

Registered number
05533174

London & Regional Caribbean Investments Limited
Annual report and financial statements
for the year ended 30 September 2012



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London & Regional Caribbean Investments Limited
Company information for the year ended 30 September 2012

Director

Mr R J Livingstone

Company secretary

Mr R N Luck

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

Registered office

Quadrant House, Floor 6
4 Thomas More Square
London
E1W 1YW

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London & Regional Caribbean Investments Limited
Director's report for the year ended 30 September 2012

The director presents his report and the audited financial statements for the year ended 30 September 2012

Principal activities

The company acts as a holding and financing company. The director considers the financial position at 30 September 2012 to be satisfactory. In November 2012 the company took out a €13.0 million loan from a fellow group undertaking and used the funds to fully repay its bank loan of €13.0 million.

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.

Financial risk management

The company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the group's policies approved by the board of directors. Further discussion of the financial risk management objectives and policies, 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. The Group does not use derivative financial instruments for speculative purposes.

Key performance indicators

The company is managed by the director in accordance with the group strategies of its ultimate parent company, Loopsign Limited, and for this reason, the director believes 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 results for the financial year are set out in the profit and loss account on page 5. The director does not recommend the payment of a dividend (2011: £nil).

Going concern

The director believes that preparing the financial statements on the going concern basis is appropriate due to the company having a wholly owned subsidiary, LR TCI Limited, with net assets of €67.1 million as at 30 September 2012.

Director

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

Mr R J Livingstone

Qualifying third party indemnity provisions

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

Disclosure of information to auditors

In so far as the director is 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.

Independent 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.

By order of the board



Mr R N Luck
Company Secretary

27th March 2013

London & Regional Caribbean Investments Limited

Statement of director's responsibilities for the year ended 30 September 2012

The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to

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

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

By order of the board



Mr R N Luck

Company Secretary

27th March 2013

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LONDON & REGIONAL CARIBBEAN INVESTMENTS LIMITED

We have audited the financial statements of London & Regional Caribbean Investments Limited for the year ended 30 September 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).

Respective responsibilities of directors and auditors

As explained more fully in the statement of director's responsibilities, the director is 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.

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 director, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the director's report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2012 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the director's 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.



Neil Mellor (Senior Statutory Auditor)

For and on behalf of

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

27th March 2013

London & Regional Caribbean Investments Limited
Profit and loss account
for the year ended 30 September 2012

	Note	2012 £	2011 £
Administrative expenses		2,865,354	(365,699)
Operating profit/(loss)	2	<u>2,865,354</u>	<u>(365,699)</u>
Interest receivable and similar income		450	210
Interest payable and similar charges	4	(792,077)	(884,632)
Profit/(loss) on ordinary activities before taxation		<u>2,073,727</u>	<u>(1,250,121)</u>
Tax on profit/(loss) on ordinary activities	5	(349,263)	-
Profit/(loss) for the financial year		<u>1,724,464</u>	<u>(1,250,121)</u>

All amounts relate to continuing operations

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented

There is no material difference between the profit/(loss) on ordinary activities before taxation and the profit/(loss) stated above and their historical costs equivalents

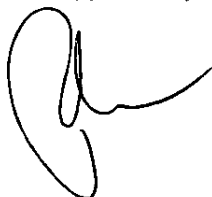
London & Regional Caribbean Investments Limited
Balance sheet
as at 30 September 2012

Registered number
05533174

	Note	2012 £	2011 £
Fixed assets			
Investments	6	25,078,967	25,078,967
Current assets			
Cash at bank and in hand		1,769	<u>1,670</u>
Creditors, amounts falling due within one year	7	<u>(35,460,448)</u>	<u>(24,861,651)</u>
Net current liabilities		(35,458,679)	(24,859,981)
Total assets less current liabilities		<u>(10,379,712)</u>	<u>218,986</u>
Creditors: amounts falling due after more than one year	8	-	(12,323,162)
Net liabilities		<u>(10,379,712)</u>	<u>(12,104,176)</u>
Capital and reserves			
Called up share capital	11	1	1
Profit and loss reserve	12	(10,379,713)	(12,104,177)
Total shareholder's deficit	13	<u>(10,379,712)</u>	<u>(12,104,176)</u>

These financial statements were approved by the Board of Directors on *27th March* 2013
and signed on its behalf by

Mr R J Livingstone
Director
27th March 2013



London & Regional Caribbean Investments Limited
Notes to the financial statements
for the year ended 30 September 2012

1 Accounting policies

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, 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 year, are set out below.

