

Registered number
06704309

London & Regional Group Trading No.3 Limited

Annual report and financial statements

for the year ended
30 September 2014

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London & Regional Group Trading No.3 Limited
Annual report and financial statements for the year ended 30 September 2014
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London & Regional Group Trading No.3 Limited
Company information for the year ended 30 September 2014

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 2014

The directors present their strategic report for the year ended 30 September 2014.

Review of the business

The company acts as a holding company. In August 2014 it acquired 100% of the issued share capital of Porters RVP Corporation and its subsidiary RP Hotels (Barbados) Inc. as owner of an hotel in Barbados for total consideration of £27.6m. The company made a loss of £0.6m for the year (2013: loss £0.2m), due largely to a full year of interest payable on a loan from a subsidiary drawn in June 2013. Net assets were £9.2m at the year end (2013: £9.8m). The directors consider the financial position at 30 September 2014 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 groups 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

5 June 2015

London & Regional Group Trading No.3 Limited
Directors' report for the year ended 30 September 2014

The directors present their annual report and the audited financial statements of the company for the year ended 30 September 2014.

Results and dividend

The results for the financial year are set out in the profit and loss account on page 7. The directors do not recommend the payment of a dividend (2013: 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

Mr L K Sebastian (appointed on 4 August 2014 and resigned on 5 February 2015)

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
5 June 2015

London & Regional Group Trading No.3 Limited
Statement of Directors' Responsibilities for the year ended 30 September 2014

The directors are responsible for preparing the strategic report, 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

5 June 2015

Independent auditors' report to the members of London & Regional Group Trading No.3 Limited

Report on the financial statements

Our opinion

In our opinion, London & Regional Group Trading No.3 Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 September 2014 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.
-

What we have audited

London & Regional Group Trading No.3 Limited's financial statements comprise:

- the Balance sheet as at 30 September 2014;
- the Profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities 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) ("ISAs (UK & 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.

What an audit of financial statements involves


We conducted our audit in accordance with ISAs (UK & Ireland). 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 directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual report and financial statements 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.



Suzanne Woolfson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
5 June 2015

London & Regional Group Trading No.3 Limited
Profit and loss account
for the year ended 30 September 2014

	Note	2014 £	2013 £
Exchange loss on foreign currency loans		(19,708)	-
Exceptional items:			
Provision against permanent diminution in value in investments		(88,674)	-
Operating (loss)/result	2	<u>(108,382)</u>	<u>-</u>
Income from shares in group undertakings		135,040	-
Interest payable and similar charges	3	(670,358)	(216,924)
Loss on ordinary activities before taxation		<u>(643,700)</u>	<u>(216,924)</u>
Tax on loss on ordinary activities	5	-	-
Loss for the financial year	12	<u>(643,700)</u>	<u>(216,924)</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)/result on ordinary activities before taxation and the (loss)/result for the year stated above and their historical costs equivalents.

London & Regional Group Trading No.3 Limited
Balance sheet
as at 30 September 2014

Registered number
06704309

	Note	2014 £	2013 £
Fixed assets			
Investments in subsidiaries	6	85,727,028	58,213,189
Investments in joint ventures	7	542,015	541,842
		<u>86,269,043</u>	<u>58,755,031</u>
Current assets			
Debtors	8	15,222,538	14,441,349
Creditors: amounts falling due within one year	9	<u>(74,150,177)</u>	<u>(43,099,557)</u>
Net current liabilities		<u>(58,927,639)</u>	<u>(28,658,208)</u>
Total assets less current liabilities		<u>27,341,404</u>	<u>30,096,823</u>
Creditors: amounts falling due after more than one year	10	(18,153,157)	(20,264,876)
Net assets		<u>9,188,247</u>	<u>9,831,947</u>
Capital and reserves			
Called up share capital	11	125	125
Profit and loss reserve	12	9,188,122	9,831,822
Total shareholders' funds	13	<u>9,188,247</u>	<u>9,831,947</u>

These financial statements were approved by the Board of Directors on 5 June 2015
and signed on its behalf by

Mr R N Luck
Director
5 June 2015

London & Regional Group Trading No.3 Limited
Notes to the financial statements
for the year ended 30 September 2014

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 (loss)/result

	2014	2013
	£	£
Operating (loss)/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 2014

3 Interest payable and similar charges	2014	2013
	£	£
Interest payable to group undertakings	<u>670,358</u>	<u>216,924</u>

4 Directors' emoluments

The directors did not receive any emoluments in respect of their services to the company (2013: £nil). The company has no employees (2013: 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 on ordinary activities

No taxation is considered payable due to the taxable losses in the year (2013: nil).

