

Registered Number 06334437

**LANEBRIDGE HOLDINGS LIMITED**  
**DIRECTORS' REPORT & ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2009**

TUESDAY



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# **LANEBRIDGE HOLDINGS LIMITED**

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# **LANEBRIDGE HOLDINGS LIMITED**

## **DIRECTORS AND PRINCIPAL ADVISERS**

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<b>Directors</b>	Ian Walker	
	Stanley Annison	
	Martin Schuler	
	Roger Lane-Smith	
	John Peter Wainwright	
	Charles White	
	Philip Yeates	(Appointed 17 April 2008)
	Peter Johns	(Appointed 5 June 2008)
	Christopher Coleman	(Appointed 15 August 2008)

<b>Secretary</b>	Georgina Thompson
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<b>Auditor</b>	KPMG Audit Plc
	St James' Square
	Manchester
	M2 6DS

<b>Bankers</b>	Royal Bank of Scotland plc
	St Ann Street
	Manchester
	M60 2SS

<b>Registered Office</b>	The Coach House
	Fulshaw Hall
	Alderley Road
	Wilmslow
	Cheshire
	SK9 1RL

<b>Registered Number</b>	06334437
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# **LANEBRIDGE HOLDINGS LIMITED**

## **REPORT OF THE DIRECTORS**

### **31 MARCH 2009 FINANCIAL STATEMENTS**

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The Directors present their report and the audited financial statements for the year ended 31 March 2009. These accounts are prepared in accordance with applicable United Kingdom law and International Financial Reporting Standards (IFRSs).

#### **PRINCIPAL ACTIVITY AND BUSINESS REVIEW**

The principal activity of Lanebridge Holdings Limited (the 'Company') was that of a Holding Company. The Directors do not envisage any change in the principal activity of the Company going forward.

The Company commenced to act as a Holding Company with effect from 1 October 2007 when it became the Parent Company for Lanebridge Investment Management Limited.

The Company has adopted the provisions of Section 247 of the Companies Act 1985 and taken the exemption from the requirement to include a detailed business review within the financial statements.

#### **RISK MANAGEMENT**

The activities of the Company are overseen by the Board of Directors. The Board, which is chaired by I Walker, meet regularly to review all risk and compliance issues affecting the Group Companies.

The key risks of the Company and the Company's risk management policies are considered in note 13.

#### **RESULTS AND DIVIDENDS**

The profit for the period, after taxation, amounted to £154,135 (2008 : £87,503).

During the year ended 31 March 2009, the Company paid dividends amounting to £150,000 (2008 : £75,000).

#### **GOING CONCERN**

The Directors are satisfied that the Company has adequate resources to continue in business for the foreseeable future and consequently the going concern basis continues to be appropriate in preparing the accounts.

#### **SUPPLIER PAYMENT POLICY**

The Company does not follow any code or standard payment practice. The Company's policy is to agree the terms of payment with key suppliers. For all other suppliers, terms are agreed for each transaction. The Company endeavours to abide by the terms of payment with suppliers.

# **LANEBRIDGE HOLDINGS LIMITED**

## **REPORT OF THE DIRECTORS (CONTINUED)**

### **31 MARCH 2009 FINANCIAL STATEMENTS**

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#### **DIRECTORS**

The Directors who served during the year were as follows:

Ian Walker

Stanley Annison

Martin Schuler

Roger Lane-Smith

John Peter Wainwright

Charles White

Philip Yeates (Appointed 17 April 2008)

Peter Johns (Appointed 5 June 2008)

Christopher Coleman (Appointed 15 August 2008)

The Companies Act 2006 has removed the requirement to disclose Directors' interests in the shares of the Company and other members of the Company's group within the Directors' Report.

#### **EMPLOYEES**

It is Company policy that employees should be kept as fully informed regarding the Company as is feasible and practicable through regular communication between management and staff.

The Company gives full and fair consideration to all disabled people who apply for employment.

The Board of Directors wishes to express its appreciation to all the staff for the efforts they have made since incorporation.

