2017 LONDON & CAMBRIDGE PROPERTIES LTD
ANNUAL REPORT & ACCOUNTS

LCP

Contents

Prime Point, The Pensnett Estate, Black Country, Kingswinford, West Midlands

LONDON & CAMBRIDGE PROPERTIES LIMITED

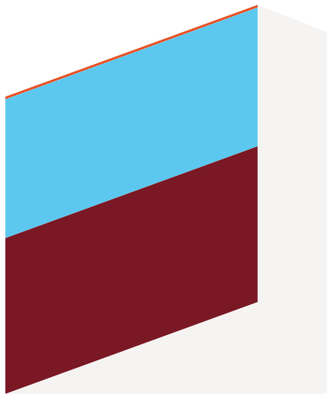
OWNS AND MANAGES A PORTFOLIO OF PROPERTIES OF OVER 19 MILLION SQUARE FEET.

AN INTENSIVE MANAGEMENT APPROACH IS EMPLOYED TO ENHANCE RETURNS AND TO MAXIMISE ASSET GROWTH. THE COMPANY IS COMMITTED TO FURTHER EXPANSION BY ACQUISITION AND DEVELOPMENT OF QUALITY BUILDINGS IN KEY LOCATIONS.

Arcadian, Birmingham, West Midlands

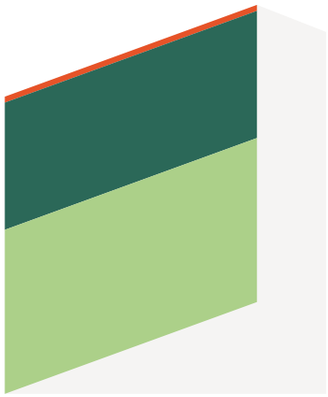
Galeria Emka, Koszalin, Poland

FINANCIAL HIGHLIGHTS



VALUE BY SECTOR - EUROPE

- Retail 52.4%
- Industrial 46.7%
- Offices 0.9%

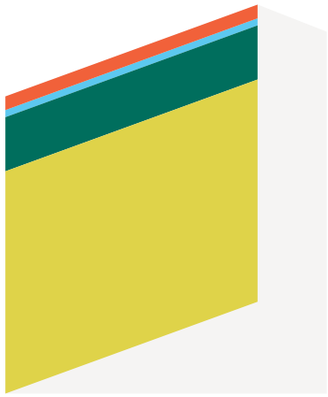


INCOME BY SECTOR - EUROPE

- Retail 55.2%
- Industrial 42.8%
- Offices 2.0%

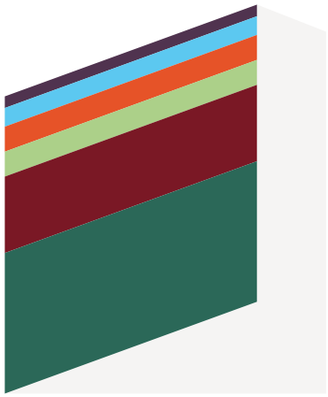
INCOME BY LOCATION - EUROPE

- UK 82.9%
- Poland 9.8%
- Germany 7.3%



INCOME BY LEASE LENGTH - UK

- 0-5 years 74.8%
- 5-10 years 18.2%
- 10-15 years 2.4%
- 15 years + 4.6%



INCOME BY LOCATION - UK

- Midlands 47.3%
- South East 25.7%
- North West 8.4%
- South & South West 8.4%
- North East 6.3%
- Scotland 3.9%

21.0%

FRS 102 profit before tax increased by 21.0% to

£84.9M

(FY 2016: £70.2m)

11.1%

NAV increased by 11.1% to

£640.3M

(FY 2016: £576.4m)

14.4%

Underlying profit increased by 14.4% to

£49.1M

(FY 2016: £42.9m)

15.6%

Turnover increased by 15.6% to

£113.8M

(FY 2016: £98.4m)

STRATEGIC REPORT

The directors present their strategic report
for the year ended 31 March 2017

Latitude, Bromsgrove Street, Southside, Birmingham, West Midlands

Activities and Business Review

The Directors are pleased to announce that it has been another exceptional year with turnover increased by 16%, capital values increased by £31.4 million, underlying profits increased by £6.2 million and retained earnings of £76.2 million. The continued growth of the Group, through investment property acquisitions, has seen the Group achieve, for the first time, turnover in excess of £100 million.

The principal activities of the Group consist of the development and management of industrial and commercial properties and the provision of associated services. It is not anticipated that there will be any significant change during the current financial year.

The strategy of the Group remains to improve returns and achieve asset growth through the intensive management and development of its properties. The Group continues to consider opportunities to acquire or dispose of properties where these activities offer opportunities to use our key strengths and deliver growth.

Future Developments

The Group envisages no changes to the direction of its strategy.

Performance Review

The Group turnover, profit before taxation and underlying profit before taxation, which the directors consider to be key performance indicators to monitor the business, for the year were as follows:

	2017	2016
TURNOVER	**£000**	**£000**
UK	**93,328**	**83,226**
Continental Europe	**20,449**	**15,204**
Group	**113,777**	**98,430**

PROFIT BEFORE TAXATION		
UK	**71,753**	**72,637**
Continental Europe	**13,146**	**(2,487)**
Group	**84,899**	**70,150**
Taxation	**(8,660)**	**(7,991)**
Profit for the year	**76,239**	**62,159**

Underlying profits exclude the impact of revaluations of investment property and financial instruments, profits on disposals of investment properties, exchange differences and certain one-off costs and benefits.

Underlying profits in the UK increased by £4.7 million compared to the prior year and increased by £1.5 million in Continental Europe.

UNDERLYING PROFIT BEFORE TAXATION		
UK	**44,573**	**39,907**
Continental Europe	**4,529**	**3,028**
Group	**49,102**	**42,935**

Zone 4 Burntwood Business Park, Burntwood, Staffordshire

Performance Review
Portfolio Value
Occupancy Levels

Performance Review continued

In the UK, rental income increased by £8.3 million, with acquisitions during the year contributing an increase of £2.3 million. The full year effect of prior year acquisitions contributed an increase of £4.1 million, whilst continued strong performance in both demand and occupancy contributed an increase of £1.9 million.

In Continental Europe, rental income increased by £4.1 million. £2.1 million increase relates to the full year income of acquisitions completed in the prior year (principally in Germany) with a further £0.1 million from acquisitions during the current year. Weakening sterling exchange rates contributed £1.5 million to the increase.

The Group perceives that the most potential for investment opportunities currently lies within local convenience parades, and this is apparent with the shift in sector rental income from industrial to retail over the past year. The retail sector now accounts for 50% (2016: 45%), with the industrial sector accounting for 47% (2016: 51%) of all UK rental income.

UK net interest costs increased by £4.1 million further to the £12.6 million increase in net debt this year and £71.5 million increase last year as the Group continues to grow through investment property acquisitions. As a result of fluctuations in foreign exchange rates, interest receivable on loans from related parties increased by £0.2 million (albeit loans decreased due to £9.5 million (€11.2 million) of repayments during the year).

The Group maintains a commitment to offer properties that are fully refurbished and available for immediate occupancy. In total, the Group spent £10.4 million on capital and refurbishment expenditure within the UK portfolio compared to £6.1 million in 2016.

Portfolio Value

The revaluation of the Group's investment properties at 31 March 2017 resulted in a revaluation uplift of £31.4 million, an improvement of 2.7%.

During the year, the Group has continued to focus its acquisitions in the retail sector in local convenience shopping, an area where it sees the most opportunity to strengthen its portfolio and enhance values using management skills inherent in the business. The Group acquired properties to the value of £47.1 million in the UK, which included a portfolio of 11 properties at a total cost of £15.9 million.

Additional capital expenditure of £9.6 million was incurred to upgrade and improve other properties, principally in the industrial portfolio, throughout the UK. This included the start of works to construct 130,000 square feet of new warehousing/industrial space at the Group's flagship Pensnett Estate.

In Poland, capital expenditure of £5.5 million was incurred to enhance retail properties. In Germany the Group continued with its strategy of acquisitions in the retail sector by acquiring properties to the value of £3.5 million and expending £1.8 million to develop additional industrial and retail space.

PORTFOLIO VALUE	2017	2016
INVESTMENT PROPERTY	£000	£000
UK	1,049,369	979,841
Continental Europe	219,197	183,281
Group	**1,268,566**	**1,163,122**
UK Joint Venture	**11,639**	**12,704**

The Group disposed of a number of properties where it sees little opportunity to add value through management or development, proceeds from these disposals amounted to £12.9 million.

The Group is continually seeking high yielding investment property acquisitions in the UK, Poland and Germany. The market is constantly monitored and acquisitions will be undertaken on a selective basis where there are real opportunities to enhance returns using our intensive management approach.

Occupancy Levels

During the year the Group's occupancy levels averaged 92% with industrial occupancy averaging 93% and retail 92%.

In the UK, occupancy levels remained constant at 93%.

In Continental Europe, occupancy levels have remained constant in the retail sector at 91%. The industrial portfolio in Germany has

Parkway Business Park, Tipton, West Midlands

The Boulevard, Weston Favell, Northampton, Northamptonshire

Proposed retail development, Zone 4, Burntwood Business Park, Burntwood, Staffordshire

St Olaves Shopping Precinct, St Olaves Road, Bury St Edmunds, Suffolk

Financing
Gearing and Financial Covenants
Risk Management

Occupancy levels continued

continued to improve with a 7% increase in occupancy during the year. Post year end, new lettings in the retail portfolio in Continental Europe have improved occupancy levels from 91% to 93%, however, additional vacancies in the industrial portfolio in Poland, while refurbishment works are undertaken to improve rental levels, has seen occupancy levels fall from 96% to 84%.

