

Partnership Registration No: OC329452

**Former Management LLP (formerly
LSI Management LLP)**

Report and Financial Statements

Year Ended 31 March 2011



Former Management LLP (formerly LSI Management LLP)

Report and financial statements for the year ended 31 March 2011

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Limited Liability Partnership (“LLP”) information

Designated members

H R Mould
P L Vaughan
H J M Price
S Little
T J Bishop
M F McGann
J Duzniak
J Jessop
GEAM L&S Management Investor (Scotland)

Registered office

21 St James’s Square, London, SW1Y 4JZ

Partnership registration number

OC329452

Auditors

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

Former Management LLP (formerly LSI Management LLP)

Report of the members for the year ended 31 March 2011

The members present their report together with the audited financial statements for the year ended 31 March 2011

Results and drawings

The profit and loss account is set out on page 5 and shows a profit for the year under review, before members' remuneration and profit shares, of £59,924,713 (2010 £20,569,815) Total members drawings in the year were £74,992,330 (2010 £7,483,126)

Principal activities, business review and future developments

The principal activity of the LLP, until 1 October 2010, was to provide investment advisory and property management services to London and Stamford Property Ltd and LSP Green Park Property Trust The LLP was authorised by the Financial Services Authority to carry out such activities

On 1 October 2010 the business and its assets were sold to LSI Management Ltd, a wholly owned subsidiary of London & Stamford Property Plc Following this the LLP has no activity

Change of Name

On 5 October 2010 the partnership changed its name from LSI Management LLP to Former Management LLP

Designated members

The following individuals were designated members (as defined in the Limited Liability Partnerships Act 2000) during the year

H R Mould
P L Vaughan
H J M Price
S M Little
T J Bishop
M F McGann
J Z Duzniak
J Jessop
GEAM L&S Management Investor (Scotland)

Policies for profit shares, distributions, subscription for and repayment of members' capital are set out in the LLP agreement and are summarised in note 11

Statement of members' responsibilities in respect of the financial statements

The members are responsible for preparing the members' report and the financial statements in accordance with applicable law and regulation

The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year Under these regulations the members have elected to prepare the group and limited liability partnership financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under these regulations the members 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 group and the limited liability partnership and of the profit or loss of the group for that period

Former Management LLP (formerly LSI Management LLP)


Report of the members for the year ended 31 March 2011 (*continued*)

In preparing these financial statements, the members 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 limited liability partnership will continue in business

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the limited liability partnership's transactions, disclose with reasonable accuracy at any time the financial position of the limited liability partnership, and enable them to ensure that the financial statements comply with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Designated Members



M McGann
A designated member

8th June 2011

Former Management LLP (formerly LSI Management LLP)

Report of the independent auditors

Independent auditor's report to the members of Former Management LLP

We have audited the financial statements of Former Management LLP for the year ended 31 March 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 the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability partnership'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 partnership and the partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditors

As explained more fully in the statement of members' responsibilities, the members 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 limited liability partnership's affairs as at 31 March 2011 and of its profit 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 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008.

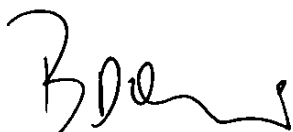
Former Management LLP (formerly LSI Management LLP)

Report of the independent auditors (*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 as applied to limited liability partnerships 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, and
- we have not received all the information and explanations we require for our audit



*Russell Field (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Epsom
United Kingdom
8 June 2011*

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

Former Management LLP (formerly LSI Management LLP)

Profit and loss account for the year ended 31 March 2011

	Note	Year ended 31 March 2011 £	Year ended 31 March 2010 £
Turnover	2	6,741,813	23,339,236
Administrative expenses		(1,818,096)	(2,772,073)
Operating profit	5	4,923,717	20,567,163
Net interest receivable	6	996	2,652
		4,924,713	20,569,815
Profit on disposal of the business	7	55,000,000	-
Profit for the financial year before members' remuneration and profit shares	11	59,924,713	20,569,815
Members' remuneration charged as an expense	4	872,602	1,693,767
Profit for the financial year after members' remuneration available for discretionary division among members		59,052,111	18,876,048

All amounts relate to discontinued activities

There were no differences between historical cost profit and reported profit for the year

All recognised gains and losses are included in the profit and loss account

The notes on pages 7 to 14 form part of these financial statements

Former Management LLP (formerly LSI Management LLP)

