

URWI Developments (Orange) Limited
(Formerly known as LXB Developments (Orange) Limited)

Report and Financial Statements

Period ended

31 March 2011

Company Number 06038051

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URWI Developments (Orange) Limited

**Annual report and financial statements
for the period ended 31 March 2011**

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Directors

J C McMahon
K E Hamilton

Secretary and registered office

K E Hamilton, 5 Old Bailey, London EC4M 7BA

Company number

06038051

Auditors

BDO LLP, Emerald House, East Street, Epsom, Surrey, KT17 1HS

URWI Development (Orange) Limited

Report of the directors for the period ended 31 March 2011

The directors present their report together with the audited financial statements for the period ended 31 March 2011

Results

The profit and loss account is set out on page 5 and shows the profit for the period

Change of name

On 7 July 2011 LXB Developments (Orange) Limited changed its name to URWI Developments (Orange) Limited

Principal activities, review of the business and future developments

The principal activity of the company is that of an intermediate holding company for group companies which carry out property investment activities in the United Kingdom

The company is a member of the group headed by URWI Limited Partnership

Directors

The directors of the company during the period were as follows

T P Walton	(resigned 22 June 2011)
N B T Alford	(resigned 22 June 2011)
R Margree	(resigned 6 June 2011)
B O'Grady	(resigned 22 June 2011)

On 22 June 2011, J C McMahon and K E Hamilton were appointed as directors of the company

URWI Developments (Orange) Limited

Report of the directors for the period ended 31 March (continued)

Statement of directors' responsibilities

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 period. 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, 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.

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.

BDO LLP have expressed their willingness to continue in office.

In preparing this Directors' Report advantage has been taken of the small companies' exemption.

On behalf of the Board



J.C. McMahon
Director

Date 20 December 2011

URWI Developments (Orange) Limited

Independent auditors report

To the members of URWI Developments (Orange) Limited

We have audited the financial statements of URWI Developments (Orange) Limited for the period from 1 January 2010 to 31 March 2011 on pages 5 to 12, which have been prepared under the accounting policies set out on page 7. 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 set out on page 2, 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 statement is provided on the APB's website at 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 2011 and of its profit for the period 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 period for which the financial statements are prepared is consistent with the financial statements.

URWI Developments (Orange) Limited

Independent auditors report (*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
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies' regime



David Eagle (Senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Epsom
United Kingdom

Date 21 December 2011

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

URWI Developments (Orange) Limited

Profit and loss account for the year period ended 31 March 2011

	Note	Period ended 31 March 2011 £	Year ended 31 December 2009 £
Administrative expenses			
- reversal of provision against amounts due from group undertakings	8	32,280,913	4,209,865
- other		(3,150)	(1,460)
		<u>32,277,763</u>	<u>4,208,405</u>
Operating profit			
Provision for impairment of fixed asset investments	7	(23,414,996)	-
		<u>8,862,767</u>	<u>4,208,405</u>
Profit on ordinary activities before cost of financing			
Net income from financing	5	945,692	-
		<u>9,808,459</u>	<u>4,208,405</u>
Profit on ordinary activities before and after taxation	12		

All amounts relate to continuing activities

All recognised gains and losses are included in the profit and loss account

The notes on pages 7 to 12 form part of these financial statements

URWI Developments (Orange) Limited

Balance sheet
at 31 March 2011

Company Number 06038051	Note	31 March 2011 £	31 March 2011 £	31 December 2009 £	31 December 2009 £
Fixed assets					
Fixed assets investments	7		4,999		1
Current assets					
Debtors	8	-		2,893,751	
Creditors: amounts falling due within one year	9	-		(29,483,240)	
Net current liabilities			-		(26,589,489)
Total assets less current liabilities			4,999		(26,589,488)
Creditors: amounts falling due after more than one year	10		-		(945,695)
			4,999		(27,535,183)
Capital and reserves					
Called up share capital	11		22,731,723		5,000,000
Profit and loss account	12		(22,726,724)		(32,535,183)
Shareholder's funds/(deficit)	13		4,999		(27,535,183)