#### **DISCLOSURE OF INFORMATION TO AUDITORS**

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

#### **AUDITOR**

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that KPMG Audit Plc be appointed as auditor of the Company will be put to the Annual General Meeting



**LANEBRIDGE HOLDINGS LIMITED****STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF  
THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS****31 MARCH 2009 FINANCIAL STATEMENTS**

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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 IFRS as adopted by the European Union (EU).

The financial statements are required by law and IFRSs as adopted by the EU to present fairly the financial position of the Company and the performance for the reporting period; the Companies Act 1985 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the EU; 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Directors' Report and a Business Review.

**BY ORDER OF THE BOARD**

**Martin Schuler**  
Director

Date: 10 June 2009

# **LANEBRIDGE HOLDINGS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LANEBRIDGE HOLDINGS LIMITED**

### **31 MARCH 2009 FINANCIAL STATEMENTS**

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We have audited the financial statements of Lanebridge Holdings Limited (the 'Company') for the year ended 31 March 2009, which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Recognised Income and Expense and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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**

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU are set out in the Statement of Directors' Responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.



# LANEBRIDGE HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LANEBRIDGE HOLDINGS LIMITED (CONTINUED)

### 31 MARCH 2009 FINANCIAL STATEMENTS

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#### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the Company's affairs as at 31 March 2009 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

*KPMG Audit Plc*

KPMG Audit Plc  
Chartered Accountants  
Registered Auditor

St James' Square  
Manchester  
M2 6DS

Date: 10 June 2009

# LANEBRIDGE HOLDINGS LIMITED

## INCOME STATEMENT

### 31 MARCH 2009 FINANCIAL STATEMENTS

For the year ended 31 March 2009

	Note	Year ended 31 March 2009 £	Period ended 31 March 2008 £
Revenue		100,000	50,000
Administrative expenses	4	(100,000)	(50,000)
<b>Operating profit before financing income</b>		-	-
Financial income		930,000	475,000
Financial costs		(775,865)	(387,497)
<b>Net financing income</b>	5	154,135	87,503
<b>Profit before tax</b>		154,135	87,503
Income tax expense	6	-	-
<b>Profit after tax for the period</b>		154,135	87,503
<b>Attributable to:</b>			
Equity holders	11.1	154,135	87,503
<b>Profit for the period</b>		154,135	87,503

The notes on pages 11 to 20 are an integral part of these financial statements

# **LANEBRIDGE HOLDINGS LIMITED**

## **STATEMENT OF RECOGNISED INCOME AND EXPENSE**

### **31 MARCH 2009 FINANCIAL STATEMENTS**

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**For the year ended 31 March 2009**

	<b>Note</b>	<b>Year ended 31 March 2009 £</b>	<b>Period ended 31 March 2008 £</b>
<b>Profit for the period</b>		154,135	87,503
<b>Total recognised income and expense for the period</b>		<u>154,135</u>	<u>87,503</u>
<b>Attributable to:</b>			
Equity holders	<b>11.1</b>	<u>154,135</u>	<u>87,503</u>
<b>Profit for the period</b>		<u>154,135</u>	<u>87,503</u>

The notes on pages 11 to 20 are an integral part of these financial statements.

**LANEBRIDGE HOLDINGS LIMITED****BALANCE SHEET****31 MARCH 2009 FINANCIAL STATEMENTS**

	Note	31 March 2009 £	31 March 2008 £
<b>Assets</b>			
<b>Non-current assets</b>			
Investment in subsidiary	7	10,050,000	10,050,000
<b>Current assets</b>			
<i>Financial assets</i>			
Trade and other receivables	8	116,638	112,503
<b>Total assets</b>		<u>10,166,638</u>	<u>10,162,503</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
<i>Financial liabilities</i>			
Short-term borrowings	10	650,000	150,000
<b>Non current liabilities</b>			
<i>Financial liabilities</i>			
Long-term borrowings	10	8,500,000	9,000,000
<b>Total liabilities</b>		<u>9,150,000</u>	<u>9,150,000</u>
<b>Net assets</b>		<u>1,016,638</u>	<u>1,012,503</u>
<b>Capital and reserves</b>			
<b>Equity</b>			
Issued share capital	11.2	1,000,000	1,000,000
Retained earnings	11.1	16,638	12,503
<b>Shareholders' funds</b>		<u>1,016,638</u>	<u>1,012,503</u>

The notes on pages 11 to 20 are an integral part of these financial statements.