OCCUPANCY LEVELS	2017	2016
UK	93%	93%
Continental Europe	91%	88%
Group	92%	92%

Financing

The net debt at 31 March 2017 of £667.9 million was 84% hedged with 78% at fixed interest rates. The weighted average cost of debt at 31 March 2017 was 3.67% (2016: 3.75%).

Across all territories, the Group has extended the bank loan facilities with an existing lender to June and September 2021, with an additional drawdown of £14.0 million with this lender in the UK.

In addition, the Group repaid £11.1 million of bank loans, and £4.0 million of shareholder loans.

In Germany the Group repaid £9.3 million of other bank loans. The Group had drawn £21.9 million from existing bank loan facilities during the year, whilst agreeing a £17.1 million (€20.0 million) facility increase with an existing lender.

In Poland the Group had drawn £1.87 million on existing bank loan facilities and repaid £0.75 million of amortisation on finance leases during the year.

The Group continues to actively manage its interest rate exposure through the use of derivative instruments. During the year the Group agreed £55.0 million and €25.0 million of new swaps to maintain hedging levels in line with the Group's policy through the medium term.

At 31 March 2017, the Group had £243.8 million of bank debt falling due within one year or on demand.

FINANCING	2017	2016
Loans and borrowings		
Bank loans and overdrafts	635,279	597,492
Finance leases	18,338	17,708
Other loans	11,000	11,000
Loans from shareholders	38,650	42,650
Total loans and borrowings	703,267	668,850
Cash	(35,385)	(35,521)
Net debt	667,882	633,329

Gearing and Financial Covenants

The Group property gearing loan to value ratio, which reflects the ratio of net debt to investment properties and investments in joint ventures, decreased to 52% at 31 March 2017 (2016: 55%).

The percentage of equity shareholders' funds to net debt increased during the year from 91% at 31 March 2016 to 96% at 31 March 2017.

Risk Management

The Group perceives risk management as critical to achieving the strategic goals of the Group. Risk management policies are designed to reduce the chance and impact of financial loss, to protect the reputation of the Group, and to improve the likelihood of successfully taking opportunities as they arise in the market. Regular Board meetings are held at which the adequacy of the existing risk mitigation policies and controls are reviewed and challenged, new risks are identified and prioritised.

The Pensnett Estate, Black Country, Kingswinford, West Midlands

Risk Management

Risk Management continued

FINANCIAL RISKS		
RISK	**IMPACT**	**MITIGATION**
Liquidity/refinancing risk.	Inability to fund operations, capital expenditure or to raise new or replacement funding.	The Group regularly monitors banking covenant headroom, leverage and committed, undrawn financing facilities. The Group maintains regular contact with both existing and prospective providers of funding to evaluate options in advance of funding deadlines.
Interest rate exposure.	Increased borrowing costs.	Interest rates are constantly monitored and hedging policies reviewed by the directors to ensure the Group's risk and exposure to volatile interest rate movements is kept to a minimum. The Group's policy is to manage its exposure to short term interest rate movements through the use of derivative contracts where appropriate.
Credit risk: failure of bank and financial institution counterparties.	Loss of cash deposits.	The Group has fostered relationships with a range of banks to provide deposit facilities for surplus cash balances. The Group continually reviews the credit ratings of these banks and spreads deposits across institutions with the higher credit ratings.
Foreign currency risk.	Volatility of earnings and cash flows.	The Group's policy is to reduce exposure to foreign currency exchange differences by hedging overseas net assets with foreign currency borrowings and derivative contracts where appropriate.

Hurst Street, Southside, Birmingham, West Midlands

PROPERTY RISKS		
RISK	**IMPACT**	**MITIGATION**
Acquisition risk.	Acquisition of property that fails to meet performance targets.	Target acquisitions are evaluated and due diligence carried out. Investment criteria are established by the Board and no properties are acquired which fail to meet these criteria.
Tenant credit risk.	Concern about a deterioration in economic activity, with a weakening of consumer confidence, may result in tenants, particularly in the UK retail sector, facing difficult operating conditions which may result in increasing tenant default and vacancy rates.	The Group operates procedures to reduce exposures by reviewing tenant covenants for new leases. Close contact and strong relationships are maintained with existing tenants to enable the Group to consider actions to mitigate risk at the earliest opportunity. The Group manages a diversified portfolio in the industrial, retail and office sectors which are predominantly multi-let sites and with a spread of lease end dates.
Valuation risk.	Valuations across the Group have continued to increase. A fall in property valuations may lead to a worsening in loan to value ratios outside the range acceptable to the Group and to a level risking breach of banking covenants.	The Group manages a diversified portfolio in different geographical regions and sectors. The Group continues to prioritise the management of loan to value ratios. Management has at all times continued to communicate fully with lenders, making debt repayments when necessary and acquiring properties which enhance the portfolio as opportunities arise.
Health and safety.	Potential loss or injury to employees, contractors, tenants or members of the public.	The Group Health and Safety Committee meet regularly to update risk mitigation policies. Education and training are provided to all employees as required. All properties are visited every year and structured risk assessments undertaken.

Post Balance Sheet Events
Dividends
Fixed Assets

Pitsea Centre, Basildon, Essex

Post Balance Sheet Events

The Group has negotiated a new £150 million facility with an existing UK lender replacing a facility maturing in the financial year.

With existing lenders, the Group has drawn an additional £6.7 million and repaid £3.1 million of bank loans in the UK and drawn an additional €9.2 million in Germany. The Group has repaid £1 million of shareholder loans.

The Group has continued to actively manage its interest rate exposure, agreeing a further €44.3 million interest rate swaps to benefit from historically low rates and extend the maturity of the hedging.

Loan repayments of £6.5 million (€7.5 million) have been received from Paris Properties SARL.

The Group has continued to invest in the retail sector having completed acquisitions of £9.2 million in the UK and €11.2 million in Germany.

Dividends

Dividends of £11,625,000 were paid during the year. Dividends of £7,000,000 have been paid since the year end.

Dividends recognised in the year are disclosed in note 14.

Fixed assets

The changes in fixed assets during the year can be found in notes 15 to 17 on pages 28 to 29.

On behalf of the board

C W Tranter
Director

13 September 2017

Giessen, Germany

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements for the year ended 31 March 2017

Directors

The directors who served during the year were:

C MacDonald-Hall
J D Chandris
M D Chandris *(resigned 30 March 2017)*
A Tomazos
D J Chandris
C W Tranter
S MacDonald-Hall
A M Chandris *(appointed 30 March 2017)*

Statement of Directors' Responsibilities

The directors are responsible for preparing the Report of the Directors 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), including FRS 102, '*The Financial Reporting Standard applicable in the UK and the Republic of Ireland*'. 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 the Group and of the profit or loss of the Group 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, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; 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 and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Strategic Report

The directors have taken advantage of the option to disclose information in relation to future developments, post balance sheet events and risk exposure within the Strategic Report.

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Auditors

The auditors, Rothmans Audit LLP, will be proposed for re-appointment at the forthcoming annual general meeting.

On behalf of the board

C W Tranter
Director

13 September 2017

Hurst Street, Southside, Birmingham, West Midlands

Broadway and High Street, Ashby, Scunthorpe, North Lincolnshire

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	Notes	2017 £000	2016 £000
Group turnover	6	**113,777**	98,430
Cost of sales		**(25,578)**	(22,478)
Gross profit		**88,199**	75,952
Administrative expenses		**(19,252)**	(17,021)
Surplus on revaluation of investment properties		**31,362**	31,160
Profit on disposal of investment properties		**2,831**	1,006
Deficit on revaluation of joint ventures		**(1,100)**	(2,000)
Other operating gains		**–**	148
Group's share of profit in joint venture		**785**	906
Profit on ordinary activities before interest		**102,825**	90,151
Interest receivable	8	**24,211**	25,339
Interest payable	9	**(44,632)**	(43,188)
Net gains/(losses) on derivative financial instruments	8 & 9	**2,495**	(2,152)
Profit on ordinary activities before taxation	11	**84,899**	70,150
Taxation on profit on ordinary activities	13	**(8,660)**	(7,991)
Profit on ordinary activities after taxation		**76,239**	62,159
Attributable to non-controlling interests		**(44)**	8
Attributable to shareholders of the Group		**76,283**	62,151
		76,239	62,159

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	2017 £000	2016 £000
Profit on ordinary activities after taxation		**76,239**	62,159
Re-measurement of net defined benefit asset	31	**(1,688)**	60
Foreign currency differences		**940**	508
Total comprehensive income		**75,491**	62,727
Attributable to non-controlling interests		**36**	(9)
Attributable to shareholders of the Group		**75,455**	62,736
		75,491	62,727

This profit and loss account relates solely to continuing operations as defined in FRS 102.

