	1,510
Trade creditors	16,713	15,440
Other creditors	53,520	67,870
Accruals and deferred income	83,167	85,255
Amounts owed to group undertakings (note 11)	19,250	11,750
Bank loan	2,165,000	2,165,000
	2,337,650	2,346,825

The bank loans are secured by an unlimited first fixed legal charge against the company's properties recorded within stock including an equitable assignment over the rental income derived from the property and by a floating charge over all the company's assets

The interest due and remaining interest unpaid up to a limit of £75,000 is guaranteed by Revcap Properties 5 Limited and Lightstone Properties plc, apportioned £18,750 and £56,250 respectively, both members of the company's parent, Lightstone LLP

The bank loans are guaranteed by Lightstone (Leeds) Limited, a fellow subsidiary undertaking

8 Creditors: amounts falling due after more than one year

	2009 £	2008 £
Bank loans	—	—
Amounts owed to parent company	926,875	924,000
	926,875	924,000

9 Called up share capital

	2009 £	2008 £
Allotted, called up and fully paid		
Ordinary share capital of £1 each	1	1

10 Profit and loss account

	2009 £	2008 £
Opening balance	(774,921)	(229,016)
Loss for the financial year	(715,967)	(545,905)
Closing balance	(1,490,888)	(774,921)

11 Related party transactions

At the year end, the parent undertaking, Lightstone LLP, was owed an amount of £926,875 (2008 £924,000) by the company. The loan is repayable within five years.

During the year the company received a short term loan of £nil (2008 £10,000) from Lightstone (Leeds) Limited, a company under common control of which £nil (2008 £9,500) remained unpaid at the year end.

The company has provided guarantee for a bank loan of Lightstone (Leeds) Limited.

During the year the company provided a short term loan of £918 (2008 £10,000) to Lightstone LLP, the parent company, of which £11,618 (2008 £10,700) remained unpaid at year end.

During the year the company provided a short term loan of £34,000 (2008 £nil) to Lightstone (Leeds) Limited, a company under common control. The balance outstanding at year end was £34,400 (2008 £nil).

During the year management fees of £8,185 (2008 £9,550) were charged to the company by Lightstone Properties plc. At the year end, the balance outstanding was £2,875 (2008 £6,956).

During the year the company received short term loans of £17,000 (2008 £21,300) from Lightstone (Midlands) Limited, a company under common control. The balance unpaid at year end was £19,250 (2008 £2,250).

No interest was charged on any of the above-mentioned loans.

12 Contingent liabilities

The company is party to composite cross guarantees, in favour of Anglo Irish Bank, in respect of bank loans and facilities advanced to companies under common control.

At 30 September 2009 the amounts advanced to companies under common control were £2,943,750 for Lightstone (Leeds) Limited.

13 Ultimate holding company and control

The company is a wholly owned subsidiary of Lightstone LLP, an LLP registered in England and Wales.

There was no ultimate controlling party throughout the two years ended 30 September 2009.