

Registered number
06704309

London & Regional Group Trading No.3 Limited

Annual report and financial statements

for the year ended
30 September 2013

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London & Regional Group Trading No.3 Limited
Annual report and financial statements for the year ended 30 September 2013
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London & Regional Group Trading No.3 Limited
Company information for the year ended 30 September 2013

Directors

Mr R J Livingstone
Mr R N Luck

Company secretary

Mr R N Luck

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

Registered office

Quadrant House, Floor 6
4 Thomas More Square
London
E1W 1YW

Registered number

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London & Regional Group Trading No.3 Limited
Strategic report for the year ended 30 September 2013

The directors present their strategic report for the year ended 30 September 2013

Review of the business

The company acts as a holding company. In July 2013, it acquired 50% of the issued share capital of S'Argamassa Hotelera S A, for consideration of £0.5m and 100% of the issued share capital of Ballsbridge Hotel Limited, for consideration of £13.7m. The company made a loss of £0.2m for the year ended 30 September 2013, due largely to the interest payable on a new £20.3m loan from a subsidiary, taken out on 11 June 2013. The company made a profit of £14.3m in 2012 due to dividends received from subsidiaries. Net assets were £9.8m at the year end (2012: £10.0m). The directors consider the financial position at 30 September 2013 to be satisfactory.

Principal risks and uncertainties

The key business risks and uncertainties affecting the company are considered to relate to the fact that the company operates within a highly competitive market place. The directors of the group have reviewed the group's exposure to credit risk, liquidity risk and cashflow risk. These risks and uncertainties are discussed in the company's ultimate parent's group annual report which does not form part of this report.

Financial risk management

The company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. Further discussion of the financial risk management objectives and policies, in the context of the group as a whole, are discussed in the company's ultimate parent's group annual report which does not form part of this report.

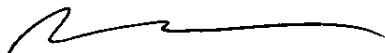
Key performance indicators

London & Regional Group Trading No 3 Limited is managed by the directors in accordance with the strategies of its ultimate parent company, Loopsign Limited. For this reason, the directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business. These strategies and key performance indicators are discussed in the company's ultimate parent's group annual report which does not form part of this report.

Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of London & Regional Group Holdings Limited. The directors have received confirmation that London & Regional Group Holdings Limited intend to support the company for at least one year after these financial statements are signed.

By order of the board



Mr R N Luck
Company secretary

30 June 2014

London & Regional Group Trading No.3 Limited
Directors' report for the year ended 30 September 2013

The directors present their annual report and the audited financial statements of the company for the year ended 30 September 2013

Results and dividend

The results for the financial year are set out in the profit and loss account on page 6. The director does not recommend the payment of a dividend (2012 nil)

Directors

The following persons served as directors during the year and up to the date of signing the financial statements

Mr R J Livingstone
Mr R N Luck

Qualifying third party indemnity provisions

The company maintains liability insurance for its directors and officer. Following shareholder approval, the company has also provided an indemnity for its directors and the company secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware, and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information

Independent auditors

In the absence of a notice proposing that their appointment be terminated, PricewaterhouseCoopers LLP, are deemed to have been re-appointed as auditors for the next year

By order of the board



Mr R N Luck
Company secretary

30 June 2014

London & Regional Group Trading No.3 Limited

Statement of Directors' Responsibilities for the year ended 30 September 2013


The directors are responsible for preparing the strategic report and 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 prepared 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,

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.

By order of the board



Mr R N Luck
Company secretary

30 June 2014

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LONDON & REGIONAL GROUP TRADING NO.3 LIMITED

We have audited the financial statements of London & Regional Group Trading No 3 Limited for the year ended 30 September 2013 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).

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities as set out on page 4, 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the director, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the director's report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2013 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- have been prepared in accordance with the requirements of the Companies Act 2006.

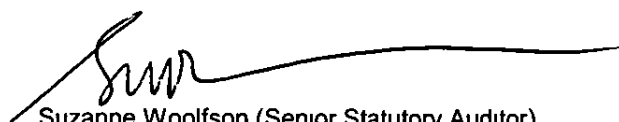
Opinion on other matters prescribed by the Companies Act 2006

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

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.