The notes on pages 21 to 42 form part of these financial statements

CONSOLIDATED BALANCE SHEET

	Notes	2017 £000	2017 £000	2016 £000	2016 £000
Tangible fixed assets					
Investment properties	15	1,268,566		1,163,122	
Other fixed assets	16	1,324		1,917	
			1,269,890		1,165,039
Investments	17		41		41
Investments in joint ventures	17		11,639		12,704
Current assets					
Stock and work in progress	19	4,291		3,296	
Debtors					
Amounts falling due within one year	20	182,409		185,843	
Amounts falling due after more than one year	20	859		2,177	
Pension asset	31	–		580	
Cash at bank and in hand		35,385		35,521	
		222,944		227,417	
Creditors					
Amounts falling due within one year	21	(355,855)		(121,467)	
Net current (liabilities)/assets			(132,911)		105,950
Total assets less current liabilities			1,148,659		1,283,734
Creditors					
Amounts falling due after more than one year	22		(488,084)		(686,431)
Provisions for liabilities					
Deferred taxation	25		(18,812)		(20,904)
Pension liability	31		(1,498)		–
Net assets			640,265		576,399
Capital and reserves					
Called-up share capital	26		2		2
Share premium account			32,888		32,888
Revaluation reserve			257,410		229,909
Profit and loss account			350,164		313,692
Shareholders' funds			640,464		576,491
Non-controlling interest			(199)		(92)
Equity shareholders' funds			640,265		576,399

C MacDonald-Hall
Director

C W Tranter
Director

These financial statements were approved by the board of directors on 13 September 2017

The notes on pages 21 to 42 form part of these financial statements

COMPANY BALANCE SHEET

	Notes	2017 £000	2017 £000	2016 £000	2016 £000
Fixed assets					
Investments in Group undertakings	18		**44,773**		44,773
Current assets					
Debtors	20	**19,478**		19,153	
Cash at bank and in hand		**1**		1	
		19,479		19,154	
Creditors					
Amounts falling due within one year	21	**(11,119)**		(11,218)	
Net current assets			**8,360**		7,936
Net assets			**53,133**		52,709
Capital and reserves					
Called-up share capital	26		**2**		2
Share premium account			**32,888**		32,888
Profit and loss account			**20,243**		19,819
			53,133		52,709

C MacDonald-Hall
Director

C W Tranter
Director

These financial statements were approved by the board of directors on 13 September 2017

CONSOLIDATED CASH FLOW STATEMENT

	Notes	2017 £000	2017 £000	2016 £000	2016 £000
Cash flows from operating activities					
Profit for the financial year		76,239		62,159	
Adjustments for:					
Share of profit from joint venture		(785)		(906)	
Depreciation		909		302	
Revaluation of investment properties		(31,362)		(31,160)	
Share of revaluation in joint venture		1,100		2,000	
Court settlement of development write downs		–		(148)	
Change in fair value of derivatives		(2,495)		2,152	
Net movement in other provisions		–		(102)	
Profit on disposal of investment properties		(2,831)		(1,006)	
Profit on disposal of other fixed assets		(4)		(63)	
Interest paid		44,632		43,188	
Interest received		(24,211)		(25,339)	
Taxation		7,558		7,991	
Decrease in debtors		13,700		16,750	
Increase in stocks		(975)		(1,204)	
Increase in creditors		5,269		218	
Pensions: current service charge		304		432	
Pensions: contributions		(277)		(381)	
Cash received on account of profit share from joint venture		750		1,000	
Cash from operations			87,521		75,883
Taxation paid			(9,798)		(7,091)
Net cash generated from operating activities			77,723		68,792
Cash flows from investing activities					
Purchase of investment property		(70,764)		(122,805)	
Sale of investment property		12,943		14,196	
Purchase of other fixed assets		(354)		(310)	
Sale of other fixed assets		49		5	
Court settlement of development write downs		–		148	
Interest received		6,876		3,622	
Net cash utilised in investing activities			(51,250)		(105,144)
Cash flows from financing activities					
Loans advanced		36,840		133,003	
Loans repaid		(24,182)		(65,454)	
Interest paid		(27,616)		(20,232)	
Dividends paid		(11,625)		(10,000)	
Net cash (utilised)/generated in financing activities			(26,583)		37,317
(Decrease)/Increase in cash and cash equivalent	27		(110)		965

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Called-up share capital £000	Share Premium £000	Re-valuation reserve £000	Profit and loss account £000	Total share-holders' equity £000	Minority interest £000	Total equity £000
At 1 April 2015	2	32,888	203,071	287,894	523,855	(183)	**523,672**
Profit for the year	–	–	–	62,151	62,151	8	62,159
Share of revaluation in JVs	–	–	(2,000)	2,000	–	–	–
Transfer to minority interest	–	–	(100)	–	(100)	100	–
Transfer of gain arising on investment properties	–	–	(3,838)	3,838	–	–	–
Actuarial gain	–	–	–	60	60	–	60
Foreign exchange adjustments	–	–	(317)	842	525	(17)	508
Transfer between reserves - revaluation of investment properties	–	–	31,160	(31,160)	–	–	–
Transfers between reserves - taxation on revaluation of investment properties	–	–	1,933	(1,933)	–	–	–
Total comprehensive income for the year	–	–	26,838	35,798	62,636	91	62,727
Dividends paid	–	–	–	(10,000)	(10,000)	–	(10,000)
At 31 March 2016	2	32,888	229,909	313,692	576,491	(92)	**576,399**
Profit for the year	–	–	–	76,283	76,283	(44)	76,239
Share of revaluation in JVs	–	–	(1,100)	1,100	–	–	–
Transfer to minority interest	–	–	55	–	55	(55)	–
Transfer of gain arising on investment properties	–	–	(1,200)	1,200	–	–	–
Actuarial loss	–	–	–	(2,077)	(2,077)	–	(2,077)
Deferred tax on actuarial loss	–	–	–	389	389	–	389
Foreign exchange adjustments	–	–	(716)	1,664	948	(8)	940
Transfer between reserves - revaluation of investment properties	–	–	31,362	(31,362)	–	–	–
Transfers between reserves - taxation on revaluation of investment properties	–	–	(900)	900	–	–	–
Total comprehensive income for the year	–	–	27,501	48,097	75,598	(107)	75,491
Dividends paid	–	–	–	(11,625)	(11,625)	–	(11,625)
At 31 March 2017	**2**	**32,888**	**257,410**	**350,164**	**640,464**	**(199)**	**640,265**

COMPANY STATEMENT OF CHANGES IN EQUITY

	Called-up share capital £000	Profit and loss account £000	Share premium £000	Total equity £000
At 1 April 2015	**2**	**20,152**	**32,888**	**53,042**
Profit for the year	–	9,667	–	**9,667**
Total comprehensive income for the year	–	9,667	–	9,667
Dividends paid	–	(10,000)	–	(10,000)
At 31 March 2016	**2**	**19,819**	**32,888**	**52,709**
Profit for the year	–	12,049	–	12,049
Total comprehensive income for the year	–	12,049	–	12,049
Dividends paid	–	(11,625)	–	(11,625)
At 31 March 2017	**2**	**20,243**	**32,888**	**53,133**

NOTES TO THE FINANCIAL STATEMENTS

1 Statement of compliance

London & Cambridge Properties Limited is a company limited by shares, incorporated in England, (Number 2895002). The registered office is LCP House, The Pensnett Estate, Kingswinford, West Midlands DY6 7NA.

2 Basis of preparation

The Group's financial statements have been prepared in accordance with Financial Reporting Standard 102 - '*The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland*' ('FRS 102'), and with the Companies Act 2006, as it applies to the financial statements of the Company for the year ended 31 March 2017.

The financial statements of London & Cambridge Properties Limited were approved for issue by the Board of Directors on 13 September 2016. The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in sterling which is the functional currency of the Group and rounded to the nearest £000.

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of land and buildings and certain financial assets and liabilities measured at fair value through the income statement.

The Group financial statements consolidate the financial statements of London & Cambridge Properties Limited and all its subsidiary undertakings drawn up to 31 March each year.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Group and Company's shareholders. The exemption from applying section 20 of FRS 102 to lease incentives granted before transition to FRS 102 has been taken claimed.

The consolidated accounts comprise the accounts of the company and all subsidiaries made up to 31 March 2017. The company has not presented its own profit and loss account as permitted by Section 408 of the Companies Act 2006. The parent company's profit for the year was £12,048,393 (2016: £9,667,441).

3 Going concern

After reviewing the Group's forecasts and projections, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

At 31 March 2017 the Group had £243.8 million of bank debt falling due within one year. Subsequent to the year end a new facility has been agreed with one UK lender to refinance £114.4 million and terms to extend £128.3 million have been received from a second.

The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

4 Significant judgements and estimates

The preparation of financial statements requires the use of estimates and assumptions that affect reported amounts of assets and liabilities during the reporting period. These estimates and assumptions are based on management's best knowledge of the amount, event or actions. Actual results may differ from those amounts.

Management has made key estimates over the valuation of properties that has a significant effect on the amounts recognised in the financial statements. Management has used the valuation performed by its independent valuers as the fair value of its investment and development properties. The valuation is based upon assumptions including future rental income and an appropriate discount rate. The valuers also use market evidence of transaction prices for similar properties.

Derivatives are valued externally by professional advisers, using market data relevant to the terms and maturity of the underlying contracts.

Other non-significant areas of estimation include the actuarial assumptions used in calculating the Group's retirement benefit obligations, and the calculation of deferred tax arising from the translation of foreign subsidiaries to UK GAAP for consolidation.

