

**London & Stamford Investments  
Limited**

Report and Financial Statements

Year ended 31 March 2012





**London & Stamford Investments Limited**

**Report and financial statements for the year ended 31 March 2012**

---

**Contents**

**Page:**

1	Report of the directors
3	Report of the independent auditor
5	Profit and loss account
6	Balance sheet
7	Notes forming part of the financial statements

---

**Directors**

M F McGann  
S M Little  
T J Bishop

**Secretary and registered office**

J Jessop, 21 St James's Square, London, SW1Y 4JZ

**Company number**

5491360

**Auditors**

BDO LLP, 55 Baker Street, London, W1U 7EU

## **London & Stamford Investments Limited**

### **Report of the directors for the year ended 31 March 2012**

---

The directors present their report together with the audited financial statements for the year ended 31 March 2012

#### **Principal activities, business review and future developments**

The principal activity of the Company, which it intends to continue, is to act as a holding company

An interim dividend of £10.3 million (2011: £nil) was paid in the year. The directors do not recommend the payment of a final dividend (2011: £nil).

#### **Directors**

The directors of the Company during the year were as follows

M F McGann  
S M Little  
T J Bishop

None of the directors held a beneficial interest in the ordinary share capital of the Company

At 31 March 2012, Mr M F McGann was also a director of the ultimate parent company London & Stamford Property Plc. His interest in the share capital of that company are shown in its financial statements.

#### **Directors' responsibilities**

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 irregularities.

**London & Stamford Investments Limited**

**Report of the directors for the year ended 31 March 2012 (Continued)**

---

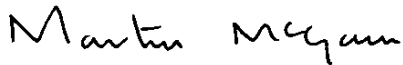
**Disclosure of information to auditors**

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

**Auditors**

BDO LLP have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the next annual general meeting.

**On behalf of the Board**



M F McGann  
**Director**

11.09.12

## **London & Stamford Investments Limited**

### **Report of the independent auditor for the year ended 31 March 2012**

---

#### **To the members of London & Stamford Investments Limited**

We have audited the financial statements of London & Stamford Investments Limited for the year ended 31 March 2012 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 auditors**

As explained more fully in the statement of directors' responsibilities, 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**

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/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

#### **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 March 2012 and of its result 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 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.

**London & Stamford Investments Limited**

**Report of the independent auditor for the year ended 31 March 2012 (continued)**

---

**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



Russell Field

(Senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor

London

11/09/12 ..

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

**London & Stamford Investments Limited**

**Profit and loss account for the year ended 31 March 2012**

	<b>Note</b>	<b>31 March 2012 £</b>	<b>31 March 2011 £</b>
Other income		-	21,869
Administrative expenses		<u>(464,104)</u>	<u>(40,679)</u>
<b>Loss on ordinary activities</b>	<b>2</b>	<b>(464,104)</b>	<b>(18,810)</b>
Income from shares in group undertakings	3	-	16,937,584
Bank interest receivable		<b>2,783</b>	2,123
Impairment of fixed asset investments		<u>(150,750)</u>	<u>(2,693,196)</u>
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(612,071)</b>	<b>14,227,701</b>
Taxation on (loss)/profit on ordinary activities	4	<u>-</u>	<u>-</u>
<b>(Loss)/profit for the year</b>	<b>9,10</b>	<b><u>(612,071)</u></b>	<b><u>14,227,701</u></b>

All amounts relate to continuing activities

There was no difference between historical cost loss and the reported loss on ordinary activities for the year or the prior period

There are no recognised gains and losses other than those passing through the profit and loss account