Balance sheet at 31 March 2011

	Note	31 March 2011 £	31 March 2011 £	31 March 2010 £	31 March 2010 £
Fixed assets					
Tangible assets	8		-		409,181
Current assets					
Debtors					
amounts falling due within one year	9	-		16,538,676	
amounts falling due in more than one year	9	-		78,065	
Cash at bank and in hand		-		210,193	
			-	16,826,934	
Creditors: amounts falling due within one year	10	-		(1,668,498)	
Net current assets			-		15,158,436
Total assets less current liabilities			-		15,567,617
NET ASSETS ATTRIBUTABLE TO MEMBERS			-		15,567,617
REPRESENTED BY:					
Non Equity					
Loans and other debts due to members within one year	11		-		-
Equity					
Members' capital	11		-		500,000
Members' other reserves	11		-		15,067,617
TOTAL MEMBERS' INTERESTS			-		15,567,617

The financial statements were approved by the Members on 8th June 2011 and authorised for issue by

Martin McGann

M McGann

Designated member

The notes on pages 7 to 14 form part of these financial statements

Former Management LLP (formerly LSI Management LLP)

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

1 Accounting policies

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards and the Statement of Recommended Practice "Accounting by Limited Liability Partnerships (March 2006)"

The following principal accounting policies have been applied

Turnover

Turnover represents management and performance fees received for investment advisory and property management services to London and Stamford Property Ltd and LSP Green Park Property Trust

Taxation

The financial statements do not incorporate any charge or liability for taxation on the results of the LLP, as the relevant income tax is the responsibility of the individual members

Pensions

The LLP makes contributions to the personal pension schemes of certain members and employees on a fixed contribution basis. The contributions are charged to the profit and loss account in the year in which they become payable

Leased assets

Annual rentals on operating leases are charged to the profit and loss account on a straight-line basis over the term of the lease

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets on a straight line basis over their expected useful lives as follows

Fixtures, fittings and office equipment	-	10 years
Computer equipment	-	4 years
Leasehold improvements	-	7 years

Impairment of fixed assets

The need for any fixed asset impairment write-down is assessed by comparison of the carrying value of the asset against the higher of realisable value and value in use

2 Turnover

Turnover is wholly attributable to the principal activities undertaken by the LLP and arises from operations within the United Kingdom and the Channel Islands

Former Management LLP (formerly LSI Management LLP)

Notes forming part of the financial statements for the year ended 31 March 2011 (Continued)

3 Employees

	Year ended 31 March 2011 £	Year ended 31 March 2010 £
Staff costs consist of		
Wages and salaries	538,248	906,134
Social security costs	77,066	125,532
Other pension costs	40,771	102,211
	<u>656,085</u>	<u>1,133,877</u>

The average number of employees of the Partnership, excluding members, for the period to 1 October 2011 was 13 (2010 13). All of the employees were involved in management or administration.

4 Members' profit shares

Profits (and losses) are shared among the members in accordance with the agreed profit sharing arrangements within the LLP partnership agreement as summarised in note 11. Members are required to make their own provisions for taxation from their remuneration and profit shares.

Members' fixed remuneration for the year is disclosed below.

	Year ended 31 March 2011 £	Year ended 31 March 2010 £
Members' remuneration consists of:		
Fees and emoluments paid for management services	810,044	1,536,267
Pension contributions to members' personal pension schemes	62,558	157,500
	<u>872,602</u>	<u>1,693,767</u>

The average number of members for the period to 1 October 2011 was 8 (2010 8). The LLP made pension contributions on behalf of five designated members in the year. The emoluments of the highest paid member were £166,438 (2010 £322,462). No pension contributions were made by the LLP on his behalf.

Former Management LLP (formerly LSI Management LLP)

Notes forming part of the financial statements for the year ended 31 March 2011 (*Continued*)

5 Operating profit

	Year ended 31 March 2011 £	Year ended 31 March 2010 £
This has been arrived at after charging		
Depreciation on tangible fixed assets	41,308	87,008
Hire of land and buildings – operating leases	289,239	578,477
Hire of land and buildings – operating leases UITF 28	(44,179)	(88,600)
Hire of other assets– operating leases	3,536	9,566
Auditors’ remuneration - audit services	1,000	8,500
Auditors’ remuneration - non-audit services	5,000	4,600

6 Net Interest receivable

	Year ended 31 March 2011 £	Year ended 31 March 2010 £
Bank interest receivable	996	2,652

7 Profit on disposal of the business

On 1 October 2010 the business and assets of the LLP were sold to LSI Management Limited, a wholly owned subsidiary of London & Stamford Property Plc. Consideration of £55 million was received in respect of the value of the Property Advisory Agreements with London & Stamford Property Limited and LSP Green Park Property Trust.