5 Principal accounting policies

a Joint venture undertakings

A joint venture undertaking is one in which the company holds a long term interest and shares control under a contractual relationship. The joint ventures have been accounted for under the equity method.

b Income recognition

bi Turnover

Turnover represents amounts due for the year in respect of gross rental income, estate related services, service charge income, the income from managed operations such as warehousing, car parks, shopping centre malls and serviced offices, sales of development properties and income from the helicopter charter operation, excluding value added tax.

Where a rent-free period or stepped rent agreement is included in a lease, the rental income foregone is allocated evenly over the term of the lease.

Where a lease incentive payment, including surrender premiums paid, does not enhance the value of the property, it is amortised on a straight line basis over the period from the date of lease commencement to the date of lease expiration. Upon receipt of a surrender premium for the early determination of a lease, the profit, net of dilapidations and non-recoverable outgoings relating to the lease concerned, is immediately reflected in income.

bii Revenue and profits on sale of investment properties

Revenues and profits on sale of investment properties are taken into account on the exchange of contracts. The amount of profit recognised is the difference between sale proceeds and the carrying amount.

c Tangible fixed assets

Tangible fixed assets, excluding investment property, are measured at cost less accumulated depreciation.

Depreciation is calculated to write off the cost, less residual value, of tangible fixed assets by equal annual instalments over their estimated useful lives as follows:

Plant and machinery	3 - 20 years
Furniture, fittings, tools and equipment	4 - 10 years

Leasehold property is amortised over the period of the lease.

d Stocks and work in progress

These are valued at the lower of cost and net realisable value. In respect of work in progress, cost includes materials, labour and the attributable proportion of overhead expenses.

Property developments in the course of development are valued at the lower of cost and net realisable value. Cost for this purpose comprises the cost to the company of acquiring the land and development expenditure.

NOTES TO THE FINANCIAL STATEMENTS

e Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the Group has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

f Investment property

Certain of the Group's properties are held for long-term investment. Investment properties are accounted for as follows:

Investment properties held under a leasehold title where substantially all the risks and rewards of ownership of the asset have passed to the company are capitalised in the balance sheet. A corresponding liability is recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments in the balance sheet. Lease payments are apportioned between the reduction of the lease liability and finance charges in the income statement so as to achieve a constant rate of interest on the remaining balance of the liability.

The Group carries its investment property at fair value, with changes in fair value being recognised in profit or loss. The key assumptions used to determine the fair value of investment property are explained in note 15.

Development property comprises property acquired to be developed for future use as investment property and is measured at fair value.

g Finance leases

Leases are classified as finance leases whenever they transfer substantially all the risks and rewards of ownership to the Group. The assets are included in investment properties and the capital elements of the leasing commitments are shown as obligations under finance leases. The assets are revalued on the same basis as owned investment properties. The interest element of the lease rental is included in the profit and loss account in interest payable and similar charges, and is charged using the effective interest rate method.

h Pensions

The Group operates a contributory defined benefit pension scheme for employees whose employment began before 1 September 2001. The scheme funds are administered by trustees and are independent of the company's finances. Contributions are paid to the scheme in accordance with the recommendations of independent actuaries. The contributions to the scheme are charged to the profit and loss account in order to spread the cost of providing pensions over the working lives of employees.

The Group also operates a defined contribution stakeholder pension scheme. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

i Operating leases

The Group has entered into commercial property leases as a lessor on its investment property portfolio and as a lessee it obtains use of property, plant and equipment. The classification of such leases as operating or finance lease requires the Group to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

j Foreign currencies

The results of overseas subsidiary undertakings are translated into sterling using the average rates of exchange ruling during the period. Their balance sheets are translated at the exchange rate ruling at the year end. Any resulting translation differences are taken directly to reserves. All other exchange differences are reflected in the profit and loss account.

k Goodwill

Goodwill arising on the acquisition of subsidiary undertakings is written off to the profit and loss account over the estimated economic life.

l Financial Instruments

Borrowings

Borrowings are recognised initially at fair values less any attributable transaction costs. Finance charges and direct issue costs, are accounted for on an accrual basis in the profit and loss account using the effective interest rate method.

Derivative financial instruments

The Group uses derivatives (swaps and interest rate caps) to manage interest rate risk, and does not use them for trading. They are recorded, and subsequently revalued, at fair value, with revaluation gains or losses immediately being taken to the profit and loss account.

Derivatives with a maturity of less than twelve months or that are to be settled within twelve months of the balance sheet date are presented as current assets or liabilities.

Trade and other receivables and payables

Trade and other receivables are recorded at fair value. An impairment provision is made where there is objective evidence that the Group will not be able to collect the amount in full. Prepayments on financing costs are amortised to the profit and loss account over the period of the loan. Trade and other payables are measured at fair value.

NOTES TO THE FINANCIAL STATEMENTS

6 Group segmental reporting

	Turnover		Profit before tax		Net assets/(liabilities)	
	2017 £000	2016 £000	**2017 £000**	2016 £000	**2017 £000**	2016 £000
Geographical analysis						
UK	**93,328**	83,226	**71,753**	72,637	**653,394**	598,223
Continental Europe	**20,449**	15,204	**13,146**	(2,487)	**(13,129)**	(21,824)
	113,777	98,430	**84,899**	70,150	**640,265**	576,399

Analysis of turnover by activity	**2017 £000**	2016 £000
Rental income	**94,006**	81,634
Estate services	**2,868**	2,983
Service charge income	**12,153**	10,511
Development income	**996**	–
Warehousing	**615**	543
Shopping mall and car park income	**1,678**	1,584
Helicopter chartering income	**285**	239
External management income	**1,176**	936
	113,777	98,430

7 Staff numbers and costs

The average number of people employed by the Group (including directors) during the year was as follows:

	2017	2016
Management and administration	**153**	146

The aggregate payroll costs were as follows:	**2017 £000**	2016 £000
Wages and salaries	**8,130**	7,884
Social security costs	**1,072**	1,017
Other pension costs (see note 31)	**575**	577
	9,777	9,478

Other pension costs includes only those defined benefit scheme costs included within operating costs and the defined contribution scheme charge

NOTES TO THE FINANCIAL STATEMENTS

8 Interest receivable and similar income

	2017 £000	2016 £000
Bank interest receivable	**58**	67
Foreign exchange gains	**17,374**	18,650
Interest on other loans	**6,739**	6,573
Other interest	**40**	49
Total interest on financial assets not measured at fair value through profit and loss	**24,211**	25,339
Gains on derivative financial instruments	**2,495**	–
Interest receivable	**26,706**	25,339

9 Interest payable and similar charges

	2017 £000	2016 £000
On bank loans and overdrafts and other loans carried at amortised cost basis:		
Repayable within five years	**19,581**	17,687
Repayable after five years	**5,438**	5,481
On finance leases	**644**	534
On loans from parent undertaking	**935**	1,076
Foreign exchange losses	**16,123**	17,982
Other interest and similar charges	**1,911**	428
Total interest expense on financial liabilities not measured at fair value through profit and loss	**44,632**	43,188
Losses on derivative financial instruments	**–**	2,152
Total interest expense and similar charges	**44,632**	45,340

NOTES TO THE FINANCIAL STATEMENTS

10 Underlying profit

Underlying profit is an adjusted measure intended to show the underlying earnings of the Group before fair value movements and other non-recurring items. A reconciliation of the underlying profit to the profit before tax prepared in accordance with FRS 102 rules is set out below.

	2017 £000	2016 £000
Turnover	113,777	98,430
Cost of sales	(25,723)	(22,473)
Administrative expenses	(18,705)	(16,633)
Interest	(21,032)	(17,295)
Group's share of profit in joint venture	785	906
Underling profit	49,102	42,935
Revaluation of investment properties	31,362	31,160
Share of revaluation in joint venture	(1,100)	(2,000)
Charge in fair value of financial instruments	2,495	(2,152)
Recognition of significant component of plant and machinery	(6)	(6)
Profit on disposal of investment properties	2,831	1,006
Amortisation costs	(1,005)	(1,183)
Non-recurring administrative expenses	–	(490)
Provision for leasehold property liabilities	–	102
Other operating gains	–	148
Foreign exchange gains	1,220	630
Profit before tax	84,899	70,150

11 Profit before taxation

The profit before taxation is stated after charging/(crediting):	2017 £000	2016 £000
Operating lease rentals:		
plant and machinery	239	202
land and buildings	535	1,372
Depreciation of tangible fixed assets	909	302
Profit on disposal of investment properties	(2,831)	(1,006)
Foreign exchange gains	(1,251)	(668)
Share of revaluation in joint venture	1,100	2,000
Changes in fair value of investment properties	(31,362)	(31,160)
Changes in fair value of derivatives	(2,495)	2,152
Impairment loss on trade debtors	829	650
Auditors' remuneration - Group		
for audit services	163	141
for audit services for the pension scheme	5	5
taxation	179	128
Auditors' remuneration - Company		
for audit services	26	25
taxation	29	27

NOTES TO THE FINANCIAL STATEMENTS

12 Directors' emoluments

The emoluments of the directors for the year ended 31 March 2017 were as follows:

	2017 £000	2016 £000
Emoluments for services as directors and executives	2,894	3,327
Contributions to money purchase pension schemes	229	108
	3,123	3,435

The number of directors who are accruing benefits under pension schemes is as follows:

	2017	2016
Money purchase schemes	2	2
Defined benefit schemes	1	1

The emoluments of the highest paid director were as follows:

	2017 £000	2016 £000
Aggregate emoluments	1,783	2,181
Contributions to a money purchase pension scheme	225	104
	2,008	2,285

The directors are of the opinion that all key management compensation is disclosed within directors' emoluments above.