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

The financial statements were approved by the board of directors and authorised for issue on 20 December 2011

J.C. McMahon
Director

The notes on pages 7 to 10 form part of these financial statements

URWI Developments (Orange) Limited

Notes forming part of the financial statements
for the period ended 31 March 2011

1 Accounting policies

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

Basis of non-consolidation

The company is exempt from the requirement to prepare consolidated financial statements by virtue of section 398 of Companies Act 2006, as the group it heads qualifies as a 'small' group. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1, "Cash Flow Statements (Revised 1996)", not to prepare a cash flow statement on the grounds that the company qualifies as a small company as defined under section 283 of the Companies Act 2006.

Land and properties under development for investment

Land and properties acquired for the purposes of investment, including associated costs, are carried at cost during the course of their development, less any provision for impairment. No depreciation is provided during the course of development.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

2 Auditors' remuneration

Fees for the audit of the company were £1,000 (2009: £500) which have been borne by URWI Limited Partnership.

3 Employees

The company employed no staff in the current period or prior period.

URWI Developments (Orange) Limited

Notes forming part of the financial statements
for the period ended 31 March 2011 (*continued*)

4 Directors' remuneration

No director received any emoluments from the company during the current period or prior period

5 Net income from financing

	Period ended 31 March 2011 £	Year ended 31 December 2009 £
Bank and other interest payable	(3)	-
Reversal of preference share returns previously accrued	945,965	-
	<hr/>	<hr/>
Net income from financing	945,692	-
	<hr/>	<hr/>

6 Taxation

The tax assessed for the period/year varies from the standard rate of corporation tax in the United Kingdom
A reconciliation is provided below

	Period ended 31 March 2011 £	Year ended 31 December 2009 £
Profit on ordinary activities before tax	9,808,459	4,208,405
	<hr/>	<hr/>
Profit on ordinary activities at the standard average rate of corporation tax in the UK for the period/year of 28% (2009 28%)	2,746,369	1,178,353
<i>Effects of</i>		
(reversal of provision)/provision against inter-company debt (not taxable)/disallowed	(9,038,656)	(1,178,762)
Preference share returns payable – disallowed for tax purposes	(264,795)	-
Provision against fixed asset investments disallowed	6,556,199	-
Net movement in losses available to carry forward (see below)	883	409
	<hr/>	<hr/>
Current tax charge for the period/year	-	-
	<hr/>	<hr/>

Factors affecting future tax charges

The company has estimate revenue related losses available to carry forward £67,003 (2009 £63,850)

URWI Developments (Orange) Limited

Notes forming part of the financial statements
for the period ended 31 March 2011 (*continued*)

7 Fixed asset investments

	Investment in subsidiary undertakings £
<i>Cost</i>	
At 1 January 2010	112,235
Additions	23,419,994
	<hr/>
At 31 March 2011	23,532,229
	<hr/>
<i>Provisions for impairment</i>	
At 1 January 2010	112,234
Provisions in the period	23,414,996
	<hr/>
At 31 March 2011	23,527,230
	<hr/>
<i>Net book value</i>	
At 31 March 2011	4,999
	<hr/>
At 31 December 2009	1
	<hr/>

The provisions reflect the underlying financial position of these subsidiary undertakings at the balance sheet date

Subsidiary undertakings

The following entities were principal subsidiary undertakings at the end of the period

Name	Capital and reserves at 31 March 2011 £	Profit/(loss) for the period ended 31 March 2011 £	Nature of business
URWI Dev Co Borrower Limited	4,999	(29)	Provision of intra group finance services
URWI Properties (Darlington) Limited	-	389,462	Property investment
URWI Properties (Cheltenham) Limited	-	652,771	Property investment

At 31 March 2011, all of the principal subsidiary undertakings were incorporated or registered in England and proportion of voting rights held by way of ordinary share capital held is 100% The country of operation is the same as the country of incorporation or registration

8 Debtors

	31 March 2011 £	31 December 2009 £
Amounts falling due within one year		
Amounts owed by group undertakings	-	2,893,751
	<hr/>	<hr/>

