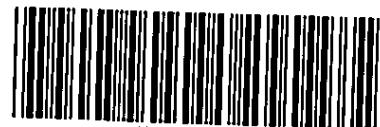


# **LANGLEYCOURT TRADING LIMITED**

**ANNUAL REPORT**

**YEAR ENDED 31 DECEMBER 2006**

WEDNESDAY



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## COMPANY INFORMATION

Directors	Marc Gilbard Graham Stanley Graham Sidwell
Secretary	Timothy Sanderson
Registered office	Nightingale House 65 Curzon Street London W1J 8PE
Registered number	3166468
Auditors	Grant Thornton UK LLP Chartered Accountants 30 Finsbury Square London EC2P 2YU

## REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the period ended 31 December 2006

### Principal activities

The principal activity of the Company is property investment

### Results

The results for the year ended 31 December 2006 are set out in the Profit & Loss Account on page 5. The directors do not recommend the payment of a dividend (2005: £nil)

### Directors

The present directors of the Company are set out on page 1. All directors served throughout the year.

### Directors' interests

None of the directors has an interest in the shares of the Company. The directors' interests in the shares of the ultimate parent company are shown in the financial statements of that company.

### Ultimate parent undertaking

The ultimate parent company is Stessa Holdings Limited, which is registered in England and Wales.

### Statement of directors' responsibilities for the Annual Report

Company law in the United Kingdom requires the directors to prepare financial statements 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 of the Company for that period. In preparing these financial statements, the directors have:

- selected suitable accounting policies and applied them consistently,
- made judgements and estimates that are reasonable and prudent,
- followed applicable United Kingdom accounting standards, and
- prepared the financial statements on the going concern basis.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 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.

The directors are responsible for ensuring that the directors' report and other information included in the Annual Report is prepared in accordance with company law in the United Kingdom.

### Disclosure of Information to Auditors

At the date of making this report each of the company's directors, as set out on page 1, confirm the following:

- so far as each director is aware, there is no relevant information needed by the company's auditors in connection with preparing their report of which the company'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 information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

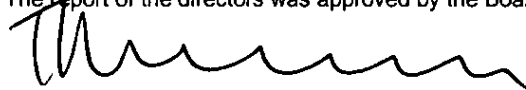
## REPORT OF THE DIRECTORS

### Auditors

RSM Robson Rhodes LLP ("Robson Rhodes") merged its audit practice with that of Grant Thornton UK LLP ("Grant Thornton") with effect from 2 July 2007, with the successor firm being Grant Thornton. Robson Rhodes resigned as auditors on 31 July 2007 creating a casual vacancy, which the directors have filled by appointing Grant Thornton. A resolution to reappoint Grant Thornton as auditors of the company will be proposed at the forthcoming Annual General Meeting.

### Approval

The report of the directors was approved by the Board on 17 September 2007 and signed on its behalf by



Timothy Sanderson  
Secretary

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LANGLEYCOURT TRADING LIMITED

We have audited the financial statements on pages 5 to 10. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standard (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements 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 financial statements, 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 International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company as at 31 December 2006 and of its result for the year ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.

  
Grant Thornton UK LLP  
Chartered Accountants and Registered Auditors  
London, England  
10<sup>th</sup> September 2007

# **PROFIT AND LOSS ACCOUNT**

for the year ended 31 December 2006

	Note	2006 £'000	2005 £'000
<b>Turnover</b>	1	79	101
Gross rental income		79	101
Less property outgoings		(25)	(95)
Net rental income		54	6
Administration expenses		(30)	(37)
Profit on disposal of investment property		43	-
<b>Operating profit / (loss)</b>		67	(31)
Interest payable and similar charges	2	(54)	(90)
<b>Profit / (loss) on ordinary activities before taxation</b>		13	(121)
Taxation	3	-	-
<b>Retained loss for the year</b>	8	13	(121)

All activities are continuing activities

There were no recognised gains or losses other than those shown above

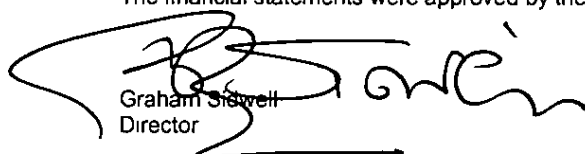
The notes on pages 7 to 10 form part of these financial statements

# **BALANCE SHEET**

at 31 December 2006

	Note	2006 £'000	2005 £'000
<b>Fixed assets</b>			
Investment property	4	-	1,908
<b>Current assets</b>			
Debtors	5	354	19
Cash at bank and in hand		-	27
		354	46
<b>Creditors</b> amounts falling due within one year	6	(11)	(1,624)
<b>Net current liabilities</b>		343	(1,578)
<b>Net assets</b>		343	330
<b>Capital and reserves</b>			
Called up share capital	7	-	-
Investment revaluation reserve	8	-	329
Profit and loss account	8	343	1
<b>Equity shareholders funds</b>	9	343	330

