

Company Number: 6499866

**LXB Properties (Willow Green Farm)
Limited**

Report and Financial Statements

Period ended

31 December 2008

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BDO Stoy Hayward
Chartered Accountants

LXB PROPERTIES (WILLOW GREEN FARM) LIMITED

**Annual report and financial statements
for the period ended 31 December 2008**

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Directors

N B T Alford
T P Walton
B O'Grady
R Margree

Secretary and registered office

D S Whitby, 2nd Floor, Grafton House, 2-3 Golden Square, London, W1F 9HR

Company number

6499866

Auditors

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

LXB PROPERTIES (WILLOW GREEN FARM) LIMITED

Report of the directors for the period ended 31 December 2008

The directors present their report together with the audited financial statements for the period ended 31 December 2008.

Date of incorporation and change of name

The company was incorporated on 11 February 2008 as Forsters Shelfco 289 Limited and changed its name to LXB Properties (Willow Green Farm) Limited on 17 March 2008.

Results and dividends

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

Principal activities, review of the business and future developments

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

The company is a member of the group headed by LXB Regenco LLP.

During the period under review the group acquired interests in strategic land assets in the United Kingdom. The property market remains turbulent as does the wider economy with asset classes continuing to fall in value across the board. However, the members, having regard to the long term nature of the asset portfolio in the context of short to medium term market conditions, consider the portfolio to be relatively insulated from the current downturn in the economic cycle.

The group's activities are subject to a number of risks which are continually assessed in order that they are minimised and mitigated. Global economic conditions continue to deteriorate, but although market risk remains outside of the group's control, the group's assets are considered to be relatively insulated from the current downturn in the economic cycle. The primary risks facing the group are delays in the granting of planning consent and the sourcing and promotion of quality land assets. These risks are mitigated through the use of strong and knowledgeable planning and technical teams and by good local knowledge and reputation.

Having taken into account the above external factors, the directors of the company were satisfied with the performance of the company during the period under review.

Except as referred to in note 1, there have been no events since the balance sheet date that materially affect the position of the company.

Directors

The directors of the company during the period were as follows:

Forsters Directors Limited (appointed 11 February 2008, resigned 18 March 2008)
T P Walton (appointed 18 March 2008)
N B T Alford (appointed 18 March 2008)
B O'Grady (appointed 18 March 2008)
R Margree (appointed 18 March 2008)

LXB PROPERTIES (WILLOW GREEN FARM) LIMITED

Report of the directors for the period ended 31 December 2008 (Continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial period which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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 Stoy Hayward LLP were appointed as first auditors to the company in the period and have expressed their willingness to continue in office.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the Board



B O'Grady
Director

Date: 14.7.09

LXB PROPERTIES (WILLOW GREEN FARM) LIMITED

Report of the independent auditors

To the shareholders of LXB Properties (Willow Green Farm) Limited

We have audited the financial statements of LXB Properties (Willow Green Farm) Limited for the period ended 31 December 2008 on pages 5 to 11. These financial statements have been prepared under the accounting policies set out on pages 7 and 8.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with those financial statements. We also 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 are not disclosed.

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

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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 judgements 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.

LXB PROPERTIES (WILLOW GREEN FARM) LIMITED

Report of the independent auditors (*Continued*)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its loss for the period 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.

Emphasis of matter - Funding

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning funding uncertainties, within the group of which the company is a member, relating to "land and properties under development for investment" assets.

The company and the group are dependent on the satisfactory resolution of the funding uncertainties described within note 1 so as to be able to ensure that the company and the group can continue to develop its land and properties under development for investment assets.

The financial statements of the company do not include the adjustments that would result if the group were unable to resolve the funding issues, which would include write-downs of the carrying value of assets, including the land and properties under development for investment assets, and providing for any further liabilities that might arise.


BDO STOY HAYWARD LLP
Chartered Accountants
and Registered Auditors
Epsom, Surrey

Date: 16 July 2009

LXB PROPERTIES (WILLOW GREEN FARM) LIMITED

Profit and loss account for the period ended 31 December 2008

	Note	Period ended 31 December 2008 £
Administrative expenses		3,667
Operating loss, loss on ordinary activities before and after taxation for the financial period	11	(3,667)

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 11 form part of these financial statements.

LXB PROPERTIES (WILLOW GREEN FARM) LIMITED

Balance sheet at 31 December 2008

	Note	2008 £	2008 £
Fixed assets			
Land and properties under development For investment	7		4,897,404
Creditors: amounts falling due within one year	8	4,901,069	
Net current liabilities			(4,901,069)
Total assets less current liabilities			(3,665)
Capital and reserves			
Called up share capital	9		2
Profit and loss account	10		(3,667)
Shareholder's deficit	11		(3,665)

The financial statements were approved by the board of directors and authorised for issue on 14.7.09


B O'Grady
Director

The notes on pages 7 to 11 form part of these financial statements.

LXB PROPERTIES (WILLOW GREEN FARM) LIMITED

Notes forming part of the financial statements for the period ended 31 December 2008

1 Accounting policies

The following accounting policies have been adopted by the company and applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

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

Financing and other matters

The following is an extract from the Report and Financial Statements for the period ended 31 December 2008 of LXB Regenco LLP, the company's immediate parent undertaking:

"The group's financial statements have been prepared on a going concern basis which assumes that the group will continue to meet its liabilities as they fall due. The group's cash flow forecasts through to 31 December 2010, which the Members believe have been prepared using reasonable judgements and estimates, show that it is expected to have adequate resources available to continue in operational existence for the foreseeable future.