Going concern

The director believes that preparing the financial statements on the going concern basis is appropriate due to the company having a wholly owned subsidiary, LR TCI Limited, with net assets of €67.1 million as at 30 September 2012.

Finance costs

Finance costs, including issue costs which are initially recognised as a reduction in the proceeds of the associated capital instrument, are amortised over the period of the loans in accordance with FRS 4 'Capital Instruments'.

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.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rate ruling on the balance sheet date. Exchange gains or losses arising are taken to the profit and loss account.

Cash flow statement

The company has taken advantage of the exemption permitted by Financial Reporting Standard 1, (revised 1996) 'Cash flow statements' 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.

Exemption from consolidation

The financial statements contain information about London & Regional Caribbean Investments Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its intermediate parent, London & Regional Group Holdings Limited, a company incorporated in England and Wales.

London & Regional Caribbean Investments Limited
Notes to the financial statements
for the year ended 30 September 2012

1 Accounting policies (continued)

Investment in subsidiary undertakings

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment and any impairment provision is recognised in the profit and loss account.

Interest rate swaps

The company uses derivative financial instruments to reduce exposure to interest rate movements. The company does not hold or issue derivative financial instruments for speculative purposes.

For an interest rate swap to be treated as a hedge it must be related to actual assets or liabilities or a probable commitment and must change the nature of the interest rate by converting a variable rate to a fixed rate or vice versa. Interest differentials under these swaps are recognised by adjusting interest payable over the periods of the contracts.

If an instrument ceases to be a hedge, for example because the underlying hedged position is eliminated, the instrument is marked to market and any resulting profit or loss recognised at that time.

2 Operating profit/(loss)	2012	2011
	£	£
This is stated after charging/(crediting)		
Foreign exchange (profit)/loss	(2,866,031)	351,079
Auditors' remuneration	-	-
Fees payable to other auditors for the audit of the company's subsidiary	-	3,753

Auditors' remuneration was paid by London & Regional Properties Limited.

3 Director's emoluments

The director did not receive any emoluments in respect of his services to the company (2011: £nil).
The company has no employees (2011: nil) other than the director.

The emoluments of Mr Livingstone are paid by a fellow subsidiary company which makes no recharge to the company. Mr Livingstone is a director of the ultimate parent company and a number of fellow subsidiary companies and it is not possible to make an accurate apportionment of his emoluments in respect of each of the subsidiaries to which he provides services. Accordingly, the above details include no emoluments in respect of the director. The total emoluments of Mr Livingstone are included in the aggregate of directors' emoluments included in the financial statements of the ultimate parent company.

4 Interest payable and similar charges	2012	2011
	£	£
Bank loans and overdrafts	740,803	833,358
Amortisation of loan fees	51,274	51,274
	<u>792,077</u>	<u>884,632</u>

London & Regional Caribbean Investments Limited
Notes to the financial statements
for the year ended 30 September 2012

5 Tax on profit/(loss) on ordinary activities

No tax has been provided for due to the surrender of losses through group relief

Factors affecting tax charge for the year

From 01 April 2012 the rate of corporation tax has reduced from 26% to 24%, giving a blended average rate for the year of 25%

The tax assessed for the year is different (2011 different) than the blended rate of corporation tax in the UK of 25%, (2011 27%) The differences are explained below

	2012 £	2011 £
Profit/(loss) on ordinary activities before taxation	<u>2,073,727</u>	<u>(1,250,121)</u>
Blended rate of corporation tax in the UK	25%	27%
	£	£
Profit/(loss) on ordinary activities multiplied by the blended (2011 blended) rate of corporation tax in the UK	518,432	(337,533)
Effects of		
(Utilisation)/surrender of tax losses	<u>(169,169)</u>	<u>337,533</u>
Current tax charge for the year	<u>349,263</u>	<u>-</u>