Authorised for issue and issued on behalf of the Board of Directors on 10 June 2009.



**Stanley Annison**  
Director



# LANEBRIDGE HOLDINGS LIMITED

## STATEMENT OF CASH FLOWS

### 31 MARCH 2009 FINANCIAL STATEMENTS

For the year ended 31 March 2009

	Year ended 31 March 2009 £	Period ended 31 March 2008 £
Note		
<b>Cash flows generated from operating activities</b>		
Profit before tax for the period	154,135	87,503
Adjustments for:		
Financial income	(930,000)	(475,000)
Financial expense	775,865	387,497
<i>Operating profit before working capital changes</i>	-	-
<i>Changes in working capital</i>		
Increase in trade and other receivables	(4,135)	(112,503)
<b>Net cash used in operating activities</b>	(4,135)	(112,503)
<b>Cash flows from investing activities</b>		
Payment to acquire shares in subsidiary	-	(10,050,000)
Dividends received	930,000	475,000
<b>Net cash from / (used in) investing activities</b>	930,000	(9,575,000)
<b>Cash flows generated from financing activities</b>		
Proceeds from issue of share capital	-	1,000,000
Proceeds from long-term borrowings	-	9,000,000
Proceeds from short-term borrowings	-	150,000
Dividends paid	(150,000)	(75,000)
Loan interest paid	(775,865)	(387,497)
<b>Net cash (used in) / from financing activities</b>	(925,865)	9,687,503
Net movement in cash and cash equivalents	-	-
Cash and cash equivalents at the start of the period	-	-
<b>Cash and cash equivalents at the end of the period</b>	9	-

The notes on pages 11 to 20 are an integral part of these financial statements.

# **LANEBRIDGE HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **31 MARCH 2009 FINANCIAL STATEMENTS**

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#### **1. Significant accounting policies**

Lanebridge Holdings Limited (the "Company") is a limited liability company incorporated in the United Kingdom.

The financial statements were authorised for issue by the Board of Directors on 10 June 2009.

##### **(a) Statement of compliance**

The financial statements have been prepared in accordance with EU Endorsed International Financial Reporting Standards (IFRSs), IFRIC interpretations and the Companies Act 1985 applicable to companies reporting under IFRS, in so far as they are considered appropriate to the Company's circumstances. The effect of non-compliance or the effect of IFRS's not yet adopted would not have a material effect on the results within the Company's financial statements.

##### **(b) Basis of preparation**

The financial statements have been prepared on the historical cost basis, unless stated otherwise.

The financial statements are presented in Sterling, rounded to the nearest pound.

The financial statements present information about the company as an individual undertaking and not about its Group. In accordance with Section 228 of the Companies Act 1985, consolidation of subsidiaries has not been undertaken since the Company forms part of NM Rothschild & Sons Limited, which prepares a group set of consolidated financial statements under IFRS.

Non-current assets are stated at the lower of carrying amount and fair value less costs to sell.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Directors regularly review the Company's financial resources and forecasts. The Directors are satisfied that the Company has adequate resources to continue in business for the foreseeable future and consequently the going concern basis is appropriate in preparing the accounts.

##### **(c) Investment in subsidiaries**

Subsidiaries are entities that are directly or indirectly controlled by the Group. Control exists where the Group has the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Investment in the Company's subsidiaries have been accounted for at cost as shown in note 7.

# **LANEBRIDGE HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **31 MARCH 2009 FINANCIAL STATEMENTS**

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#### **1. Significant accounting policies (continued)**

##### **(d) Segmental reporting**

A business segment is a Group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

Further details are provided in note 3.