Factors affecting tax charge for the year

From 1 April 2014 the rate of corporation tax has reduced from 23% to 21%, giving a blended average rate for the year of 22% (2013: 23.5%).

The tax assessed for the year is different (2013: different) than the blended rate of corporation tax in the UK of 22% (2013: 23.5%). The differences are explained below:

	2014	2013
	£	£
Loss on ordinary activities before taxation	<u>(643,700)</u>	<u>(216,924)</u>
	£	£
Loss on ordinary activities multiplied by the blended rate of corporation tax in the UK of 22% (2013: 23.5%)	(141,614)	(50,977)
Effects of:		
Exceptional items not taxable or tax deductible	19,508	-
Surrender of tax losses	151,815	50,977
Income not taxable	<u>(29,709)</u>	<u>-</u>
Current tax charge for the year	<u>-</u>	<u>-</u>

The company has surrendered the benefit of tax losses amounting to £690,066 (2013: £216,924) to fellow subsidiary undertakings without receiving any payment.

Factors that may affect future tax charges

With effect from 1 April 2015, the UK corporation tax rate will be reduced to 20%. This change, which was announced in the March 2013 budget and affirmed in the March 2014 budget, will 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 2014

6 Investments in subsidiaries

	£
Cost	
At 1 October 2013	58,213,189
Additions	27,602,513
Provision for diminution in value of investments	(88,674)
At 30 September 2014	<u>85,727,028</u>

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

On 27 June 2014 the company acquired 100% of the issue share capital of London & Regional (HC Sites) Limited for consideration of £1.

On 15 August 2014, the company acquired 100% of the issue share capital of Porters RVP Corporation and its subsidiary RP Hotels (Barbados) Inc. as owner of an hotel in Barbados for total consideration of £27,602,513.

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
London & Regional (HC Sites) Limited	England and Wales	Ordinary	100
Porters RVP Corporation	St Lucia	Ordinary	100

At the year end, the company also had the following subsidiaries which are held indirectly and are incorporated in England & Wales (unless stated otherwise):

Strand Palace Hotel & Restaurants Limited
Greenwich Wharf Management Company Limited
Simmons Court Management Residence Company Limited (incorporated in Ireland)
RP Hotels (Barbados) Incorporated (incorporated in Barbados)

7 Investments in joint ventures

	£
Cost	
At 1 October 2013	541,842
Additions	173
At 30 September 2014	<u>542,015</u>

The company holds 50% of the issued ordinary share capital of S'Argamassa Hotelera S.A, a company registered in Spain, which operates a hotel.

London & Regional Group Trading No.3 Limited
Notes to the financial statements
for the year ended 30 September 2014

8 Debtors	2014	2013
	£	£
Amounts owed by group undertakings	14,441,349	14,441,349
Other debtors	781,189	-
	<u>15,222,538</u>	<u>14,441,349</u>

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

Other debtors comprise an unsecured, repayable on demand and interest-free loan of EUR 1.0 million to S'Argamassa Hotelera S.A, a joint venture investment of the company.

9 Creditors: amounts falling due within one year	2014	2013
	£	£
Amounts owed to group undertakings	74,124,881	43,099,557
Accruals and deferred income	25,296	-
	<u>74,150,177</u>	<u>43,099,557</u>

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

10 Creditors: amounts falling due after more than one year	2014	2013
	£	£
Amounts owed to group undertakings	<u>18,153,157</u>	<u>20,264,876</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

	2014	2013
	£	£
Authorised:		
975 (2013: 975) Ordinary shares of £1 each	975	975
25 (2013: 25) Ordinary-B shares of £1 each	25	25
	<u>1,000</u>	<u>1,000</u>

	2014	2013	2014	2013
	Number	Number	£	£
Allotted, called up and fully paid:				
Ordinary shares of £1 each	100	100	100	100
Ordinary-B shares of £1 each	25	25	25	25
	<u>125</u>	<u>125</u>	<u>125</u>	<u>125</u>

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

12 Profit and loss reserve

	£
At 1 October 2013	9,831,822
Loss for the financial year	(643,700)
At 30 September 2014	<u>9,188,122</u>

London & Regional Group Trading No.3 Limited
Notes to the financial statements
for the year ended 30 September 2014

13 Reconciliation of movements in shareholders' funds

	2014	2013
	£	£
At 1 October	9,831,947	10,048,871
Loss for the financial year	<u>(643,700)</u>	<u>(216,924)</u>
At 30 September	<u>9,188,247</u>	<u>9,831,947</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 2014. Loopsign Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 30 September 2014. 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.