

Registered number
4312421

London and Regional Group Finance Limited

Report and Accounts

30 September 2003



London and Regional Group Finance Limited
Report and accounts
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London and Regional Group Finance Limited
Company Information

Directors

Mr I M Livingstone
Mr C King

Secretary

Mr R N Luck

Registered Office

St Alphage House
2 Fore Street
London
EC2Y 5DH

Auditors

UHY Hacker Young
168 Church Road
Hove
East Sussex
BN3 2DL

Registered number

4312421

London and Regional Group Finance Limited
Directors' Report

The directors present their report and accounts for the year ended 30 September 2003.

Principal activities and review of the business

The company acts as a treasury company for related undertakings. The directors consider the financial position at 30 September 2003 to be satisfactory.

Results and dividends

The results for the year are set out in the profit and loss account on page 5. The directors do not recommend the payment of a dividend.

Directors

The directors who served during the year were:

Mr I M Livingstone
Mr C King

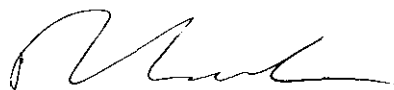
The directors had no interest in the ordinary shares of the company at any time during the period.

Auditors

The Company passed an Elective Resolution during the period, pursuant to Section 386 of the Companies Act 1985, electing to dispense with the obligation to re-appoint auditors annually. The resolution remains in force.

This report was approved by the board on 18 June 2004.

Mr R N Luck



Secretary

London and Regional Group Finance Limited

Statement of Directors' Responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those accounts, 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 accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining 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 accounts 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.

London and Regional Group Finance Ltd

Independent auditors' report to the shareholder of London and Regional Group Finance Ltd

We have audited the accounts of London and Regional Group Finance Ltd for the year ended to 30 September 2003 which comprise pages 5 to 10. These accounts have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if 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 transactions with the company is not disclosed.

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

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30 September 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

UHY Hacker Young
Chartered Accountants and Registered Auditors

168 Church Road
Hove
East Sussex
BN3 2DL

18 June 2004

London and Regional Group Finance Limited
Profit and Loss Account
for the year ended 30 September 2003

	Notes	2003 £	Period to 30/09/2002 £
Net operating expenses		(1,243,424)	(9,583)
Operating loss	2	<u>(1,243,424)</u>	<u>(9,583)</u>
Interest receivable		1,136,123	736,956
Interest payable	3	(798,976)	(119,917)
(Loss)/profit on ordinary activities before taxation		<u>(906,277)</u>	<u>607,456</u>
Tax on (loss)/profit on ordinary activities		-	-
(Loss)/profit for the financial year		<u>(906,277)</u>	<u>607,456</u>
Retained (loss)/profit for the financial year	9	<u>(906,277)</u>	<u>607,456</u>

London and Regional Group Finance Limited
Statement of total recognised gains and losses
for the year ended 30 September 2003

	Notes	2003 £	Period to 30/09/2002 £
Loss for the financial year	9	(906,277)	607,456
Total recognised gains and losses related to the year		<u>(906,277)</u>	<u>607,456</u>

London and Regional Group Finance Limited
Balance Sheet
as at 30 September 2003

	Notes	2003 £	2002 £
Fixed assets			
Investments	4	10,001	10,001
Current assets			
Debtors	5	25,641,422	27,933,455
Investments held as current assets	6	10,000,000	-
Cash at bank and in hand		<u>41,591,351</u>	<u>10,149,274</u>
		77,232,773	38,082,729
Creditors: amounts falling due within one year	7	(77,531,595)	(37,475,274)
Net current liabilities		<u>(298,822)</u>	<u>607,455</u>
		<u>(288,821)</u>	<u>617,456</u>
Capital and reserves			
Called up share capital	8	10,000	10,000
Profit and loss account	9	(298,821)	607,456
Shareholder's funds:			
Equity		<u>(288,821)</u>	<u>617,456</u>
	10	<u>(288,821)</u>	<u>617,456</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Mr I M Livingstone
Director

Approved by the board on 18 June 2004

London and Regional Group Finance Limited
Notes to the Accounts
for the year ended 30 September 2003

1 Accounting policies

The accounts have been prepared in accordance with applicable accounting standards. A summary of the more important accounting policies which have been consistently applied are given below.

Accounting convention

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

Foreign currency

Foreign currency loans are translated into sterling at the exchange rate ruling on the balance sheet date. Exchange gains or losses arising are taken to the profit and loss account.

Deferred Taxation

Deferred taxation is provided on the liability method on all timing differences which are expected in the foreseeable future, calculated at the rate at which it is estimated that the tax will be payable.

Cash flow statement

The company has taken advantage of the exemption permitted by Financial Reporting Standard 1, whereby a cash flow statement need not be prepared by a small company as defined in the Companies Act 1985.

	2003 £	Period to 30/09/2002 £
2 Operating loss		
Operating loss is stated after charging:		
Auditors remuneration	1,600	1,550
	<u>1,600</u>	<u>1,550</u>
3 Interest payable	2003 £	Period to 30/09/2002 £
On borrowings from related companies repayable within five years	<u>798,976</u>	<u>119,917</u>

London and Regional Group Finance Limited
Notes to the Accounts
for the year ended 30 September 2003

4 Investments

2003

£

Cost

At 1 October 2002

10,001

At 30 September 2003

10,001

Company

**Class of shares
held**

%

London & Regional 60VE Finance Ltd

Ordinary

100

London & Regional Hotel Finance Ltd

Ordinary

100

The principal activity of both companies is the provision of finance to related undertakings, both being incorporated in England and Wales.

5 Debtors

2003

£

2002

£

Amounts owed by related undertakings

25,641,422

27,832,543

Prepayments and accrued income

-

100,912

25,641,422

27,933,455

6 Investments held as current assets

2003

£

2002

£

Listed investments

10,000,000

-

Valuation:

Listed investments - market value

10,044,375

-

7 Creditors: amounts falling due within one year

2003

£

2002

£

Amounts owed to related undertakings

76,611,102

37,353,807

Accruals and deferred income

920,493

121,467

77,531,595

37,475,274

London and Regional Group Finance Limited
Notes to the Accounts
for the year ended 30 September 2003

8 Share capital	2003	2002
	£	£
Authorised:		
10,000 Ordinary shares of £1 each	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

	2003	2001	2003	2002
	No.	No	£	£
Allotted, called up and fully paid:				
Ordinary shares of £1 each	10,000	1	10,000	10,000
			<u>10,000</u>	<u>10,000</u>

9 Profit and loss account	2003	2001
	£	£
At 1 October 2002	607,456	-
Retained loss	(906,277)	607,456
	<u>(298,821)</u>	<u>607,456</u>
At 30 September 2003		

10 Reconciliation of movement in shareholder's funds	2003	2002
	£	£
At 1 October 2002	617,456	-
Loss for the financial year	(906,277)	607,456
Shares issued	-	10,000
	<u>(288,821)</u>	<u>617,456</u>
At 30 September 2003		

11 Ultimate parent undertaking

The company is a subsidiary of London & Regional Group Holdings Ltd, a company incorporated and registered in England and Wales. The ultimate parent undertaking is Nutmeg Limited, a company incorporated and registered in Guernsey, Channel Islands.