Suzanne Woolfson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

30 June 2014

London & Regional Group Trading No.3 Limited
Profit and loss account
for the year ended 30 September 2013

	Note	2013 £	2012 £
Operating result	2	-	-
Income from shares in group undertakings		-	14,250,000
Interest payable and similar charges	3	(216,924)	-
(Loss)/profit on ordinary activities before taxation		<u>(216,924)</u>	<u>14,250,000</u>
Tax on (loss)/profit on ordinary activities	5	-	-
(Loss)/profit for the financial year		<u>(216,924)</u>	<u>14,250,000</u>

All amounts relate to continuing operations

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of recognised gains and losses has been presented

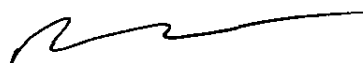
There is no material difference between the (loss)/profit on ordinary activities before taxation and the (loss)/profit for the year stated above and their historical costs equivalents

London & Regional Group Trading No 3 Limited
Balance sheet
as at 30 September 2013

Registered number
06704309

	Note	2013 £	2012 £
Fixed assets			
Investments in subsidiaries	6	58,213,189	44,474,988
Investments in joint ventures	7	541,842	-
		<u>58,755,031</u>	<u>44,474,988</u>
Current assets			
Debtors	8	14,441,349	14,441,349
Creditors amounts falling due within one year	9	<u>(43,099,557)</u>	<u>(48,867,466)</u>
Net current liabilities		<u>(28,658,208)</u>	<u>(34,426,117)</u>
Total assets less current liabilities		<u>30,096,823</u>	<u>10,048,871</u>
Creditors: amounts falling due after more than one year	10	(20,264,876)	-
Net assets		<u>9,831,947</u>	<u>10,048,871</u>
Capital and reserves			
Called up share capital	11	125	125
Profit and loss reserve	12	9,831,822	10,048,746
Total shareholders' funds	13	<u>9,831,947</u>	<u>10,048,871</u>

These financial statements were approved by the Board of Directors on *30 June* 2014
and signed on its behalf by



Mr R N Luck
Director

30 June 2014

London & Regional Group Trading No.3 Limited
Notes to the financial statements
for the year ended 30 September 2013

1 Accounting policies

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of London & Regional Group Holdings Limited. The directors have received confirmation that London & Regional Group Holdings Limited intend to support the company for at least one year after these financial statements are signed.

Deferred taxation

Deferred tax is provided in respect of all timing differences that have originated, but not reversed, at the balance sheet date that give rise to an obligation to pay more or less tax in the future. Deferred tax is not recognised when fixed assets are revalued unless, by the balance sheet date, there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements.

Deferred tax is measured on a non-discounted basis. A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Cash flow statement

The company has taken advantage of the exemption in the Financial Reporting Standards No 1 (Revised 1996) 'Cash flow statements' from including a cash flow statement in the financial statements on the grounds that the company is a wholly owned and its ultimate parent publishes a consolidated cash flow statement.

Exemption from consolidation

The financial statements contain information about London & Regional Group Trading No 3 Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its intermediate parent, London & Regional Group Holdings Limited, a company incorporated in England and Wales.

Fixed asset investments

Investments are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment or a change in circumstances which resulted in a previous impairment. Any impairment arising is charged to the profit and loss account for the year.

2 Operating result

	2013 £	2012 £
Operating result is stated after charging		
Auditors' remuneration	-	-

Auditors' remuneration has been borne by London & Regional Properties Limited

London & Regional Group Trading No 3 Limited
Notes to the financial statements
for the year ended 30 September 2013

3 Interest payable and similar charges	2013	2012
	£	£
Interest payable to group undertakings	<u>216,924</u>	<u>-</u>

4 Directors' emoluments

The directors did not receive any emoluments in respect of their services to the company (2012 £nil) The company has no employees (2012 none) other than the directors

The emoluments of the directors' are paid by a fellow subsidiary company which makes no recharge to the company Mr Livingstone is a director of the ultimate parent company and a number of fellow subsidiary companies and Mr Luck is an employee of a fellow subsidiary The total emoluments of Mr Livingstone are included in the aggregate of directors' emoluments included in the financial statements of the ultimate parent company The total emoluments of Mr Luck are included in the aggregate of employee wages and salaries included in the financial statements of the ultimate parent company

5 Tax on (loss)/profit on ordinary activities

No taxation is considered payable due to the taxable losses in the year (2012 nil)

Factors affecting tax charge for the year

From 01 April 2013 the rate of corporation tax has reduced from 24% to 23%, giving a blended average rate for the year of 23.5%

The tax assessed for the year is different (2012 different) than the blended rate of corporation tax in the UK of 23.5% (2012 25%) The differences are explained below

	2013	2012
	£	£
(Loss)/profit on ordinary activities before tax	<u>(216,924)</u>	<u>14,250,000</u>
	£	£
(Loss)/profit on ordinary activities multiplied by the blended rate of corporation tax in the UK of 23.5% (2012 25%)	(50,977)	3,562,500
Effects of:		
Surrender of tax losses	50,977	-
Income not taxable	-	(3,562,500)
Current tax charge for the year	<u>-</u>	<u>-</u>

The company has surrendered the benefit of tax losses amounting to £221,966 to fellow subsidiary undertakings without receiving any payment