##### **(e) Trade and other receivables**

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

##### **(f) Foreign currency**

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Sterling at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

##### **(g) Cash and cash equivalents**

Cash and short-term deposits in the balance sheet and for the purpose of the cash flow statement comprise cash at banks and at hand and short term deposits with an original maturity of three months or less.

##### **(h) Impairment**

The carrying amounts of the Company's assets and deferred tax assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

##### **(i) Provisions**

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

##### **(j) Revenue recognition**

Dividends and management fees receivable from the subsidiaries are recognised on an accruals basis up to the balance sheet date.





# **LANEBRIDGE HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **31 MARCH 2009 FINANCIAL STATEMENTS**

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#### **1. Significant accounting policies (continued)**

##### **(k) Trade and other payables**

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

##### **(l) Financial assets and liabilities**

All financial assets are initially measured at fair value plus transaction costs which are directly attributable to their acquisition.

Financial liabilities are measured initially at fair value plus any directly attributable transaction costs.

All financial assets and financial liabilities are reviewed on a monthly basis by the directors and fair value adjustments are made, where appropriate, to the carrying values within the financial statements.

##### **(m) Income tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, except to the extent that the directors do not anticipate that the timing differences will crystallise in the foreseeable future.

Deferred tax is determined using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date and which are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which differences can be utilised. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain.

#### **2. Critical accounting estimates and judgements in applying accounting policies**

The Company makes estimates and judgements that affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances and are continually evaluated.

#### **3. Segmental information**

During the year ended 31 March 2009, the Company was engaged in one business segment, being that of a holding company in respect of the shares held in Lanebridge Investment Management Limited.

All of the Company's activities are managed from the UK.

# LANEBRIDGE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 31 MARCH 2009 FINANCIAL STATEMENTS

#### 4. Administrative expenses

	Year ended 31 March 2009	For the period from 6 August 2007 to 31 March 2008
	£	£
Management fees payable to Parent Company	<u>100,000</u>	<u>50,000</u>

The audit fees in respect of the Group audit are recognised within the financial statements of Lanebridge Investment Management Limited.

All Directors' remuneration and direct staff costs are recognised within the financial statements of Lanebridge Investment Management Limited.

#### 5. Net financing income

	Year ended 31 March 2009	For the period from 6 August 2007 to 31 March 2008
	£	£
Dividends received	<u>930,000</u>	<u>475,000</u>
Financial income	<u>930,000</u>	<u>475,000</u>
Loan interest payable	<u>775,865</u>	<u>387,497</u>
Financial costs	<u>775,865</u>	<u>387,497</u>
Net financing income	<u>154,135</u>	<u>87,503</u>

#### 6. Income tax expense

##### Recognised in the income statement

	Year ended 31 March 2009	For the period from 6 August 2007 to 31 March 2008
	£	£
<b>Current tax:</b>		
Corporation tax charge for the period at a rate of 28% (2008 : 30%)	-	-
	<u>-</u>	<u>-</u>
<b>Deferred tax:</b>		
Deferred tax charge for the period at a rate of 28%	-	-
	<u>-</u>	<u>-</u>
Total income tax expense in the income statement	<u>-</u>	<u>-</u>

# LANEBRIDGE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 31 MARCH 2009 FINANCIAL STATEMENTS

#### 6. Income tax expense (continued)

##### Reconciliation of effective tax rate

	Year ended 31 March 2009	For the period from 6 August 2007 to 31 March 2008
	£	£
Profit before taxation	154,135	87,503
Profit on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 28% (2008 : 30%)	43,158	26,251
<b>The differences are explained below:</b>		
Dividends not taxable for corporation tax purposes	(260,400)	(142,500)
Surrender of group relief	217,242	116,249
	(43,158)	(26,251)
Total income tax expense in income statement	-	-

#### 7. Investment in subsidiaries

Cost	Investment in subsidiary £
At 31 March 2009	10,050,000
At 31 March 2008	10,050,000

  