Amounts of £nil (2009 £2,893,751) owed by group undertakings are shown net of provisions amounting to £nil (2009 £32,280,913) The provisions reflect the underlying financial position of certain fellow group entities at the balance sheet date

URWI Developments (Orange) Limited

Notes forming part of the financial statements
for the period ended 31 March (continued)

9 Creditors amounts falling due within one year

	Period ended 31 March 2011 £	Year ended 31 December 2009 £
Amounts owed to group undertakings	-	29,483,240

10 Creditors: amounts falling due after more than one year

	Period ended 31 March 2011 £	Year ended 31 December 2009 £
Preference share returns payable	-	945,695

11 Share capital

	31 March 2011 £	31 December 2009 £
Allotted, called up and fully paid		
Classified within share capital		
Ordinary shares of £0.01 each	1,000	1,000
Ordinary shares of £1 each	17,731,723	-
Irredeemable preference shares of £1 each	4,999,000	4,999,000
	22,731,723	5,099,000

On 22 February 2011 17,731,723 ordinary shares were allotted at a nominal value of £1 per share

All ordinary shares rank *pari passu* in all respects

Changes to class rights of preference shares during the year

On 18 March 2008, the company adopted by written resolution new articles that amended the rights attached to the preference of shares as follows

- The entitlement to dividends on the preference shares accrued up to and including 8 January 2008 only
- The company may pay the accrued dividend due on the preference shares at anytime
- The preference shares are now irredeemable as well as having no voting rights

Consequently the shares are accounted for as an equity instrument with effect from 18 March 2008

URWI Developments (Orange) Limited

Notes forming part of the financial statements
for the period ended 31 March *(continued)*

12 Reserves

	Profit and loss account £
At 1 January 2010	(32,535,183)
Profit for the year	9,808,459
	<hr/>
At 31 March 2011	(22,726,724)
	<hr/>

13 Reconciliation of movements in shareholder's funds/(deficit)

	Period ended 31 March 2011	Year ended 31 December 2009
Profit for the period/year	9,808,459	4,208,405
Issue of share capital	17,731,723	-
	<hr/>	<hr/>
Net movement in shareholder's (deficit)	27,540,182	4,208,405
Opening shareholder's deficit	(27,535,183)	(31,743,588)
	<hr/>	<hr/>
Closing shareholder's funds/(deficit)	4,999	(27,535,183)
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14 Related party transactions and balances

During the period URWI Sub Holdings LLP waived its entitlement to accrued preference dividends amounting to £945,695 and subsequently this liability within the company has been written back to the profit and loss account

At 31 March 2011 the following amounts were due by/(due to) the company

Related party	Relationship	31 March 2011		31 December 2009	
		Amount due by/(due to)	Provision	Amount due by/(due to)	Provision
		£	£	£	£
URWI Newco Borrower Holdings Limited	immediate parent entity	-	-	(29,483,240)	-
URWI Dev Co Borrower Limited	subsidiary company	-	-	395,877	(395,877)
URWI Properties (Darlington) Limited	subsidiary company	-	-	12,390,582	(11,151,358)
URWI Properties (Cheltenham) Limited	subsidiary company	-	-	22,388,206	(20,733,678)
		<hr/>	<hr/>	<hr/>	<hr/>

In the opinion of the directors there are no other related party transactions to be disclosed

URWI Developments (Orange) Limited

**Notes forming part of the financial statements
for the period ended 31 March (*continued*)**

15 Controlling party information

At 31 March 2011, URWI Limited Partnership is the parent of the largest group of which the company is a member, for which its General Partner is LXB English General Partner Limited

At 31 March 2011 the company's ultimate controlling entity (and parent of the General Partner) is LXB³ Partners LLP which is not controlled by any one individual or entity

On 25 May 2011, Regenco General Partner Limited became the company's ultimate controlling entity replacing LXB English General Partner Limited as General Partner of URWI Limited Partnership. Regenco General Partner Limited is not controlled by any one individual or entity

The immediate controlling entity of the company is URWI Sub Holdings LLP