NOTES TO THE FINANCIAL STATEMENTS

13 Taxation

	2017 £000	2016 £000
UK corporation tax at 20% (2016: 20%)	**7,839**	8,881
Adjustment in respect of earlier years:		
Corporation tax	**31**	(270)
	7,870	8,611
Foreign taxes:		
Corporation taxes	**56**	162
Total current tax	**7,926**	8,773
Deferred tax - UK	**(2,176)**	(178)
Deferred tax - Continental Europe	**2,910**	(604)
Tax on results on ordinary activities	**8,660**	7,991

The tax for the period is lower (2016: lower) than the standard rate of corporation tax in the UK of 20% (2016: 20%). The differences are explained below:

	2017 £000	2016 £000
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2016: 20%)	**16,980**	14,030
Expenses disallowed	**(2,002)**	57
Reduced tax on property sales	**(484)**	(504)
Deferred tax released – principally capital allowances	**(747)**	(137)
Change in fair value of derivative contracts	**(9)**	1,284
Unrealised revaluation gains	**(6,253)**	(6,845)
Effect of foreign subsidiaries	**(996)**	696
Deferred tax - revaluations	**(1,761)**	(888)
Deferred tax - foreign subsidiaries	**2,910**	(604)
Other items	**991**	1,172
Prior year items	**31**	(270)
Total taxation on profits for the year	**8,660**	7,991

14 Dividends

	2017 £000	2016 £000
Interims paid in respect of current period – £775.00 (2016: £666.66) per ordinary share	**11,625**	10,000
	11,625	10,000

NOTES TO THE FINANCIAL STATEMENTS

15 Tangible fixed assets: Investment property

Group	Freehold £000	Short Leasehold £000	Long Leasehold £000	Developments £000	**Total £000**
At 1 April 2016	776,726	7,274	380,904	8,218	**1,163,122**
Additions	55,017	1	10,496	5,245	**70,759**
Reclassifications	1,586	–	3,199	(4,785)	**–**
Disposals	(9,280)	–	(832)	–	**(10,112)**
Revaluation surplus	19,634	824	10,904	–	**31,362**
Leasehold fair value adjustment	–	(771)	(608)	–	**(1,379)**
Exchange adjustment	–	398	13,972	444	**14,814**
At 31 March 2017	**833,683**	**7,726**	**418,035**	**9,122**	**1,268,566**

Freehold and leasehold investment properties are shown at their 31 March 2017 fair value, with changes in fair value being recognised in the profit and loss account. Development assets consist of assets in the course of construction where the completed project will be transferred into investment property. Development assets are shown at fair value, taking into account expected costs to complete the development.

At 31 March 2017, the Group's UK portfolio of investment properties was valued at fair value by *Jones Lang LaSalle Ltd*, professionally qualified external valuers, in accordance with the Appraisal and Valuation Standards published by the Royal Institution of Chartered Surveyors. Part of the German portfolio was valued at fair value by *Cushman & Wakefield*, with the remaining investment properties being valued by the directors. The Polish portfolio was valued at open market value by *Cushman & Wakefield*.

Investment properties excluding assets held as development assets are valued by adopting the 'market value' and 'market rent' bases of valuation, with the following significant assumptions:

- that valuations are based upon the assumption of future income discounted at appropriate yield rates and market evidence of transaction prices for similar properties in the areas concerned
- that full planning consent exists, or established use rights are available for the existing building and present uses
- that there are no unusually onerous restrictions or obligations attaching to the premises
- that the properties are assumed to be in good repair and condition

Long leasehold properties in Poland valued at £24,912,000 (£24,136,000 at 31 March 2016) are held under finance leases.

The cost of the assets included at valuation determined according to historical cost accounting rules is as follows:

	2017 £000	2016 £000
Freehold property	**545,424**	499,422
Leasehold property	**307,808**	289,360
	853,232	788,782

NOTES TO THE FINANCIAL STATEMENTS

16 Other tangible fixed assets

Group	Plant and Machinery £000	Furniture Fittings Tools and Equipment £000	**Total £000**
Cost			
At 1 April 2016	4,167	1,110	**5,277**
Exchange adjustments	38	8	**46**
Additions	305	49	**354**
Disposals	(129)	–	**(129)**
At 31 March 2017	**4,381**	**1,167**	**5,548**
Depreciation			
At 1 April 2016	2,477	883	**3,360**
Exchange adjustments	30	5	**35**
Charge in year	804	105	**909**
Disposals	(80)	–	**(80)**
At 31 March 2017	**3,231**	**993**	**4,224**
Net book amount at 31 March 2017	**1,150**	**174**	**1,324**
Net book amount at 31 March 2016	1,690	227	**1,917**

17 Investments

Group	**2017 £000**	2016 £000
Unlisted investments - share of net assets in joint ventures		
At 1 April 2016	**12,704**	14,798
Share of profit on ordinary activities before taxation	**785**	906
Distributions	**(750)**	(1,000)
Share of revaluation of investment property	**(1,100)**	(2,000)
At 31 March 2017	**11,639**	12,704
Unlisted investments - other	**33**	33
Listed investments	**8**	8
	41	41
	11,680	12,745

The Group owns a 50% share in The Skelmersdale Limited Partnership, a limited partnership incorporated in the UK and registered in England which manages The Concourse Shopping Centre.

NOTES TO THE FINANCIAL STATEMENTS

18 Investments in group undertakings

Company	2017 £000	2016 £000
Shares at cost **As at 31 March 2017** and 2016	**44,773**	44,773

The company owns the following operating subsidiary undertakings that are involved in property investment and management and the provision of associated services, except as noted below:

	2017 Holdings	2016 Holdings
Incorporated within the United Kingdom and registered in England:		
Direct Holdings		
LCP Management Limited – Provision of management services	**100%**	100%
Braycape Limited	**100%**	100%
Mapleplan Limited	**100%**	100%
Indirect Holdings		
LCP Properties Limited	**100%**	100%
LCP Investments Limited	**100%**	100%
LCP Securities Limited	**100%**	100%
LCP Estates Limited	**100%**	100%
Rookman Properties Limited	**100%**	100%
LCP Securities (North West) Limited	**100%**	100%
L & C Overseas Limited	**100%**	100%
LCP Retail Limited	**100%**	100%
LCP Commercial Limited	**100%**	100%
Bramview Limited	**100%**	100%
Lockstead Limited	**100%**	100%
SCC Properties Limited	**100%**	100%
LCP Developments Limited – Development of industrial and commercial properties	**100%**	100%
L & C Estates Limited	**100%**	100%
L & C Investments Limited	**100%**	100%
L & C Commercial Limited	**100%**	100%
L & C Securities Limited	**100%**	100%
Wellington Real Estate Limited	**100%**	100%
Charterstyle Limited – Helicopter Chartering	**100%**	100%
LCP Real Estate Limited	**100%**	100%
L & C Europe Limited – Intermediate holding company	**100%**	100%
Polish registered companies		
LCP Properties Sp. Zo.o. – Provision of management services	**100%**	100%
LCP Taima Investments Sp. Zo.o.	**100%**	100%
LCP Avery Investments Sp. Zo.o.	**–**	100%
LCP Corentin Investments Sp. Zo.o.	**100%**	100%
LCP Estelle Investments Sp. Zo.o.	**100%**	100%
LCP Solver Investments Sp. Zo.o.	**100%**	100%
LCP Tredia Investments Sp. Zo.o.	**100%**	100%
LCP Macalla Investments Sp. Zo.o	**100%**	100%
LCP Xantira Investments Sp. Zo.o.	**100%**	100%
LCP Xantira Investments Sp. Zo.o. Sp. K	**100%**	100%
LCP Properties Management Sp. Zo.o.	**100%**	100%
LCP Elmstead Sp. Zo.o. Sp. K	**100%**	100%
LCP Elmstead Sp. Zo.o.	**100%**	100%
Mistley Sp. Zo.o.	**100%**	100%

NOTES TO THE FINANCIAL STATEMENTS

18 Investments in group undertakings continued

	2017 Holdings	2016 Holdings
German registered companies		
GIPAM GmbH – Provision of management services	**100%**	100%
LCP Verwaltungs GmbH Eins IG – Intermediate holding company	**95.83%**	95.83%
LCP Verwaltungs GmbH IG – Intermediate holding company	**95.83%**	95.83%
LCP Verwaltungs GmbH Zwei IG – Intermediate holding company	**95.83%**	95.83%
LCE Deutschland 1 GmbH & Co KG	**95.83%**	95.83%
LCE Deutschland 2 GmbH & Co KG	**95.83%**	95.83%
LCE Deutschland 3 GmbH & Co KG	**95.83%**	95.83%
LCE Deutschland 4 GmbH & Co KG	**95.83%**	95.83%
LCE Deutschland 5 GmbH & Co KG	**95.83%**	95.83%
LCE Deutschland 6 GmbH & Co KG	**95.83%**	95.83%
LCE Deutschland 7 GmbH & Co KG	**95.83%**	95.83%
LCE Deutschland 8 GmbH & Co KG	**95.83%**	95.83%
Luxembourg registered companies		
L & C Lux Hold Co S.A.R.L. – Intermediate holding company	**95.83%**	95.83%
LCE Allemagne 1 S.A.R.L. – Intermediate holding company	**95.83%**	95.83%
LCE Allemagne 2 S.A.R.L. – Intermediate holding company	**95.83%**	95.83%
LCE Allemagne 3 S.A.R.L. – Intermediate holding company	**95.83%**	95.83%
LCE Allemagne 4 S.A.R.L. – Intermediate holding company	**95.83%**	95.83%
LCE Allemagne 5 S.A.R.L. – Intermediate holding company	**95.83%**	95.83%
LCE Allemagne 6 S.A.R.L. – Intermediate holding company	**95.83%**	95.83%
LCE Allemagne 7 S.A.R.L. – Intermediate holding company	**95.83%**	95.83%
LCE Allemagne 9 S.A.R.L. – Intermediate holding company	**95.83%**	95.83%
LCE 7 Luxembourg GP S.A.R.L. – Intermediate holding company	**95.83%**	95.83%

All of the above holdings comprise ordinary shares.