Former Management LLP (formerly LSI Management LLP)

Notes forming part of the financial statements for the year ended 31 March 2011 *(Continued)*

8 Tangible fixed assets

	Computer equipment £	Fixtures and fittings £	Leasehold improvements £	Total £
<i>Cost</i>				
At 1 April 2010	51,305	118,129	423,824	593,258
Additions	7,549	-	-	7,549
Disposals	(58,854)	(118,129)	(423,824)	(600,807)
At 31 March 2011	-	-	-	-
<i>Depreciation</i>				
At 1 April 2010	39,533	24,109	120,435	184,077
Charge in the period	4,792	6,243	30,273	41,308
Disposals	(44,325)	(30,352)	(150,708)	(225,385)
At 31 March 2011	-	-	-	-
<i>Net book value</i>				
At 31 March 2011	-	-	-	-
At 1 April 2010	11,772	94,020	303,389	409,181

Former Management LLP (formerly LSI Management LLP)

Notes forming part of the financial statements for the year ended 31 March 2011 (*Continued*)

9 Debtors

	31 March 2011 £	31 March 2010 £
<i>Amounts receivable within one year</i>		
Trade debtors	-	430
Performance fee receivable	-	13,484,000
Prepayments and accrued income	-	407,206
Amounts due from members	-	2,617,000
Unamortised formation costs	-	21,786
VAT recoverable	-	2,133
Other debtors	-	6,121
	-	16,538,676
<i>Amounts receivable in more than one year</i>		
Unamortised formation costs	-	78,065
	-	16,616,741

The partnership incurred formation costs of £152,500 in the year to 31 March 2008. This cost was amortised on a straight line basis over 7 years. On 1 October 2010 the balance of £88,958 was written off.

10 Creditors: amounts falling due within one year

	31 March 2011 £	31 March 2010 £
Trade creditors	-	124,647
Tax and social security costs	-	134,335
Amounts payable to redeeming members	-	1,317,000
Other accruals	-	92,516
	-	1,668,498

Former Management LLP (formerly LSI Management LLP)

Notes forming part of the financial statements for the year ended 31 March 2011 (*Continued*)

11 Total members' interests

	<u>Equity</u>			<u>Non Equity</u>	
	<u>Members'</u>	<u>Other</u>	<u>Total</u>	<u>Loans and</u>	<u>Total</u>
	<u>capital</u>	<u>reserves</u>		<u>due to/(from)</u>	<u>interests</u>
	£	£	£	members	£
Members' interests					
At 1 April 2010	500,000	15,067,617	15,567,617	-	15,567,617
Profit for the financial year available for discretionary division among members	-	59,924,713	59,924,713	-	59,924,713
Members' interests after profit for the year	500,000	74,992,330	75,492,330	-	75,492,330
Return of Members' capital	(500,000)	-	(500,000)	-	(500,000)
Allocated profits	-	(74,992,330)	(74,992,330)	74,992,330	-
Emoluments paid to members	-	-	-	(872,602)	(872,602)
Profit share paid to members	-	-	-	(74,119,728)	(74,119,728)
At 31 March 2011	-	-	-	-	-

Capital

The interests of the members in the LLP comprise A units and B units. The initial partnership capital of £500,000 was paid by the members in proportion to the number of A units held. Members may be invited by written notice to make further capital contributions as required from time to time pro rata to their respective holdings of A units at the date of the written notice. If any member elects not to make an additional capital contribution, the shortfall can be funded by the other members and additional A units allocated accordingly. Interest is not paid on the capital invested. A member does not have the right to withdraw or receive back any capital contribution made to the LLP, except with the consent of all the other members, or upon the termination or liquidation of the LLP.

