

**London & Stamford Investments
Limited**

Report and Financial Statements

Year ended 31 March 2013

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London & Stamford Investments Limited

Report and financial statements for the year ended 31 March 2013

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Directors

M F McGann
S M Little
T J Bishop

Secretary and registered office

J Jessop, One Curzon Street, London, W1J 5HB

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 2013

The directors present their report together with the audited financial statements for the year ended 31 March 2013

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

No dividend (2012 £10.3 million) was paid in the year. The directors do not recommend the payment of a final dividend (2012 £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 2013, Mr M F McGann was also a director of the ultimate parent company LondonMetric 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 2013 (*Continued*)

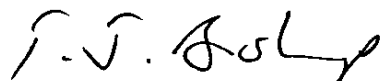
Disclosure of information to auditors

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

A resolution to appoint Deloitte LLP as auditors of the Company will be proposed at the next annual general meeting.

On behalf of the Board



T J Bishop
Director

25 09 13

London & Stamford Investments Limited

Report of the independent auditor for the year ended 31 March 2013

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 2013 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 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2013 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 2013 (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

BDO LLP

*BDO LLP, statutory auditor
London*

26/9/13.

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 2013

| | Note | 31 March 2013 £ | 31 March 2012 £ |
|----------------------------------------------------|-------------|--------------------------------|--------------------------------|
| Other income | | - | - |
| Administrative expenses | | (222,163) | (464,104) |
| Loss on ordinary activities | 2 | (222,163) | (464,104) |
| Bank interest receivable | | 694 | 2,783 |
| Impairment of fixed asset investments | | (24,953) | (150,750) |
| Loss on ordinary activities before taxation | | (246,422) | (612,071) |
| Taxation on loss on ordinary activities | 3 | - | - |
| Loss for the year | 8,9 | (246,422) | (612,071) |

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

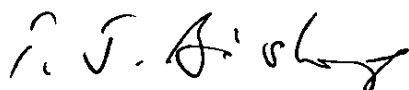
There are no recognised gains and losses other than those passing through the profit and loss account

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 2013**

| | Note | 2013 £ | 2012 £ |
|-------------------------------------------------------|-------------|-------------------|-------------------|
| Fixed assets | | | |
| Fixed asset investments | 4 | 4,951,998 | 4,928,952 |
| Current assets | | | |
| Debtors | 5 | - | 58,513 |
| Cash at bank | | 21,271 | 292,740 |
| | | <u>21,271</u> | <u>351,253</u> |
| Creditors: amounts falling due within one year | 6 | (1) | (60,515) |
| | | <u>21,270</u> | <u>290,738</u> |
| Net current assets | | | |
| | | <u>4,973,268</u> | <u>5,219,690</u> |
| Total assets less current liabilities | | | |
| | | <u>4,973,268</u> | <u>5,219,690</u> |
| Net assets | | | |
| | | <u>4,973,268</u> | <u>5,219,690</u> |
| Capital and reserves | | | |
| Share capital | 7 | 1 | 1 |
| Profit and loss account | 8 | 4,973,267 | 5,219,689 |
| | | <u>4,973,268</u> | <u>5,219,690</u> |
| Shareholder's funds | 9 | <u>4,973,268</u> | <u>5,219,690</u> |

The financial statements were approved and authorised for issue by the Board of Directors on 25 09 13 and were signed on its behalf by



T J Bishop
Director

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 2013

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 LondonMetric 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

Directors' emoluments are £nil (2012 £nil). The Company has no employees (2012 none). The auditors' remuneration for the year was borne by the ultimate parent company, LondonMetric Property Plc.

London & Stamford Investments Limited

Notes forming part of the financial statements for the year ended 31 March 2013 (Continued)

3 Taxation on loss on ordinary activities

| | 31 March 2013 £ | 31 March 2012 £ |
|----------------------------------|-----------------------|-----------------------|
| <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

| | 31 March 2013 £ | 31 March 2012 £ |
|--------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| Loss on ordinary activities before tax | (246,422) | (612,071) |
| Loss on ordinary activities at the standard rate of Corporation tax in the UK of 24% (2012: 26%) | (59,141) | (159,138) |
| Effect of Expenses not deductible for tax purposes | 59,141 | 159,138 |
| | - | - |

London & Stamford Investments Limited

Notes forming part of the financial statements for the year ended 31 March 2013 *(Continued)*

4 Fixed asset investments

| | Subsidiary undertakings £ |
|----------------------------------------------------------|---------------------------------|
| At 1 April 2012 | 4,928,952 |
| Impairment of investment in subsidiary | (24,953) |
| Dissolution of subsidiaries – repayment of share capital | (2,001) |
| Share issue by LSI Developments Limited | 50,000 |
| | <hr/> |
| As at March 2013 | 4,951,998 |
| | <hr/> |

The Company had the following subsidiary undertaking at 31 March 2013

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

The undertaking listed above operates in its country of incorporation All shares held are ordinary shares

5 Debtors

| | 31 March 2013 £ | 31 March 2012 £ |
|-------------|-----------------------|-----------------------|
| Prepayments | - | 58,513 |
| | <hr/> | <hr/> |
| | - | 58,513 |
| | <hr/> | <hr/> |

London & Stamford Investments Limited

Notes forming part of the financial statements for the year ended 31 March 2013 (Continued)

6 Creditors: Amounts falling due within one year

| | 31 March 2013 £ | 31 March 2012 £ |
|-----------------------------------------|--------------------------------|--------------------------------|
| Trade creditors | - | 58,513 |
| Amounts owed to subsidiary undertakings | 1 | 2,002 |
| | <u>1</u> | <u>60,515</u> |

7 Share capital

| | 31 March 2013 Number | 31 March 2013 £ | 31 March 2012 Number | 31 March 2012 £ |
|-------------------------------------------|-------------------------------------|--------------------------------|-------------------------------------|--------------------------------|
| <i>Allotted, called up and fully paid</i> | | | | |
| <i>Classified within share capital</i> | | | | |
| Ordinary shares of £1 each | <u>1</u> | <u>1</u> | <u>1</u> | <u>1</u> |

8 Reserves

| | Profit and loss account £ |
|----------------------------|----------------------------------------------|
| At 1 April 2012 | 5,219,689 |
| Retained loss for the year | (246,422) |
| | <u>4,973,267</u> |
| At 31 March 2013 | <u>4,973,267</u> |

London & Stamford Investments Limited

Notes forming part of the financial statements for the year ended 31 March 2013 *(Continued)*

9 Reconciliation of movements in shareholder's funds

| | 31 March 2013 £ | 31 March 2012 £ |
|---------------------------------------|-----------------------|-----------------------|
| Loss for the year | (246,422) | (612,071) |
| Dividends paid | - | (10,346,193) |
| Net movement in shareholder's deficit | (246,422) | (10,958,264) |
| Opening shareholder's funds | 5,219,690 | 16,177,954 |
| Closing shareholder's funds | 4,973,268 | 5,219,690 |

10 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 LondonMetric Property Plc

11 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.

12 Parent company and controlling party information

At 31 March 2013, the Company's immediate parent company was London & Stamford Property Limited and its ultimate parent company was LondonMetric Property Plc. The consolidated financial statements of LondonMetric Property Plc are available from One Curzon Street, London, W1J 5HB