

Regenco Borrower Limited

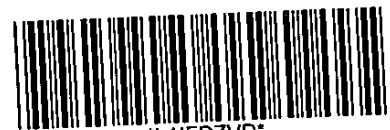
Report and Financial Statements

Year ended

31 December 2011

Company Number 06520889

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REGENCO BORROWER LIMITED

Report and financial statements for the year ended 31 December 2011

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Directors

P R Davidson
J C McMahon

Secretary and registered office

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

Company number

06520889

Auditors

BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex RH6 0PA

REGENCO BORROWER LIMITED

Report of the directors for the year ended 31 December 2011

The directors present their report together with the audited financial statements for the year ended 31 December 2011

Results and dividends

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

Principal activities, review of the business and future developments

The principal activity of the company is that of providing banking and purchasing services for fellow group undertakings which carry out land and property investment in the United Kingdom

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

During the year under review the group continued its property investment activities and in particular continued the process of seeking to secure suitable planning permission for its strategic land sites

The primary risks to the group in respect of its holding of strategic land assets are delays in the granting of planning consent and the sourcing and securing of the necessary finance to pursue further value creation. These risks are mitigated through the use of strong and knowledgeable planning and technical teams and by continuing negotiations with potential providers of finance

Having taken into account the above factors, to the extent they affect the company, the directors were satisfied with the performance of the company during the year under review

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 year were as follows

P R Davidson
J C McMahon

REGENCO BORROWER LIMITED

Report of the directors for the year ended 31 December 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 26 September 2012

REGENCO BORROWER LIMITED

Independent auditor's report

Independent auditor's report to the members of Regenco Borrower Limited

We have audited the financial statements of Regenco Borrower Limited for the year ended 31 December 2011 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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, 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 statements 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 December 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

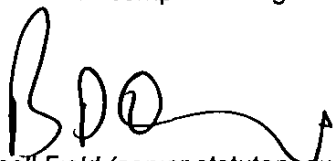
REGENCO BORROWER LIMITED

Independent auditor's 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



*Russell Field (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick, West Sussex
United Kingdom*

Date 28 September 2012

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

REGENCO BORROWER LIMITED

Profit and loss account for the year ended 31 December 2011

	Note	Year ended 31 December 2011 £	Year ended 31 December 2010 £
Direct property costs		-	(20,919)
Gross loss		-	(20,919)
Administrative expenses		(5,593)	(1,847)
Operating loss		(5,593)	(22,766)
Provisions against amounts due from group undertakings	6	-	(247,099)
Interest receivable		-	417
Loss on ordinary activities before and after taxation for the financial year	9	(5,593)	(269,448)

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 10 form part of these financial statements

REGENCO BORROWER LIMITED

Balance sheet
at 31 December 2011

<i>Company Number 6520889</i>	Note	2011 £	2010 £
Current assets			
Debtors	6	2,623,086	1,827,636
Cash at bank		45,530	418,425
		<u>2,668,616</u>	<u>2,246,061</u>
Creditors: amounts falling due within one year	7	<u>3,019,095</u>	<u>2,590,947</u>
Total assets less current liabilities		<u>(350,479)</u>	<u>(344,886)</u>
Capital and reserves			
Called up share capital	8	1	1
Profit and loss account	9	<u>(350,480)</u>	<u>(344,887)</u>
Shareholder's deficit	10	<u>(350,479)</u>	<u>(344,886)</u>

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 26 September 2012



J C McMahon
Director

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

REGENCO BORROWER LIMITED

Notes forming part of the financial statements for the year ended 31 December 2011

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

Confirmation of support

Regenco Properties 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 382 of the Companies Act 2006

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

REGENCO BORROWER LIMITED

Notes forming part of the financial statements
for the year ended 31 December 2011 (*continued*)

2 Auditors' remuneration

Fees for the audit of the company were £1,837 (2010 £800)

The consolidated accounts of Regenco Properties LLP 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 current year or prior period

4 Directors' remuneration

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

5 Taxation

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

	Year ended 31 December 2011 £	Year ended 31 December 2010 £
(Loss)/profit on ordinary activities before tax	(5,594)	(269,448)
Profit / (loss) on ordinary activities at the standard average rate of corporation tax in the UK for the year of 26.5% (2010 28%)	(1,482)	(75,445)
<i>Effects of</i>		
Provisions not deductible for tax purposes	-	69,187
Losses carried forward – deferred tax asset not recognised	1,482	6,258
Current tax charge for the year	-	-

Factors that may affect future tax charges

At 31 December 2011, an unprovided deferred tax asset of £25,013 (2010 £26,448) relating to revenue related losses at 25% (2010 28%) exists

REGENCO BORROWER LIMITED

Notes forming part of the financial statements
for the year ended 31 December 2011 (continued)

6 Debtors

	2011 £	2010 £
Amounts due from group undertakings	2,588,337	1,818,227
Other debtors	34,749	9,409
	<u>2,623,086</u>	<u>1,827,636</u>

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

Amounts of £2,588,337 (2010 £1,818,227) owed by group undertakings are shown net of provisions amounting in total to £247,099 (2010 £247,099)

The provisions, which have been charged to the company's profit and loss account, reflect the underlying financial position of certain fellow group entities at the balance sheet date

7 Creditors: amounts falling due within one year

	2011 £	2010 £
Amounts owed to group undertakings	3,014,649	2,585,985
Other creditors	4,446	4,962
	<u>3,019,095</u>	<u>2,590,947</u>

8 Share capital

	Authorised 2011 Number	Authorised 2010 Number	Allotted, called up and fully paid 2011 £	Allotted called up and fully paid 2010 £
Ordinary shares of £1 each	100	100	1	1

9 Reserves

	Profit and loss account £
At 1 January 2011	(344,887)
Loss for the year	(5,594)
At 31 December 2011	<u>(350,481)</u>

REGENCO BORROWER LIMITED

Notes forming part of the financial statements
for the year ended 31 December 2011 (*continued*)

10 Reconciliation of movements in shareholder's deficit

	2011 £	2010 £
Loss for the year and net movement in shareholder's deficit	(5,594)	(269,448)
Opening shareholder's deficit	(344,886)	(75,438)
Closing shareholder's deficit	(350,480)	(344,886)

11 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 Regenco Properties LLP on the grounds that 100% of the voting rights in the company are wholly controlled within that group and the company is included in consolidated financial statements

During the year the company received bank interest of £nil (2010 £417) from the Lloyds Banking Group plc

Uberior Ventures Limited, a member of Regenco Properties LLP, is itself a subsidiary undertaking of the group headed by the Lloyds Banking Group plc

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

12 Controlling party information

At 31 December 2011, the company's ultimate controlling entity was Regenco General Partner Limited. Regenco General Partner Limited is not controlled by any one individual or entity.

The immediate controlling entity of the company is Regenco Properties LLP, which is the parent of the smallest group of which the company is a member and for which consolidated accounts are prepared and are filed at Companies House.