The notes on pages 7 to 11 form part of these financial statements

**London & Stamford Investments Limited****Company No. 5491360****Balance sheet as at 31 March 2012**

	<b>Note</b>	<b>2012 £</b>	<b>2011 £</b>
<b>Fixed assets</b>			
Fixed asset investments	5	<b>4,928,952</b>	5,079,702
<b>Current assets</b>			
Debtors	6	<b>58,513</b>	10,369,216
Cash at bank		<b>292,740</b>	735,038
		<b>351,253</b>	11,104,254
<b>Creditors: amounts falling due within one year</b>	7	<b>(60,515)</b>	(6,002)
<b>Net current assets</b>		<b>290,738</b>	11,098,252
<b>Total assets less current liabilities</b>		<b>5,219,690</b>	16,177,954
<b>Net assets</b>		<b>5,219,690</b>	16,177,954
<b>Capital and reserves</b>			
Share capital	8	<b>1</b>	39,953,398
Profit and loss account	9	<b>5,219,689</b>	(23,775,444)
<b>Shareholder's funds</b>	10	<b>5,219,690</b>	16,177,954

The financial statements were approved and authorised for issue by the Board of Directors on and were signed on its behalf by

*Martin McGann*

M F McGann

Director

11 09 12

The notes on pages 7 to 11 form part of these financial statements



## London & Stamford Investments Limited

### Notes forming part of the financial statements for the year ended 31 March 2012

---

#### 1 Accounting policies

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards

The following principal accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements

##### *Consolidated financial statements*

The Company is exempt from the requirement to prepare consolidated financial statements by virtue of section 400 of the Companies Act 2006 on the basis that the Company and its subsidiary undertakings are consolidated in the group accounts of the ultimate parent undertaking, London and Stamford Property Plc

These financial statements therefore present information about the Company as an individual undertaking and not about its group

##### *Investment in subsidiary undertakings*

Investments held as fixed assets in the Company's balance sheet are stated at cost less any provision for impairment

##### *Financial liabilities and equity*

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form

##### *Tax status*

The Group, headed by London & Stamford Property Plc, of which the Company forms a part, is a UK REIT. As a UK REIT the Company is exempt from corporation tax on rental income and property gains

#### 2 Profit on ordinary activities before interest and other income

	31 March 2012 £	31 March 2011 £
This has been arrived at after charging		
Other fees payable to Company's auditors	-	4,000
	<u>          </u>	<u>          </u>

Directors' emoluments are £nil (2011 £nil). The Company has no employees (2011 none). The auditors' remuneration for the year was borne by the ultimate parent company, London & Stamford Property Plc

**London & Stamford Investments Limited**

**Notes forming part of the financial statements for the year ended 31 March 2012 (Continued)**

**3 Income from shares in group undertakings**

	<b>31 March 2012 £</b>	<b>31 March 2011 £</b>
Net dividends received from subsidiary undertakings	-	16,937,584
	-	16,937,584

**4 Taxation on loss on ordinary activities**

	<b>31 March 2012 £</b>	<b>31 March 2011 £</b>
<i>UK corporation tax</i>		
Current tax on loss for the year	-	-

The tax assessed for the year is different to the standard rate of corporation tax in the UK The differences are explained below

	<b>31 March 2012 £</b>	<b>31 March 2011 £</b>
(Loss)/profit on ordinary activities before tax	<b>(612,071)</b>	14,227,701
(Loss)/profit on ordinary activities at the standard rate of Corporation tax in the UK of 26% (2011 28%)	<b>(159,138)</b>	3,983,756
Effect of		
Expenses not deductible for tax purposes	<b>159,138</b>	754,095
Tax effect of income not subject to tax	-	(4,742,523)
Tax losses created	-	4,672
	-	-

# London & Stamford Investments Limited

Notes forming part of the financial statements for the year ended 31 March 2012 *(Continued)*

## 5 Fixed asset investments

	Subsidiary undertakings £
At 1 April 2011	5,079,702
Impairment of investment in subsidiary	(150,750)
<b>As at March 2012</b>	<b>4,928,952</b>

