

URWI Properties (Farnham) Limited
(Formerly LXB Properties (Farnham) Limited)

Report and Financial Statements

Year ended

31 March 2011

Company Number 06116811

THURSDAY



A00Q17CI

A34

22/12/2011

#383

COMPANIES HOUSE

URWI Properties (Farnham) Limited

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

Contents

Page:

1	Report of the directors
3	Independent auditors report
5	Profit and loss account
6	Statement of total recognised gains and losses and note of historical cost profits and losses
7	Balance sheet
8	Notes forming part of the financial statements

Directors

J C McMahon
K E Hamilton

Secretary and registered office

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

Company number

06116811

Auditors

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

URWI Properties (Farnham) 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 loss for the period

Change of name

On 7 July 2011 LXB Properties (Farnham) Limited changed its name to URWI Properties (Farnham) Limited

Principal activities

The principal activity of the company during the period is that of land and property investment in the United Kingdom

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

During the period the company disposed of its investment properties

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)
B O'Grady	(resigned 22 June 2011)
R Margree	(resigned 6 June 2011)

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

URWI Properties (Farnham) Limited

Report of the directors for the period ended 31 March 2011 (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.

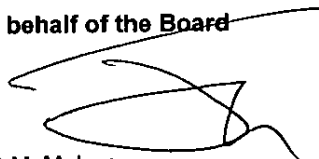
Auditors

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 Properties (Farnham) Limited

Independent auditors report

TO THE MEMBERS OF URWI PROPERTIES (FARNHAM) LIMITED

We have audited the financial statements of URWI Properties (Farnham) 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 8. 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 loss 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 matter 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 Properties (Farnham) 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 22 December 2011

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

URWI Properties (Farnham) Limited

Profit and loss account for the period ended 31 March 2011

	Note	Period ended 31 March 2011 £	Year ended 31 December 2009 £
Turnover	1	173,888	245,250
Direct property costs		(2,257)	(4,000)
Gross profit		171,631	241,250
Administrative expenses		-	(67,099)
Operating profit		171,631	174,151
Deficit on sale of investment properties	5	(170,001)	-
Net cost of financing	6	(611,409)	(310,827)
Loss on ordinary activities before and after taxation for the financial period/year	12	(609,779)	(136,676)

All amounts relate to continuing activities

The notes on pages 8 to 12 form part of these financial statements

URWI Properties (Farnham) Limited

Statement of total recognised gains and losses and note of historical cost profits and losses for the period ended 31 March 2011

		Period ended 31 March 2011 £	Year ended 31 December 2009 £
Statement of total recognised gains and losses	Note		
Loss for the financial period/year		(609,779)	(136,676)
Unrealised deficit on revaluation of investment properties	13	-	(52,838)
		<u>(609,779)</u>	<u>(189,514)</u>
Total recognised gains and losses for the financial period/year			
		<u>(609,779)</u>	<u>(189,514)</u>
Note of historical cost profits and losses	Note	Period ended 31 March 2011	Year ended 31 December 2009
Reported loss on ordinary activities before taxation		(609,779)	(189,514)
Valuation deficits of previous years realised on sales of investment properties	12	(1,892,825)	-
		<u>(2,502,604)</u>	<u>(189,514)</u>
Historical cost loss on ordinary activities before taxation			
		<u>(2,502,604)</u>	<u>(189,514)</u>
Retained historical cost loss for the period/year after taxation			
		<u>(2,502,604)</u>	<u>(189,514)</u>

The notes on pages 8 to 12 form part of these financial statements

URWI Properties (Farnham) Limited

Balance sheet at 31 March 2011

Company Number 6116811

	Note	31 March 2011 £	31 March 2011 £	31 December 2009 £	31 December 2009 £
Fixed assets					
Investment properties	8		-		3,150,000
Current assets					
Debtors	9	-		10,739	
Creditors' amounts falling due within one year	10	-		5,387,955	
Net current liabilities			-		(5,377,216)
Total assets less current liabilities			-		(2,227,216)
Capital and reserves					
Called up share capital	11		2,836,996		1
Revaluation reserve	12		-		(1,892,825)
Profit and loss account	12		(2,836,996)		(334,392)
Shareholder's deficit	13		-		(2,227,216)

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 8 to 12 form part of these financial statements

URWI Properties (Farnham) 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, as modified by the revaluation of investment properties and are in accordance with applicable accounting standards. The financial statements are in compliance with the Companies Act 2006 except that, as explained below, investment properties are not depreciated.

The following principal accounting policies have been applied:

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.

Turnover

Turnover arises wholly within the United Kingdom and represents rents receivable from the leasing of investment properties, excluding value added tax.

Investment properties

In accordance with SSAP19, "Accounting for investment properties", completed freehold investment properties are revalued annually to open market value and no depreciation is provided.

The directors consider that this accounting policy results in the financial statements giving a true and fair view. The effect of this departure from the Companies Act 2006 has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading.

Additions to investment properties include only costs of a capital nature.

The aggregate surplus or deficit arising on revaluation is transferred to the revaluation reserve except where a deficit is deemed to represent a permanent diminution in value, in which case it is charged to the profit and loss account.