The corporation tax charge for the year was reduced by £169,169 because of losses utilised from fellow subsidiary undertakings without making a payment In 2011 the company surrendered the benefit of tax losses amounting to £1,250,121 to fellow subsidiary undertakings without receiving any payment

Factors that may affect future tax charges

Reductions to the UK corporation tax rate were announced in the March 2012 Budget The changes, which were enacted on 17 July 2012 reduce the rate by 1% per annum to 22% by 1 April 2014 These changes have no impact on these financial statements

6 Fixed Asset Investments

	2012 £	2011 £
Cost and net book amount		
At 1 October and at 30 September	<u>25,078,967</u>	<u>25,078,967</u>

The company holds 100% of the ordinary issued share capital of LR TCI Limited, a company registered in the Turks and Caicos Islands and whose principal activity is property investment

The director believes that the carrying value of investments is supported by their underlying net assets of £49,906,778 (2011 £49,906,778)

London & Regional Caribbean Investments Limited
Notes to the financial statements
for the year ended 30 September 2012

7 Creditors amounts falling due within one year	2012 £	2011 £
Bank loans and overdrafts	10,335,248	827,598
Amounts owed to group undertakings	24,658,354	23,924,326
Accruals and deferred income	117,583	109,727
	<u>35,460,448</u>	<u>24,861,651</u>

The amounts owed to group undertakings are interest free, repayable on demand, and unsecured

Bank loans are stated net of finance charges of £7,273 (2011 £51,274) to be allocated to the following year

8 Creditors amounts falling due after more than one year	2012 £	2011 £
Bank loans (note 9)	<u>-</u>	<u>12,323,162</u>

The bank loan was fully repaid on 2 November 2012. It was secured over the investment property, and the rental income derived therefrom, of a related undertaking and by a fixed and floating charge over the assets of the company. The loan bore interest at an effective fixed rate of 5.87% per annum and was denominated in Euros.

9 Loans	2012 £	2011 £
Loans not wholly repayable within five years		
Bank loan	<u>10,335,248</u>	<u>13,150,760</u>
Analysis of maturity of debt		
Within one year or on demand	10,335,248	827,598
Between one and two years	-	12,323,162
	<u>10,335,248</u>	<u>13,150,760</u>

10 Fair values of financial instruments

Until 2 November 2012 the company borrowed at both fixed and floating rates of interest and then employed derivative financial instruments in the form of interest rate swaps to manage the company's exposure to interest rate fluctuations. The fair value of the interest rate swap outstanding was a negative £117,359 (2011 negative £435,075) at the balance sheet date.

11 Called up share capital	2012 £	2011 £
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

	2012 Number	2011 Number	2012 £	2011 £
Allotted				
Ordinary shares	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

London & Regional Caribbean Investments Limited
Notes to the financial statements
for the year ended 30 September 2012

12 Profit and loss reserve	2012
	£
At 1 October 2011	(12,104,177)
Profit for the financial year	<u>1,724,464</u>
At 30 September 2012	<u>(10,379,713)</u>

13 Reconciliation of movement in shareholder's deficit	2012	2011
	£	£
At 1 October	(12,104,176)	(10,854,055)
Profit/(loss) for the financial year	<u>1,724,464</u>	<u>(1,250,121)</u>
At 30 September	<u>(10,379,712)</u>	<u>(12,104,176)</u>

14 Post balance sheet events

On 2 November 2012 the company took out a €13 0 million loan from a fellow group undertaking and used the funds to fully repay its bank loan. The new loan from the fellow group undertaking is unsecured, interest-free, and repayable on demand.

15 Related party transactions

The company has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS 8, 'Related Party Disclosures', on the grounds that it is wholly owned subsidiary of a group headed by Loopsign Limited, whose financial statements are publicly available.

16 Parent undertaking

The immediate parent undertaking is Star City Enterprises Limited, a company incorporated in the British Virgin Islands.

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

London & Regional Group Holdings Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements as at 30 September 2012. Loopsign Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 30 September 2012. 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.