Factors that may affect future tax charges

Reductions to the UK corporation tax rate were announced in the March 2013 Budget The changes, which were enacted on 17 July 2013, reduce the UK corporation tax rate to 21% with effect from 1 April 2014 and to 20% from 1 April 2015 These changes have no impact on these financial statements

London & Regional Group Trading No.3 Limited
Notes to the financial statements
for the year ended 30 September 2013

6 Investments in subsidiaries

	£
Cost	
At 1 October 2012	44,474,988
Additions	13,738,201
At 30 September 2013	<u>58,213,189</u>

The directors believe that the carrying value of the investments is supported by their underlying net assets

On 5 July 2013, the company acquired 100% of the issue share capital of Ballsbridge Hotel Limited for total consideration of £1 On 10 July 2013, the company subscribed for new ordinary shares issued by Ballsbridge Hotel Limited for total consideration of £13,738,200

The company holds share capital in the following subsidiaries

Company	Country of registration or incorporation	Class of shares held	%
London & Regional Homes Limited	England and Wales	Ordinary	100
LR (Bristol) Limited	England and Wales	Ordinary	100
London & Regional Investments Limited	England and Wales	Ordinary	100
LR (SPH) Holding No 2 Limited	England and Wales	Ordinary	100
Greenwich Wharf Limited	England and Wales	Ordinary	100
Greenwich Wharf No 2 Limited	England and Wales	Ordinary	100
LR (Cambridge) Limited	England and Wales	Ordinary	100
Ballsbridge Hotel Limited	Ireland	Ordinary	100

At the year end, the company also had the following subsidiaries which are held indirectly and are incorporated in England & Wales

Strand Palace Hotel & Restaurants Limited
Greenwich Wharf Management Company Limited
Simmons Court Management Residence Company Limited

7 Investments in joint ventures

	£
Cost	
At 1 October 2012	-
Additions	541,842
At 30 September 2013	<u>541,842</u>

On 2 July 2013, the company acquired 50% of the issued ordinary share capital of S'Argamassa Hotelera S A, a company registered in Spain, for total consideration of £541,842

London & Regional Group Trading No.3 Limited
Notes to the financial statements
for the year ended 30 September 2013

8 Debtors	2013 £	2012 £
Amounts owed by group undertakings	<u>14,441,349</u>	<u>14,441,349</u>

9 Creditors: amounts falling due within one year	2013 £	2012 £
Amounts owed to group undertakings	<u>43,099,557</u>	<u>48,867,466</u>

Amounts owed to group undertakings are interest free, repayable on demand, and unsecured

10 Creditors: amounts falling due after more than one year	£	£
Amounts owed to group undertakings	<u>20,264,876</u>	<u>-</u>

The amounts owed to group undertakings are unsecured, are repayable in June 2016 and bear interest at 3.0% over 3 month GBP LIBOR

11 Called up share capital

	2013 £	2012 £
Authorised		
975 (2012 975) Ordinary shares of £1 each	975	975
25 (2012 25) Ordinary-B shares of £1 each	<u>25</u>	<u>25</u>
	<u>1,000</u>	<u>1,000</u>

	2013 Number	2012 Number	2013 £	2012 £
Allotted, called up and fully paid				
Ordinary shares of £1 each	100	100	100	100
Ordinary-B shares of £1 each	<u>25</u>	<u>25</u>	<u>25</u>	<u>25</u>
	<u>125</u>	<u>125</u>	<u>125</u>	<u>125</u>

The Ordinary shares and Ordinary-B shares rank par passu in all material respects

12 Profit and loss reserve

	£
At 1 October	10,048,746
Loss for the financial year	<u>(216,924)</u>
At 30 September	<u>9,831,822</u>

London & Regional Group Trading No 3 Limited
Notes to the financial statements
for the year ended 30 September 2013

13 Reconciliation of movements in shareholders' funds	2013	2012
	£	£
At 1 October	10,048,871	(4,201,129)
(Loss)/profit for the financial year	(216,924)	14,250,000
At 30 September	<u>9,831,947</u>	<u>10,048,871</u>

14 Related party transactions

The company has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS 8, 'Related party disclosures', on the grounds that it is wholly owned subsidiary of a group headed by Loopsign Limited, whose financial statements are publicly available

15 Parent undertaking

The immediate parent undertaking is London & Regional Group Trading No 2 Limited, a company incorporated and registered in England and Wales

The ultimate parent undertaking is Loopsign Limited, a company incorporated in England and Wales

London & Regional Group Holdings Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements as at 30 September 2013. Loopsign Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 30 September 2013. The consolidated financial statements of Loopsign Limited can be obtained from the company secretary at

Quadrant House, Floor 6
4 Thomas More Square
London
E1W 1YW

The ultimate controlling parties are I M Livingstone and R J Livingstone through their joint ownership of Loopsign Limited