The Company had the following subsidiary undertakings at 31 March 2012

	Country of incorporation or registration	Proportion of voting rights held (by way of share capital held)	Nature of business
<i>Subsidiary undertakings</i>			
LSI Developments Limited	England	100%	Property Investment and Development
LSI Europe Limited	England	100%	Dormant
LSI Belgium Limited	England	100%	Dormant
Clearstage Limited	England	100%	Dormant
LSI Bruton Limited	England	100%	Dormant

All of the undertakings listed above operate in their country of incorporation All shares held are ordinary shares

## 6 Debtors

	31 March 2012 £	31 March 2011 £
Prepayments	58,513	-
VAT receivable	-	11
Amounts owed by group undertakings	-	10,369,205
	<b>58,513</b>	<b>10,369,216</b>

All amounts under debtors fall due for payment in less than one year On 29 November 2011, LSI (Investments) Limited repaid the intercompany loan in full following a share issue

# London & Stamford Investments Limited

## Notes forming part of the financial statements for the year ended 31 March 2012 (Continued)

### 7 Creditors: Amounts falling due within one year

	31 March 2012 £	31 March 2011 £
Trade creditors	58,513	-
Accruals and deferred income	-	4,000
Amounts owed to subsidiary undertakings	2,002	2,002
	<u>60,515</u>	<u>6,002</u>

### 8 Share capital

	31 March 2012 Number	31 March 2012 £	31 March 2011 Number	31 March 2011 £
<i>Allotted, called up and fully paid</i>				
<i>Classified within share capital</i>				
Ordinary shares of £1 each	1	1	39,953,398	39,953,398

On 29 November 2011, the Company reduced its share capital under the provisions of Companies Act 2006 and £39,953,397 shares were cancelled. The reduction was treated as a realised profit as permitted by article 3(2) of the Companies (Reduction of Share Capital) Order 2008. A dividend of £10.3m was then paid to London & Stamford Property Limited, the immediate parent company.

### 9 Reserves

	Profit and loss account £
At 1 April 2011	(23,775,444)
Retained loss for the year	(612,071)
Reduction of share capital	39,953,397
Dividends paid	(10,346,193)
	<u>5,219,689</u>
<b>At 31 March 2012</b>	<b>5,219,689</b>

## London & Stamford Investments Limited

### Notes forming part of the financial statements for the year ended 31 March 2012 (Continued)

#### 10 Reconciliation of movements in shareholder's funds

	31 March 2012 £	31 March 2011 £
(Loss)/profit for the year	(612,071)	14,227,701
Share capital issued in the year	-	7,153,648
Dividends paid	(10,346,193)	-
	<hr/>	<hr/>
Net movement in shareholder's (deficit)/funds	(10,958,264)	21,381,349
Opening shareholder's funds/(deficit)	16,177,954	(5,203,395)
	<hr/>	<hr/>
Closing shareholder's funds	5,219,690	16,177,954
	<hr/>	<hr/>

#### 11 Post balance sheet event

Four of the Company's subsidiaries, LSI Europe Ltd, LSI Belgium Ltd, Clearstage Ltd and LSI Bruton Ltd are in the process of being struck off the register and dissolved

#### 12 Related party transactions and balances

The Company has taken advantage of the exemption available to wholly owned subsidiary undertakings under Financial Reporting Standard 8, "Related Party Transactions", not to disclose details of any transactions with entities that are included in the consolidated financial statements of London & Stamford Property Plc

#### 13 Cash flow statement

The Company has used the exemption under Financial Reporting Standard 1, "Cash Flow Statements", not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the Company are controlled by the ultimate parent company, London and Stamford Property Plc, and the Company is included in its consolidated financial statements.

#### 14 Parent company and controlling party information

At 31 March 2012, the Company's immediate parent company was London & Stamford Property Limited and its ultimate parent company was London & Stamford Property Plc. The consolidated financial statements of London & Stamford Property Plc are available from 21 St James's Square, London, SW1Y 4JZ