The financial statements were approved by the Board on 17 September 2007 and signed on its behalf by

  
Graham Sidwell  
Director

The notes on pages 7 to 10 form part of these financial statements



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2006

## 1. ACCOUNTING POLICIES

### Basis of accounting

The financial statements are prepared under the historical cost convention as modified by the revaluation of investment properties and in accordance with applicable accounting standards, including SSAP 19, which unlike the detailed rules of the Companies Act, does not require depreciation of freehold and long leasehold investment properties. The lack of depreciation is necessary to give a true and fair view for the reasons explained below

### Cash flow statement

The Company is exempt from publishing a cash flow statement because it is ultimately a wholly owned subsidiary of Stessa Holdings Limited which publishes a consolidated cash flow statement

### Turnover

Turnover comprises rental income excluding VAT

### Investment properties

In accordance with SSAP 19 investment properties are included in the balance sheet at an open market value. The surplus or deficit of such value over cost is transferred to the revaluation reserve. Properties are revalued on an annual basis by professional valuers. Investment properties are not depreciated. Depreciation is only one of many factors reflected in the annual valuation and the amount which otherwise would have been shown cannot be separately identified or quantified. Where there is impairment in the value of a building, a charge is made to the profit and loss account

### Deferred taxation

The payment of taxation is deferred or accelerated because of timing differences in the treatment of certain items for taxation and accounting purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen, but not reversed by the balance sheet date, unless such provision is not permitted by FRS 19. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered

In accordance with FRS 19 deferred tax is not provided on revaluation gains on land and buildings, unless there is a binding agreement to sell them at the balance sheet date,

## 2. INTEREST PAYABLE AND SIMILAR CHARGES

	2006 £'000	2005 £'000
Amounts payable to group companies	54	90

## 3. TAXATION

	2006 £'000	2005 £'000
United Kingdom Corporation Tax		
Current tax on income for the year	-	-
Deferred taxation	-	-
<b>Total taxation</b>	<b>-</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2006

### 3. TAXATION (continued)

#### Current tax reconciliation

	2006 £'000	2005 £'000
Profit/(loss) on ordinary activities before taxation	13	(121)
Theoretical tax at UK corporation tax rate 30% (2005 30%)	4	(36)
Effects of		
- expenditure that is not tax deductible	(12)	4
- accelerated capital allowances	1	(2)
- losses carried forward	-	-
- group relief	16	34
- tax losses utilised in period	(9)	-
Actual current taxation charge	-	-

### 4. TANGIBLE FIXED ASSETS

	Investment property £'000
Valuation	
At 1 January 2006	1,908
Additions	-
Disposals	(1,908)
At 31 December 2006	-

Fully operational investment properties were valued at £1 908m at 31 December 2005 by employees of the Group who are members of the Royal Institution of Chartered Surveyors ("RICS"). The properties were valued on the basis of market value, in accordance with the Appraisal and Valuation Standards of the RICS. The historic cost of the investment property was £1 58m.

### 5. DEBTORS

	2006 £'000	2005 £'000
Other debtors	-	13
Prepayments	-	6
Amounts due from group undertakings	354	-
	354	19

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2006

### 6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £'000	2005 £'000
Other creditors	10	42
Amounts owed to group companies	-	1,580
Accruals and deferred income	1	2
	<hr/>	<hr/>
	11	1,624
	<hr/>	<hr/>

### 7. SHARE CAPITAL

	2006 £	2005 £
Authorised, allotted, issued and fully paid 2 ordinary shares of £1 each	2	2
	<hr/>	<hr/>

### 8. RESERVES

	Revaluation reserve £'000	Profit and loss account £'000
At 1 January 2006	329	1
Retained profit/(loss)	-	13
Transfers	(329)	329
	<hr/>	<hr/>
At 31 December 2006	-	343
	<hr/>	<hr/>

### 9. RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	2006 £'000	2005 £'000
Total recognised loss for the financial year	13	(121)
Opening shareholders' funds	330	451
	<hr/>	<hr/>
Closing shareholders' funds	343	330
	<hr/>	<hr/>

## **NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2006

### **10. ULTIMATE PARENT UNDERTAKING**

The ultimate parent company is Stessa Holdings Limited, which is registered in England and Wales

Group accounts are available to the public on payment of the appropriate fee, from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ

### **11. RELATED PARTY TRANSACTIONS**

Under Financial Reporting Standard 8, the Company is exempt from the requirement to disclose inter-company related party transactions on the grounds that it is ultimately a wholly owned subsidiary of a parent undertaking which prepares and publishes consolidated financial statements. There are no other related party transactions.