In addition, the holding in LCP Securities Limited comprises 100% of the deferred ordinary shares, and in Mapleplan Limited, comprises 100% of the 'A' Ordinary shares.

All subsidiaries are included within the consolidated accounts.

19 Stock and work in progress

Group	2017 £000	2016 £000
Stock of land	**216**	216
Short term work in progress	**4,047**	3,048
Raw materials and consumables	**28**	32
	4,291	3,296

The directors are of the opinion that the market value of stock of land is £785,000 (2016: £1,950,000). If stock and work in progress was disposed of at its market value it is estimated that tax of £108,000 (2016: £325,000) would become due.

NOTES TO THE FINANCIAL STATEMENTS

20 Debtors

	2017 Group £000	2017 Company £000	2016 Group £000	2016 Company £000
Trade debtors	**9,471**	**–**	11,936	–
Amounts owed by subsidiary undertakings	**–**	**19,478**	–	19,153
Deferred tax	**586**	**–**	2,812	–
Social security and other taxation	**87**	**–**	822	–
Other debtors	**167,028**	**–**	163,754	–
Prepayments and accrued income	**5,237**	**–**	6,519	–
	182,409	**19,478**	185,843	19,153
Amounts falling due after one year:				
Other debtors	**859**	**–**	2,177	–
	183,268	**19,478**	188,020	19,153

Other debtors include £155,925,000 (2016: £154,484,000) due from related parties. Details of these amounts are given in note 32. Included in debtors is an amount of £15,000,000 due from Ringmerit Limited, which is a subordinated loan.

21 Creditors: amounts falling due within one year

	2017 Group £000	2017 Company £000	2016 Group £000	2016 Company £000
Amounts falling due within one year:				
Bank loans and overdrafts	**243,808**	**–**	9,193	–
Other loans	**11,000**	**11,000**	11,000	11,000
Trade creditors	**9,226**	**–**	8,362	–
Amount owed to parent undertaking	**38,650**	**–**	42,650	–
Amounts owed to subsidiary undertakings	**–**	**–**	–	101
Finance leases	**339**	**–**	314	–
Liabilities arising from capitalised head rents	**1,270**	**–**	1,278	–
Corporation tax	**2,263**	**–**	4,801	–
Other creditors	**12,425**	**–**	10,542	–
Accruals and deferred income	**31,765**	**119**	26,350	117
Derivative financial instruments	**5,109**	**–**	6,977	–
	355,855	**11,119**	121,467	11,218

The maturity profile of the bank loans is explained further in note 23.

NOTES TO THE FINANCIAL STATEMENTS

22 Creditors: amounts falling due after more than one year

	2017 Group £000	2017 Company £000	2016 Group £000	2016 Company £000
Amounts falling due after more than one year:				
Bank loans	**391,471**	**–**	588,299	–
Finance leases	**17,999**	**–**	17,394	–
Liabilities arising from capitalised head rents	**36,307**	**–**	37,766	–
Derivative financial instruments	**42,307**	**–**	42,820	–
Other creditors	**–**	**–**	152	–
	488,084	**–**	686,431	–

The undiscounted maturity of liabilities arising from capitalised head rents is disclosed in note 29.

23 Loans and borrowings

	2017 Group £000	2017 Company £000	2016 Group £000	2016 Company £000
Analysis of loans				
Bank loans and overdrafts	**635,279**	**–**	597,492	–
Finance leases	**18,338**	**–**	17,708	–
Other loans	**11,000**	**11,000**	11,000	11,000
Loan from parent undertaking	**38,650**	**–**	42,650	–
	703,267	**11,000**	668,850	11,000
Maturity of debt: bank and other loans				
In less than one year or on demand	**293,458**	**11,000**	62,843	11,000
In more than one year but not more than two years	**7,762**	**–**	28,996	–
In more than two years but not more than five years	**289,858**	**–**	464,702	–
In more than five years	**93,851**	**–**	94,601	–
	684,929	**11,000**	651,142	11,000
Maturity of debt: finance leases				
In less than one year	**339**	**–**	314	–
In more than one year but less than five years	**6,808**	**–**	6,654	–
In more than five years	**11,191**	**–**	10,740	–
	18,338	**–**	17,708	–

Included in loans and borrowings is £38,650,000 (2016: £42,650,000) which is unsecured. The remaining loans and borrowings are secured on investment properties owned by the Group and fixed and floating charges over the assets of certain subsidiary undertakings.

London & Cambridge Properties Limited has provided a secured guarantee for payments of principal and interest in respect of the £11,000,000 non-bank loan.

Interest is being incurred on bank loans repayable after more than five years at rates of 2025 Gilts plus 215 basis points and 2028 Gilts plus 205 and 215 basis points.

A non-bank loan of £11,000,000 bears interest at 2017 Gilt plus 125 basis points.

NOTES TO THE FINANCIAL STATEMENTS

24 Financial instruments

The Group has the following financial instruments:

	2017 £000	2016 £000
Financial assets		
Cash	**35,385**	35,521
Financial assets that are debt instruments measured at amortised cost:		
Trade receivables	**9,471**	11,936
Other receivables	**11,190**	12,760
Other investments	**41**	41
	20,702	24,737
Financial liabilities		
Financial liabilities measured at amortised cost:		
Bank loans and overdrafts	**635,279**	597,492
Other loans	**11,000**	11,000
Trade creditors	**9,226**	8,362
Amount owed to parent undertaking	**38,650**	42,650
Finance leases	**18,338**	17,708
Other creditors	**12,425**	10,694
Accruals	**15,324**	10,830
	740,242	698,736

	2017 £000	2016 £000
Financial liabilities measured at fair value through profit or loss:		
Derivative financial instruments	**47,416**	49,797

Derivative financial instruments - forward contracts

The Group enters into forward foreign currency contracts held to manage the cash flow exposures of forecasted transactions denominated in foreign currencies. At 31 March 2017, the outstanding contracts all mature within 13 months (2016: 18 months). The Group is committed to buy €40.0 million and pay a fixed sterling amount (2016: €45.0 million).

Derivative financial instruments - interest rate swaps

The Group has entered into interest rate swaps based on principal amounts totalling £268.5 million, (of which £70.0 million are forward start dates), €250.7 million and PLN 13.9 million, at varying rates of fixed interest. The instruments are used to hedge the Group's exposure to interest rate movements on bank loans.

The Group has entered into interest rate caps in respect of £15.0 million and €17.5 million of bank loans with an existing UK lender, and €10.0 million of bank loans with another existing UK lender, in order to limit the impact of increases in LIBOR and EURIBOR interest rates.

The fair value of interest rate swaps represents the net present value of the difference between the contracted rate and the valuation rate when applied to the projected balances for the period from the reporting date to the contracted expiry dates.

At 31 March 2017, the financial liability greater than five years on the fair value of interest rate swaps was £19.4 million.

NOTES TO THE FINANCIAL STATEMENTS

25 Provision for liabilities

Deferred taxation

The movements in deferred taxation during the current and previous years are as follows:

Group	2017 £000	2016 £000
At 1 April 2016	**18,092**	18,929
Movement in the year		
attributable to the reduction in tax rate	**1,256**	(1,590)
derivative contracts	**506**	(467)
revaluation of investment properties	**(1,131)**	1,756
other	**(389)**	(422)
Exchange adjustment	**(108)**	(114)
At 31 March 2017 (see below)	**18,226**	18,092
Disclosed as:		
UK deferred tax provision	**18,159**	20,724
European deferred tax provision	**653**	180
Deferred tax provision	**18,812**	20,904
European deferred tax asset (note 20)	**(586)**	(2,812)

Deferred taxation provided for in the financial statements is set out below.

Group	2017 £000	2016 £000
Corporation tax deferred in respect of:		
accelerated capital allowances	**4,455**	5,167
derivative contracts	**(8,365)**	(8,665)
revaluation of investment properties	**22,342**	24,102
pension scheme	**(273)**	116
other timing differences	**–**	4
UK deferred tax provision	**18,159**	20,724
European timing differences	**653**	180
Deferred tax provision	**18,812**	20,904
Tax losses	**(115)**	(107)
Derivative contracts	**(162)**	(281)
Investment properties	**(1,361)**	(1,486)
Other timing differences	**1,052**	(938)
European deferred tax asset	**(586)**	(2,812)
At 31 March 2017	**18,226**	18,092

Pension liability

The Group operates a defined benefit pension scheme. At the balance sheet date the liabilities of the scheme exceeded the assets by £1,498,000 (2016: assets exceeded liabilities by £580,000) – see note 31.