<u>Subsidiary Undertaking</u>	<u>Country of Incorporation</u>	<u>Principal Activity</u>	<u>% of equity and votes held</u>
Lanebridge Investment Management Limited	UK	Real Estate Manager	100
Lanebridge Mitre General Partner Limited	UK	General Partner	100
Lanebridge (Hungary) General Partner Limited	UK	General Partner	100
Lanebridge (Arena Plaza) Jersey GP Limited	Jersey	General Partner	100

The shares in Lanebridge Mitre General Partner Limited, Lanebridge (Hungary) General Partner Limited and Lanebridge (Arena Plaza) Jersey GP Limited are held directly by Lanebridge Investment Management Limited. All subsidiaries have the same accounting reference date as Lanebridge Holdings Limited.

The results of the subsidiaries have not been consolidated into the Company's financial statements due to consolidation taking place within the NM Rothschild & Sons Limited financial statements covering all group companies.



# LANEBRIDGE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 31 MARCH 2009 FINANCIAL STATEMENTS

#### 8. Trade and other receivables

	31 March 2009 £	31 March 2008 £
<i>Financial assets</i>		
Amounts owed by fellow group undertakings	116,638	112,503
	<u>116,638</u>	<u>112,503</u>

#### 9. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise the following balances with less than three months maturity at the balance sheet date:

	31 March 2009 £	31 March 2008 £
<i>Financial assets</i>		
Bank balances	-	-
Cash and cash equivalents in the statement of cash flows	<u>-</u>	<u>-</u>

#### 10. Borrowings

	31 March 2009 £	31 March 2008 £
<i>Financial liabilities</i>		
Short-term borrowings	650,000	150,000
Long-term borrowings	8,500,000	9,000,000
<b>Total Liabilities</b>	<u>9,150,000</u>	<u>9,150,000</u>

##### Analysis of loans:

Due between 0 – 1 years	650,000	150,000
Due between 1 - 2 years	1,000,000	500,000
Due between 2 - 5 years	7,500,000	8,500,000
	<u>9,150,000</u>	<u>9,150,000</u>

#### 11. Capital and reserves

##### 11.1 Reconciliation of movement in capital and reserves

	<i>Attributable to equity holders</i>		
	Share capital	Retained earnings	Total
	£	£	£
Balance at 1 April 2008	1,000,000	12,503	1,012,503
Profit for the period	-	154,135	154,135
Dividends paid	-	(150,000)	(150,000)
Balance at 31 March 2009	<u>1,000,000</u>	<u>16,638</u>	<u>1,016,638</u>

# LANEBRIDGE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 31 MARCH 2009 FINANCIAL STATEMENTS

#### 11. Capital and reserves (continued)

##### 11.2 Issued share capital

Authorised	31 March 2009	31 March 2008
	£	£
510,000 Preferred Ordinary shares of £1 each	510,000	510,000
490,000 Ordinary shares of £1 each	490,000	490,000
At 31 March 2009	<u>1,000,000</u>	<u>1,000,000</u>

Allocated, called up and fully paid	31 March 2009	31 March 2008
	£	£
510,000 Preferred Ordinary shares of £1 each	510,000	510,000
490,000 Ordinary shares of £1 each	490,000	490,000
At 31 March 2009	<u>1,000,000</u>	<u>1,000,000</u>

##### 11.3 Dividends

During the year ended 31 March 2009, the company paid dividends of £150,000 (2008 : £75,000).

#### 12. Financial instruments

##### Fair values

The fair values together with the carrying amounts shown in the balance sheet are as follows:

	Note	Carrying amount		Fair value	
		2009	2008	2009	2008
		£	£	£	£
<b>Financial assets</b>					
Trade and other receivables	8	116,638	112,503	116,638	112,503
Cash and cash equivalents	9	-	-	-	-
<b>Financial liabilities</b>					
Short-term borrowings	10	(650,000)	(150,000)	(650,000)	(150,000)
Long-term borrowings	10	(8,500,000)	(9,000,000)	(8,500,000)	(9,000,000)
		<u>(9,033,362)</u>	<u>(9,037,497)</u>	<u>(9,033,362)</u>	<u>(9,037,497)</u>
Unrecognised (losses) / gains		-	-	-	-

# **LANEBRIDGE HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **31 MARCH 2009 FINANCIAL STATEMENTS**

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#### **12. Financial instruments (continued)**

##### **Estimation of fair values**

Management are of the opinion that the above amounts initially recorded at cost equate to their fair value.