On 1 October 2010 the business and assets of LSI Management LLP, which provided property advice and management to London & Stamford Property Limited and LSP Green Park Property Trust, was acquired by LSI Management Limited a wholly owned subsidiary of London & Stamford Property Plc. The consideration payable pursuant to the LSI Acquisition Agreement was £55.0 million and was satisfied by the issue of £41.25 million shares in LSI Management Limited to the natural members of the LLP, with the balance of £13.75 million left outstanding as an amount owing by LSI Management Limited to GEAM L&S Management Investor (Scotland). The partnership capital of £500,000 was repaid to members on 1 November 2010.

Former Management LLP (formerly LSI Management LLP)

Notes forming part of the financial statements for the year ended 31 March 2011 (Continued)

Profit shares and distributions

Profits and losses are shared between the members, first in accordance with each member's Fixed Distribution as specified in the partnership agreement, and then the balance is allocated in proportion to the number of A and B units held by each member. The Fixed Distribution is distributed in equal monthly instalments. Members may agree to retain profits required by the LLP for business. Any remaining profits are taken to 'other reserves' within members' interests on the balance sheet and ultimately distributed. The balance of allocated profit due to members was paid on the 1 November 2010. At 31 March 2011 profit available for distribution and not distributed to members amounted to £nil (2010 £15,067,617).

Any loans and other debts due to members outstanding at the year end would rank alongside other creditors in the event of a winding up.

12 Commitments under operating leases

Annual commitments under non-cancellable operating leases at the balance sheet date were as follows:

	Land and buildings 2011 £	Other 2011 £	Land and buildings 2010 £	Other 2010 £
<i>Operating leases which expire or have break options</i>				
In two to five years	-	-	-	8,908
Over five years	-	-	664,877	-

13 Related party transactions

For the period to 1 October 2010, the partnership received management and performance fees from London and Stamford Property Limited ("LSP") and LSP Green Park Property Trust ("LSPG"). Mr H R Mould, Mr P L Vaughan and Mr M F McGann were all non-executive directors and shareholders in LSP during the period. Mr H R Mould and Mr P L Vaughan are directors of LSP Green Park Management Limited, the Manager of LSPG.

On 1 October 2010, the business and assets of the LLP were acquired by LSI Management Limited, a wholly owned subsidiary of London & Stamford Property PLC, as detailed in note 11.

Turnover includes management fees for the year of £4,480,465 (2010 £6,691,107) and performance fees of £nil (2010 £4,053,940) from LSP. At 31 March 2011 £nil (2010 £3,975,000) remained outstanding. Turnover also includes management fees for the year of £2,261,348 (2010 £3,095,189) and performance fees of £nil (2010 £9,499,000) from LSPG. At 31 March 2010 £nil (2010 £9,509,000) remained outstanding.

Former Management LLP (formerly LSI Management LLP)

Notes forming part of the financial statements for the year ended 31 March 2011 (*Continued*)

14 Cash flow statement

The LLP has used the exemption under Financial Reporting Standard 1, "Cash Flow Statements", not to prepare a cash flow statement as the limited liability partnership meets the definition of a small entity based on the small entities exemption in limited liability partnerships' legislation

15 Ultimate controlling party

There is no one individual member with a controlling voting interest in the LLP

The page which follows does not
form part of the statutory
financial statements of the limited liability partnership

Former Management LLP (formerly LSI Management LLP)

Detailed profit and loss account for the year ended 31 March 2011

	Year ended 31 March 2011 £	Year ended 31 March 2011 £	Year ended 31 March 2010 £	Year ended 31 March 2010 £
Turnover		6,741,813		23,339,236
Administrative expenses				
Personnel costs	739,542		1,196,922	
Office rent, SC and rates	353,007		677,744	
Other office costs	96,779		173,678	
Travel and entertainment	40,984		188,143	
Audit and accountancy costs	10,002		13,100	
Legal and professional fees	31,354		34,624	
Project Spring fees	203,730		-	
Depreciation	41,309		87,008	
Formation costs	99,849		21,785	
Property management costs	175,000		349,998	
Bank charges	13,588		14,441	
Other costs	12,952		14,630	
		(1,818,096)		(2,772,073)
Profit on ordinary activities before interest		4,923,717		20,567,163
Bank interest receivable		996		2,652
Interest payable and similar charges		-		-
Profit on disposal of business		55,000,000		-
Profit for the financial period before members' remuneration and profit shares		59,924,713		20,569,815