When an investment property is bought or sold, the transaction is recognised in the financial statements on unconditional exchange of contract.

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:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement at the balance sheet date, and
- 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.

URWI Properties (Farnham) Limited

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

2 Auditors' remuneration

Fees for the audit of the company were £2,000 (2009 - £5,000) which have been borne by URWI Limited Partnership

3 Employees

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

4 Directors' remuneration

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

5 Surplus on sales of investment properties

	Period ended 31 March 2011 £	Year ended 31 December 2009 £
Gross proceeds on sales	3,000,000	-
Historical cost of properties sold	(5,051,339)	-
	<hr/>	<hr/>
Historical cost loss	(2,051,339)	-
Valuation deficits of previous years realised	1,892,825	-
	<hr/>	<hr/>
Deficit over carrying value	(158,514)	-
Selling expenses	(11,487)	-
	<hr/>	<hr/>
Deficit on sales of investment properties	(170,001)	-
	<hr/>	<hr/>

6 Net cost of financing

	Period ended 31 March 2011 £	Year ended 31 December 2009 £
Interest payable on loans from group companies	611,538	310,827
Bank and other interest receivable	(129)	-
	<hr/>	<hr/>
Net cost of financing	611,409	310,827
	<hr/>	<hr/>

URWI Properties (Farnham) Limited

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

7 Taxation

The tax assessed for the period 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 £
Loss on ordinary activities before tax	(609,779)	(136,676)
Loss on ordinary activities at the standard average rate of corporation tax in the UK for the period/year of 28% (2009 - 28%)	(170,738)	(38,269)
Effects of		
Net movement in losses available to carry forward (see below)	123,138	38,269
Chargeable gains less than accounting loss on disposal	47,600	-
Current tax charge for the period/year	-	-

Factors that may affect future tax charges

Deferred tax arises on the difference between the carrying value of investment properties and their tax base cost. The total unprovided deferred tax asset at 31 March 2011 is £nil (2009 - £529,991) calculated at 26% (2009 - 28%)

The company has capital related losses available to carry forward of £1,899,320 (2009 - £nil)

The company has revenue related tax losses available to carry forward of £682,863 (2009 - £243,085)

8 Investment properties

	Completed freehold properties at valuation £
At 1 January 2010	3,150,000
Additions in the period at cost	8,514
Disposals in the period	(3,158,514)
At 31 March 2011	-

On 22 September 2010, the company sold its investment properties for £3,000,000

At 31 December 2009 the company's investment properties were valued at £3,150,000 on an open market value basis by Carl Barrand MRICS, a Chartered Surveyor and a member of LXB³ Partners LLP, the parent entity of the corporate General Partner of URWI Limited Partnership

The historical cost of the properties is £nil (2009 - £5,042,825)

URWI Properties (Farnham) Limited

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

9 Debtors

	31 March 2011 £	31 December 2009 £
Trade debtors	-	10,250
Other debtors	-	489
	<hr/>	<hr/>
	-	10,739
	<hr/>	<hr/>

All amounts shown under debtors fall due for repayment within one year

10 Creditors: amounts falling due within one year

	31 March 2011 £	31 December 2009 £
Amounts owed to group undertakings	-	5,324,121
Accruals and deferred income	-	56,490
Other creditors	-	7,344
	<hr/>	<hr/>
	-	5,387,955
	<hr/>	<hr/>

11 Share capital

	Allotted, called up and fully paid 31 March 2011 £	Allotted, called up and fully paid 31 December 2009 £
Ordinary shares of £1 each	2,836,996	1
	<hr/>	<hr/>

On 22 February 2011 2,836,995 ordinary shares were allotted at a nominal value of £1 per share

12 Reserves

	Revaluation reserve £	Profit and loss account £
At 1 January 2010	(1,892,825)	(334,392)
Loss for the financial period	-	(609,779)
Transfers	1,892,825	(1,892,825)
	<hr/>	<hr/>
At 31 March 2011	-	(2,836,996)
	<hr/>	<hr/>

URWI Properties (Farnham) Limited

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

13 Reconciliation of movements in shareholder's deficit

	Period ended 31 March 2011 £	Year ended 31 December 2009 £
Loss for the period/year	(609,779)	(136,676)
Other net recognised gains and losses relating to the period/year		
- Unrealised deficit on revaluation of investment properties	-	(52,838)
Issue of share capital	2,836,995	-
	<hr/>	<hr/>
Net movement in shareholder's deficit	2,227,216	(189,514)
Opening shareholder's deficit	(2,227,216)	(2,037,702)
	<hr/>	<hr/>
Closing shareholder's deficit	-	(2,227,216)
	<hr/>	<hr/>

14 Related party transactions and balances

During the period the company paid interest and associated finance costs of £611,538 (2009 £310,827) to URWI Newco Borrower Limited, a fellow group company

At 31 March 2011, the company owed £nil (31 December 2009 £3,625,178) to URWI Newco Borrower Limited

At 31 March 2011, the company owed £nil (31 December 2009 £1,551,576) to URWI Newco Borrower Holdings Limited

At 31 March 2011, the company owed £nil (31 December 2009 £147,367) to URWI Limited Partnership

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 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 Newco Borrower Holdings Limited