NOTES TO THE FINANCIAL STATEMENTS

26 Share capital and reserves

	2017 £000	2016 £000
Authorised		
9,000 Ordinary Shares of 10p each	1	1
110,000 'A' Ordinary Shares of 10p each	–	11
1 'B' Ordinary Share of £599.94	–	1
1 'B' Ordinary Share of £299.970005	–	–
1 'C' Ordinary Share of £299.970005	–	–
5,999 Ordinary Non-Voting Shares of £0.00001 each	–	–
5,999 'D' Ordinary Non-Voting Shares of £0.000005 each	–	–
5,999 'E' Ordinary Non-Voting Shares of £0.000005 each	–	–
	2	13
Allotted, called up and fully paid		
9,000 Ordinary Voting Shares of 10p each	1	1
1 'B' Ordinary Voting Share of £599.94	–	1
1 'B' Ordinary Share of £299.970005	–	–
1 'C' Ordinary Share of £299.970005	–	–
5,999 Ordinary Non-Voting Shares of £0.00001 each	–	–
5,999 'D' Ordinary Non-Voting Shares of £0.000005 each	–	–
5,999 'E' Ordinary Non-Voting Shares of £0.000005 each	–	–
	2	2

The rights attaching to the Ordinary Shares gives the holder of those shares 60% of the total votes attaching to the issued shares in the Company. Similarly, the rights attaching to the 'B' Ordinary Share gives the holder of that share 40% of the total votes attaching to the issued shares in the Company. Therefore, in aggregate, the rights attaching to the 'B' Ordinary Share, 'C' Ordinary Share, 'D' Non-Voting Shares and 'E' Non-Voting Shares (the 'C' Ordinary Share, 'D' Non-Voting Shares and 'E' Non-Voting Shares being non-voting shares) give the holders of those shares 40% of the total votes attaching to the issued shares in the Company.

Rights to dividends and returns of capital

The holders of the Ordinary Shares are entitled to 60% of any income or capital distributions made by the Company. In aggregate, the holders of the 'B' Ordinary Share, 'C' Ordinary Share, 'D' Non-Voting Shares and 'E' Non-Voting Shares are entitled to 40% of any income or capital distributions made by the Company.

Revaluation reserve

Where tangible fixed assets are revalued or reclassified as investment property, the cumulative increase in the fair value of the property at the date of reclassification in excess of any previous impairment losses is included in the revaluation reserve. Included within the reserve is the cumulative increase in the fair value of the investment in joint ventures. Amounts shown in the revaluation reserve are net of associated deferred tax.

Reconciliation of exchange differences

	Notes	2017 £000	2016 £000
Exchange adjustments on investment property	15	14,814	15,736
Exchange adjustments on other tangible fixed assets	16	11	57
Exchange adjustments on overseas subsidiaries		(13,877)	(15,270)
Exchange differences taken to the Statement of Comprehensive Income		948	523
Opening balance of cumulative exchange differences		2,160	1,637
Closing balance of cumulative exchange differences		3,108	2,160

NOTES TO THE FINANCIAL STATEMENTS

27 Reconciliation of movements in net debt

	2017 £000	2016 £000
(Decrease)/increase in cash	(110)	965
Net cash inflow from financing	(12,658)	(67,549)
Non cash movement	(28)	(27)
	(12,796)	(66,611)
Effect of foreign exchange losses	(21,757)	(22,978)
Net debt at 31 March 2016	(633,329)	(543,740)
Net debt at 31 March 2017	(667,882)	(633,329)

28 Analysis of changes in net debt

	At 1 April 2016 £000	Cashflows £000	Non-cash Movements £000	Exchange Movements £000	At 31 March 2017 £000
Cash at bank and in hand	35,521	(252)	–	116	35,385
Overdraft	(159)	142	–	–	(17)
	35,362	(110)	–	116	35,368
Debt due within one year	(62,998)	–	(230,782)	–	(293,780)
Debt due after one year	(605,693)	(12,658)	230,754	(21,873)	(409,470)
Net debt	(633,329)	(12,768)	(28)	(21,757)	(667,882)

29 Lease commitments

The Group as lessee

Future aggregate minimum rental payments under non-cancellable leases are:

	2017 Leasehold Property £000	2017 Other Assets £000	2016 Leasehold Property £000	2016 Other Assets £000
Leases expiring:				
Within one year	1,232	183	1,362	149
Later than one year but not later than five years	4,926	232	5,419	172
Later than five years	89,144	–	102,884	–
	95,302	415	109,665	321

NOTES TO THE FINANCIAL STATEMENTS

29 Lease commitments continued

The Group as lessor

The Group leases out all of its investment properties under operating leases.

Future aggregate minimum rentals receivable under non-cancellable operating leases are:

	2017 £000	2016 £000
Not later than one year	**80,731**	73,958
Later than one year but not later than five years	**189,770**	176,598
Later than five years	**181,931**	166,161
	452,432	416,717

Property rental income earned during the year was £94.0 million (2016: 81.6 million). No one tenant accounts for more than 2.5% of annual passing rent. Lease terms vary depending upon the property use and the lease length.

30 Capital commitments

Group	2017 £000	2016 £000
Amounts contracted for but not provided in the accounts	**9,842**	3,089
Amounts authorised by the directors but not contracted for	**15,090**	4,455

31 Pension commitments

Composition of the Scheme

The Group operates a defined benefit scheme in the UK, which provides both pensions in retirement and death benefits to members. Pensions benefits are related to the members' final salary at retirement and their length of service.

Since 1 November 2001 the scheme has been closed to new members. Company contributions to the scheme for the year ending 31 March 2018 are expected to be £600,000.

Weighted average assumptions used to determine benefit obligations at	2017	2016
Discount rate	**2.60%**	3.65%
Inflation assumption (RPI)	**3.20%**	3.00%
Inflation assumption (CPI)	**2.40%**	2.20%
Rate of increase in salaries:		
Pre 1 April 2011 benefit	**3.20%**	3.00%
Post 1 April 2011 benefit	**2.50%**	2.50%
Pre 1997 (Fixed 3%)	**3.00%**	3.00%
1997 – 2011 (RPI max 5%)	**3.10%**	2.90%
Post 2011 (RPI max 2.5%)	**2.20%**	2.10%

NOTES TO THE FINANCIAL STATEMENTS

31 Pension commitments continued

Assumed life expectancies on retirement at age 65 are:	As at 31 March 2017	As at 31 March 2016
Retiring today - males	23.9	23.9
Retiring today - females	25.0	25.0
Retiring in 20 years time - males	24.9	25.2
Retiring in 20 years time - females	26.0	26.5

The assets in the scheme were:	Value at 31 March 2017	Value at 31 March 2016
Asset category		
Equities	10,453	8,886
Bonds	5,064	4,268
Gilts	5,135	4,457
Diversified growth	5,040	3,978
Cash	–	375
	25,692	21,964

The scheme does not hold any ordinary shares issued or property occupied by London & Cambridge Properties Group.

The actual return on assets over the period was:	4,137	(479)
Present value of funded obligations	27,190	21,384
Fair value of scheme assets	25,692	21,964
(Deficit)/surplus in funded scheme	(1,498)	580
(Deficit)/surplus	(1,498)	580
Net (deficit)/surplus in balance sheet	(1,498)	580

	2017 £000	2016 £000
Reconciliation of opening and closing balances of the present value of the scheme liabilities		
Benefit obligation at beginning of year	21,384	21,648
Current service cost	304	432
Interest cost	769	734
Contributions by scheme participants	105	125
Actuarial losses/(gains)	5,419	(1,306)
Benefits paid	(791)	(249)
	27,190	21,384

NOTES TO THE FINANCIAL STATEMENTS

31 Pension commitments continued

	2017 £000	2016 £000
Reconciliation of opening and closing balances of the fair value of the scheme assets		
Fair value of plan assets at beginning of year	**21,964**	22,186
Interest income on scheme assets	**795**	759
Return on assets, excluding interest income	**3,342**	(1,238)
Contributions by employers	**277**	381
Contributions by scheme participants	**105**	125
Benefits paid	**(791)**	(249)
Fair value of plan assets at end of year	**25,692**	21,964

The amounts recognised in the income statement are:		
Service cost - including current service costs, past service costs and settlements	**304**	432
Net interest on the net defined benefit liability	**(26)**	(25)
Total expense	**278**	407

	2017 £000	2016 £000
Remeasurements of the net defined benefit liability (asset) to be shown in OCI:		
Actuarial losses/(gains) on the liabilities	**5,419**	(1,306)
Return on assets, excluding interest income	**(3,342)**	1,238
Deferred tax on actuarial (gains)/losses	**(389)**	8
Total remeasurement of the net defined benefit liability (asset) to be shown in OCI	**1,688**	(60)

Estimation of next year's income statement:

	31 March 2018 £000	31 March 2017 £000
Service cost - including current service costs, past service costs and settlements	**425**	351
Net interest on the net defined benefit liability	**35**	(27)
Total expense	**460**	324

NOTES TO THE FINANCIAL STATEMENTS

32 Related party transactions

The Company has taken advantage of the exemptions granted within FRS 102 for disclosures relating to consolidated accounts.

The Group has provided loan facilities during the year to the following related parties:

	Loan Facility	Amount drawn at 31 March 2017	Amount drawn at 31 March 2016
Ringmerit Limited	**£140,000,000**	**£20,046,617**	£24,077,935

The loans are available in Sterling or optional currencies and bear interest at a rate of 3.05% above LIBOR for Sterling and 3.05% above the relevant three month optional currency rate; they are unsecured and at the balance sheet date the loans were drawn in Euros.