In determining the appropriate basis for the preparation of the financial statements the Members have taken the following matters into account:

- The group currently has no significant capital expenditure related obligations.
- The financial performance of the group is dependent upon the wider economic environment in which the group operates. The factors that the Members consider particularly impact on the performance of the group are explained in the "principal risks and uncertainties" section of the report of the Members.

The Members also note that in order to continue to develop its "land and properties under development for investment" assets, that the group is currently dependent on committed funding being provided by the Members in the form of Members' loans under the terms of the Limited Liability Partnership Agreement.

On 14 April 2009, a drawdown notice was served on the Members in the total amount of £484,400, none of which has been received to date. There is currently an uncertainty as to whether the Members are in a position to or will choose to fund their remaining commitments under the LLP Agreement. However, as discussions are on-going between the Members to resolve this issue, no actions have currently been taken to seek alternative financing arrangements so as to be able to ensure that the group can continue to develop these assets.

The financial statements do not include any adjustments that would be required if the group were unable to resolve the above funding issues, which would include write-downs of the carrying values of certain of the group's assets, most significantly its land and properties under development for investment assets and providing for any further liabilities that might arise.

Taking all the above matters into account, the Members have formed a judgement at the time of approving the financial statements, that there is a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Members continue to adopt a going concern basis in preparing the financial statements of the group."

The company holds some of the group's land and properties under development for investment referred to in the above note.

LXB PROPERTIES (WILLOW GREEN FARM) LIMITED

Notes forming part of the financial statements
for the period ended 31 December 2008 (*Continued*)

1 Accounting policies (*Continued*)

Financing and other matters (Continued)

The directors of the company have formed a judgement at the time of approving the financial statements, that there is a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors of the company continue to adopt a going concern basis in preparing the financial statements of the company.

Confirmation of support

LXB Regenco LLP has confirmed that the limited liability partnership will provide financial support sufficient for the company to continue as a going concern for at least twelve months from the date of approval of these financial statements.

Cash flow statement

The company has used the exemption under Financial Reporting Standard 1, "Cash Flow Statements", not to prepare a cash flow statement as the directors believe that the company is a "small entity" as defined under section 247 of the Companies Act 1985.

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.

The consolidated accounts of LXB³ Limited Partnership disclose details of any non-audit fees paid to the company's auditors by the group.

3 Employees

The company employed no staff in the period.

4 Directors' remuneration

No director received any emoluments from the company during the period.

LXB PROPERTIES (WILLOW GREEN FARM) LIMITED

Notes forming part of the financial statements
for the period ended 31 December 2008 *(Continued)*

5 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 December 2008 £
Loss on ordinary activities before tax	(3,667)
Loss on ordinary activities at the standard average rate of corporation tax in the UK for the period of 28.5%	(1,045)
<i>Effects of:</i>	
Expenses not deductible for corporation tax purposes	475
Losses carried forward – deferred tax asset not recognised	570
Current tax charge for the period	-

7 Fixed assets

	Land and properties under development for investment £
<i>Cost:</i>	
Additions and at 31 December 2008	4,897,404

The above costs represent land and options over land acquired and associated professional and other fees incurred in relation to the acquisition and development of sites held for investment purposes.

8 Creditors: amounts falling due within one year

	2008 £
Amounts owed to group undertakings	4,901,069

LXB PROPERTIES (WILLOW GREEN FARM) LIMITED

Notes forming part of the financial statements
for the period ended 31 December 2008 *(Continued)*

9 Share capital

	Authorised 2008 £	Allotted, called up and fully paid 2008 £
Ordinary shares of £1 each	100	2

10 Reserves

	Profit and loss account £
Loss for the period and at 31 December 2008	(3,667)

11 Reconciliation of movements in shareholder's deficit

	2008 £
Loss for the period	(3,667)
Other net recognised gains and losses relating to the period:	
- Share capital issued in the period	2
Net movement in shareholder's deficit	(3,665)
Opening shareholder's funds	-
Closing shareholder's deficit	(3,665)

12 Related party transactions and balances

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related party disclosures" not to disclose details of any transactions with members of the group headed by LXB Regenco LLP on the grounds that at least 90% of the voting rights in the company are wholly controlled within that group and the company is included in consolidated financial statements.

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

LXB PROPERTIES (WILLOW GREEN FARM) LIMITED

**Notes forming part of the financial statements
for the period ended 31 December 2008 (*Continued*)**

13 Controlling party information

At 31 December 2008, LXB³ Limited Partnership is the parent of the largest group of which the company is a member and for which consolidated accounts are prepared. LXB Regenco LLP is the parent of the smallest group of which the company is a member and for which consolidated accounts are also prepared.

Copies of the consolidated financial statements of LXB³ Limited Partnership are filed at Companies House attached to the financial statements of its General Partner, LXB English General Partner Limited. Copies of the consolidated financial statements of LXB Regenco LLP are also filed at Companies House.

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.

The immediate controlling entity of the company is LXB Regenco LLP.