All financial assets and financial liabilities are reviewed on a monthly basis by the directors and fair value adjustments are made, where appropriate, to the carrying values within the financial statements.

The directors have reviewed the interest rate and terms which are applicable to the borrowings which existed as at the balance sheet date. The directors consider that the interest rate and terms are equivalent to the borrowing facilities available within the financial markets and, therefore, no fair value adjustments are considered necessary as at the balance sheet date.

##### **Trade and other receivables/payables**

For receivables/payables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value.

The directors have considered the terms of the finance in respect of the short term borrowings and long term borrowings. Taking into consideration the terms of repayment and the rate of interest applicable to the borrowings, the directors consider that the borrowings are fairly stated at the amounts reflected within the accounts and that no fair value adjustment is required as at 31 March 2009.

#### **13. Risk management policies**

##### **(a) Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Company does not require collateral in respect of financial assets.

At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Upon reviewing all classes of financial assets of the Company, the gross carrying amounts were found to be neither past due nor impaired.



# LANEBRIDGE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 31 MARCH 2009 FINANCIAL STATEMENTS

#### 13. Risk management policies (continued)

##### (b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash commitments associated with financial instruments. Liquidity risk may result from either the inability to sell financial assets quickly at their fair values; or a counterparty failing to repay of a contractual obligation; or an insurance liability falling due for payment earlier than expected; or the inability to generate cash inflows as anticipated.

The Company only holds cash and does not hold any other form of investment.

The following table shows the gross financial liabilities as at 31 March 2009 analysed by maturity. The total liability is split by maturity in proportion to the contractual cash flows expected to arise during that period.

	Total		Year 0 – 1		Year 1 - 2		Year 2 - 5	
	2009	2008	2009	2008	2009	2008	2009	2008
	£	£	£	£	£	£	£	£
Short-term borrowings	650,000	150,000	650,000	150,000	-	-	-	-
Long-term borrowings	8,500,000	9,000,000	1,000,000	-	1,500,000	500,000	6,000,000	8,500,000
	9,150,000	9,150,000	1,650,000	150,000	1,500,000	500,000	6,000,000	8,500,000

##### (c) Market risk

Market risk is the risk of change in the fair value of financial instruments from fluctuation in foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).

The Company does not hold any bank balances in foreign currencies and raises all of its sales invoices in Sterling. Therefore exposure to currency risk is minimal.

There is no exposure to other forms of market risk.

##### (d) Operational risk

Operational risk is the risk that an entity will encounter loss due to inadequate or failed internal processes, people and systems or from external events. The definition includes legal risk but excludes strategic and reputational risk. The major operational risks confronting the Company are systems failure and business administration errors. The Company aims to establish controls to ensure that risk is minimised and consistent with providing high levels of customer service.

##### (e) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

# **LANEBRIDGE HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **31 MARCH 2009 FINANCIAL STATEMENTS**

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#### **14. Contingent liabilities**

There were no contingent liabilities at 31 March 2009 or 31 March 2008.

#### **15. Events after the balance sheet date**

There are no events after the balance sheet date which warrant disclosure.

#### **16. Related parties**

The Company's ultimate controlling party is NM Rothschild & Sons Limited, a company registered in England and Wales.

During the year ended 31 March 2009, management fees totalling £100,000 (2008 : £50,000) were charged to Lanebridge Investment Management Limited.

During the year ended 31 March 2009, management fees totalling £100,000 (2008 : £50,000) were charged by NM Rothschild and Sons Limited.

At 31 March 2009, there is a balance of £116,638 (2008 : £112,503) owing from Lanebridge Investment Management Limited.

At 31 March 2009, there are borrowings totalling £9,150,000 (2008 : £9,150,000) owing to NM Rothschild and Sons Limited.