Under Financial Conduct Authority regulations, £15,000,000 of this loan facility has been subordinated.

	Loan Facility	Amount drawn at 31 March 2017	Amount drawn at 31 March 2016
Paris Properties SARL	**£135,878,749**	**£135,878,749**	£126,916,550
SAS Concours	**–**	**–**	£3,490,050

The Paris Properties SARL loan is unsecured and bears interest at 4.5% above Euribor. The SAS Concours loan was fully repaid within the year.

These loans are designated in Euros. Interest has been paid during the year in accordance with the agreements.

The interest receivable during the year and the amount outstanding at the year end were as follows:

	Interest receivable		Debtors	
	2017 £	2016 £	**2017 £**	2016 £
Ringmerit Limited	**707,753**	1,008,093	**137,020**	200,940
Paris Properties SARL	**5,879,999**	5,349,155	**1,414,596**	1,372,166
SAS Concours	**150,786**	215,851	**–**	57,343
	6,738,538	6,573,099	**1,551,616**	1,630,449

Mr C MacDonald-Hall, Mr J D Chandris and Mr A M Chandris are directors of Ringmerit Limited. Mr C MacDonald-Hall is a shareholder of Ringmerit Limited.

Paris Properties SARL and SAS Concours are French property owning companies which are wholly owned dircetly or indirectly by Ringmerit Limited.

NOTES TO THE FINANCIAL STATEMENTS

32 Related party transactions continued

The Group has loans totalling £38,650,000 (2016: £42,650,000) from Leathbond Limited, its immediate parent undertaking. The loans are to assist with the purchase of investment properties and bear interest at rates of 1.8% over LIBOR.

The interest payable during the year and the amount outstanding at the year end were as follows:

	Interest Payable		Creditors	
	2017 £	2016 £	**2017 £**	2016 £
Leathbond Limited	**935,148**	1,076,305	**77,479**	92,417

During the year the Group charged helicopter chartering fees to subsidiaries of Ringmerit Limited, Proudreed Limited and Sheet Anchor Properties Limited, companies in which Mr C MacDonald-Hall is both a shareholder and director. The income (charter rates on normal commercial terms) was as follows:

	2017 £	2016 £
Ringmerit Limited	**9,085**	36,455
Proudreed Limited	**3,795**	15,180
Sheet Anchor Properties Limited	**8,971**	27,193

During the year the Group charged management fees to subsidiaries of Proudreed Limited and Sheet Anchor Properties Limited, companies in which Mr C MacDonald-Hall is both a shareholder and director, Leathbond Limited, the immediate parent undertaking and The Skelmersdale Limited Partnership, the joint venture of which the Group owns 50%. The income during the year and the amount outstanding at the year end were as follows:

	Management fee income 2017 £	**Debtors 2017 £**
Proudreed Limited	**166,648**	**50,924**
Sheet Anchor Properties Limited	**787,089**	**663,740**
Leathbond Limited	**72,670**	**–**
The Skelmersdale Limited Partnership	**100,800**	**30,240**

33 Ultimate parent undertaking

The immediate parent undertaking at 31 March 2017 was Leathbond Limited, a company incorporated in England and Wales. Leathbond Limited is the parent of the smallest and largest group of undertakings for which consolidated accounts are drawn up and of which London & Cambridge Properties Limited is a member. The consolidated financial statements of these groups are available to the public and may be obtained from Michael Simkins LLP, Lynton House, 7-12 Tavistock Square, London WC1H 9LT.
In the opinion of the directors the ultimate parent undertaking is Silver Bay Enterprises Limited. There is no single controlling party.

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF LONDON & CAMBRIDGE PROPERTIES LIMITED

We have audited the financial statements of London and Cambridge Properties Limited for the year ended 31 March 2017 on pages 15 to 42. 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), including FRS 102, '*The Financial Reporting Standard applicable in the UK and the Republic of Ireland*'.

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 a Report of the Auditors 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 set out on page 13, 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.

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 Group's and the parent 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.

In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors 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 financial statements

In our opinion:

the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 March 2017 and of the group's profit for the year then ended;

the Group financial statements 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Directors 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us;

or

the parent company 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.

Richard Hutchinson (Senior Statutory Auditor)
for and on behalf of

Rothmans Audit LLP
Chartered Accountants & Statutory Auditors
24 Park Road South
Havant
Hampshire
PO9 1HB

19 September 2017

TEN YEAR FINANCIAL SUMMARY

	£000 2017	£000 2016	£000 2015	£000 2014	£000 2013	£000 2012	£000 2011	£000 2010	£000 2009	£000 2008
Summarised Profit and Loss Accounts										
Group turnover	101,624	87,919	82,519	89,790	88,244	87,220	87,374	87,739	87,741	83,752
FRS 102 adjustments to turnover	12,153	10,511	10,628	–	–	–	–	–	–	–
Statutory Group turnover	**113,777**	**98,430**	**93,147**	**89,790**	**88,244**	**87,220**	**87,374**	**87,739**	**87,741**	**83,752**
Profit before taxation	49,311	41,988	38,131	43,177	38,884	41,304	34,206	37,270	38,823	36,518
FRS 102 adjustments	35,588	28,162	22,535	–	–	–	–	–	–	–
Statutory profit before taxation	**84,899**	**70,150**	**60,666**	**43,177**	**38,884**	**41,304**	**34,206**	**37,270**	**38,823**	**36,518**
Taxation	(8,660)	(7,991)	(10,371)	(10,530)	(9,338)	(8,888)	(8,726)	(9,998)	(14,489)	(13,519)
Profit after taxation	76,239	62,159	50,295	32,647	29,546	32,416	25,480	27,272	24,334	22,999
Dividends paid	(11,625)	(10,000)	(12,500)	(1,250)	(5,000)	(2,500)	–	(1,000)	(11,000)	(22,000)
Underlying profit	**49,102**	**42,935**	**35,458**	**38,095**	**36,769**	**41,509**	**38,117**	**41,869**	**35,892**	**33,531**
Summarised Cash Flow Statements										
Net cash inflow/(outflow) from operating activities	**77,723**	**68,792**	**58,150**	**59,914**	**56,698**	**74,330**	**53,820**	**50,503**	**34,496**	**51,697**
Cash (outflow)/inflow from investing activities	(51,250)	(105,144)	5,251	52,504	(1,182)	(1,948)	4,091	12,741	11,704	(31,850)
Cash inflow/(outflow) from financing activities	(26,583)	37,317	(65,059)	(105,526)	(66,190)	(58,391)	(59,534)	(58,941)	(44,388)	(22,599)
(Decrease)/increase in cash	**(110)**	**965**	**(1,658)**	**6,892**	**(10,674)**	**13,991**	**(1,623)**	**4,303**	**1,812**	**(2,752)**
Summarised Balance Sheets										
Investment properties and other fixed assets	**1,243,993**	**1,138,740**	**988,289**	**960,015**	**997,963**	**1,011,898**	**1,055,891**	**1,031,394**	**976,855**	**1,122,479**
Other assets	222,944	227,417	225,183	255,681	262,073	281,526	308,856	317,985	334,843	286,182
Debt due within one year	(255,130)	(20,348)	(17,064)	(128,472)	(86,805)	(72,651)	(11,182)	(43,561)	(341,554)	(11,000)
Debt due after one year	(409,470)	(605,693)	(513,083)	(447,708)	(554,380)	(584,102)	(672,770)	(667,352)	(404,287)	(683,175)
Amount due to parent undertaking	(38,650)	(42,650)	(46,650)	(57,650)	(59,650)	(70,217)	(80,283)	(81,850)	(81,650)	(65,150)
Other creditors	(61,073)	(57,676)	(50,283)	(51,676)	(50,474)	(50,790)	(58,996)	(57,971)	(64,539)	(70,426)
Subtotal	702,614	639,790	586,392	530,192	508,727	515,664	541,516	498,645	419,668	578,910
FRS 102 adjustments	(62,349)	(63,391)	(62,720)	(41,220)	–	–	–	–	–	–
Net assets	**640,265**	**576,399**	**523,672**	**488,970**	**508,727**	**515,664**	**541,516**	**498,645**	**419,668**	**578,910**
Represented by:										
Shareholders' funds	**640,265**	**576,399**	**523,672**	**488,970**	**508,727**	**515,664**	**541,516**	**498,645**	**419,668**	**578,910**
	Investment properties and other fixed assets are shown above net of FRS 102 adjustments for capitalised head leases									
Shown on a current accounting basis	**1,281,570**	**1,177,784**	**1,027,502**	**986,967**	**–**	**–**	**–**	**–**	**–**	**–**

London & Cambridge Properties Ltd

UK OFFICES

LCP House
The Pensnett Estate
Kingswinford
West Midlands
DY6 7NA

Tel: 01384 400123
Fax: 01384 400862

20th Floor
Millbank Tower
Millbank
London
SW1P 4QP

Tel: 020 7233 5255
Fax: 020 7233 5266

www.lcpproperties.co.uk
www.lcpgroup.co.uk

EUROPEAN OFFICES

Josephinen Straße 11
40212 Düsseldorf
Germany

Tel: + 49 211 136 529 13
Fax: + 49 211 136 529 29

Plac Pilsudskiego 2
00-073 Warsaw
Poland

Tel: + 48 22 314 6907
Fax: + 48 22 314 6908

www.lcpproperties.pl