

**LSI (Investments) Limited (formerly
Thorstone (Staines) Limited**

Report and Financial Statements

Period Ended 31 March 2006



BDO Stoy Hayward
Chartered Accountants

LSI (Investments) Limited (formerly Thorstone (Staines) Limited)

Report and financial statements for the period ended 31 March 2006

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Company information

Directors

H R Mould
P L Vaughan
H J M Price
S Little

Secretary and registered office

H J M Price, 14 Half Moon Street, London, W1J 7BD

Company number

3539331

Auditors

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

LSI (Investments) Limited (formerly Thorstone (Staines) Limited)

Report of the directors for the period ended 31 March 2006

The directors present their report together with the audited financial statements for the year ended 31 March 2006.

Principal activities, business review and future developments

The principal activity of the company is to invest in commercial property in the UK.

During the year under review the company unconditionally exchanged contracts to purchase an investment property in Stoke-on-Trent. The purchase completed on the 20 April 2006 (see note 9 to the financial statements).

The company received no income and incurred no expenses during the year and accordingly no profit and loss account has been prepared.

Post balance sheet events

Details of post balance sheet events are set out in note 9 to the financial statements.

Change of Name

On 26th May 2006 the company changed its name from Thorstone (Staines) Limited to LSI (Stoke) Limited.
On 4th July 2006 the company changed its name again to LSI (Investments) Limited.

Directors

The directors of the company during the year and their beneficial interests in the ordinary share capital were as follows:

		Ordinary shares of £1 each	
		31 March 2006	31 March 2005
H R Mould	(appointed 20 April 2006)	-	-
P L Vaughan	(appointed 9 November 2006)	-	-
H J M Price	(appointed 20 April 2006)	-	-
S Little	(appointed 13 September 2006)	-	-
S J Silverstone	(resigned 20 April 2006)	1	1
A C Thorp	(resigned 20 April 2006)	1	1

On 20th April 2006 London & Stamford Investments Limited acquired the entire share capital of the company from Mr S J Silverstone and Mr A C Thorp at nominal value (see note 7 to the financial statements).

At 31 March 2006 Mr H R Mould, Mr P L Vaughan and Mr H J M Price were also directors of the parent company London & Stamford Investments Limited. Their interests in the share capital of that company are shown in its financial statements.

Directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and UK Generally Accepted Accounting Practice.

LSI (Investments) Limited (formerly Thorstone (Staines) Limited)

Report of the directors for the period ended 31 March 2006 (*Continued*)

Directors' responsibilities (continued)

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the 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.

Disclosure of information to auditors

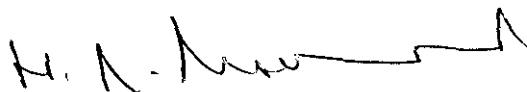
All of the current directors have taken all steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Auditors

BDO Stoy Hayward LLP were appointed as auditors of the company after the balance sheet date. BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the next annual general meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the Board



H R Mould
Director

Date: 30th January 2007

LSI (Investments) Limited (formerly Thorstone (Staines) Limited)

Report of the independent auditors

To the shareholders of LSI (Investments) Limited (formerly Thorstone (Staines) Limited)

We have audited the financial statements of LSI (Investments) Limited for the year ended 31 March 2006 on pages 5 to 8. These financial statements have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (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 have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with those financial statements. We also report to you if, in our opinion, 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 other transactions 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.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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 judgments 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.

LSI (Investments) Limited (formerly Thorstone (Staines) Limited)

Report of the independent auditors (*Continued*)

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 the company's affairs as at 31 March 2006;
- 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.

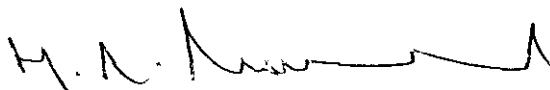

BDO STOY HAYWARD LLP
*Chartered Accountants
and Registered Auditors*
Epsom

Date: 30th January 2007

LSI (Investments) Limited (formerly Thorstone (Staines) Limited)**Balance Sheet at 31 March 2006**

	Note	31 March 2006 £	31 March 2005 £
Fixed assets			
Investment property	4	10,984,872	-
		<u>10,984,872</u>	<u>-</u>
Current assets			
Debtors	5	2	2
Creditors: amounts falling due within one year	6	(10,984,872)	-
		<u>(10,984,870)</u>	<u>2</u>
Net current (liabilities)/assets			
		2	2
Total assets less current liabilities		<u>2</u>	<u>2</u>
Net assets		<u>2</u>	<u>2</u>
Capital and reserves			
Called up share capital	7	2	2
Profit and loss account		-	-
		<u>2</u>	<u>2</u>
Equity shareholders' funds		<u>2</u>	<u>2</u>

The financial statements were approved by the Board of Directors on 30th January 2007 and authorised for issue by:



H R Mould
Director

The notes on pages 6 to 8 form part of these financial statements.

LSI (Investments) Limited (formerly Thorstone (Staines) Limited)

Notes forming part of the financial statements for the period ended 31 March 2006

1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and are in accordance with applicable accounting standards.

The following principal accounting policies have been applied:

Turnover

Turnover represents rents and associated income receivable from the leasing of investment properties at invoiced amounts less value added tax.

Investment property

Investment property is included in the balance sheet at its open market value at the balance sheet date, on the basis of an annual valuation. Aggregate surpluses or deficits arising on valuation are transferred to the revaluation reserve. Permanent diminutions in the value of properties would be charged directly to the profit and loss account.

Additions to investment property include only costs of a capital nature.

In accordance with SSAP 19 (as amended), no depreciation or amortisation is provided in respect of the freehold investment property. This treatment is a departure from the requirements of the Companies Act 1985 concerning depreciation of fixed assets. However, the company's investment property is held not for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate.

The accounting policy is therefore necessary for the accounts to give a true and fair view. Depreciation or amortisation is only one of the factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the short term to absorb the reversal of any underlying timing differences.

Deferred tax balances are not discounted.

LSI (Investments) Limited (formerly Thorstone (Staines) Limited)

Notes forming part of the financial statements for the period ended 31 March 2006 (Continued)

2 Profit and loss account

Directors' emoluments are nil (2005 – nil). The company has no employees (2005 – none). The auditors' remuneration for the year was borne by the parent company.

3 Taxation

	Period ended 31 March 2006 £
<i>UK corporation tax</i>	
Current tax on losses for the period	-

4 Investment property

	Freehold investment property £
<i>At valuation</i>	
Acquired in the period, including associated costs	10,984,872
Surplus on revaluation	-
	<hr/>
At 31 March 2006	10,984,872

Pursuant to the exchange of contracts referred to in note 7, the company effectively acquired a freehold property in Stoke-on-Trent on 22 March 2006 at a fair value of £10,984,872, inclusive of associated acquisition costs of £584,872.

5 Debtors

	31 March 2006 £	31 March 2005 £
Sundry debtors	2	2
	<hr/>	<hr/>
	2	2

All amounts shown under debtors fall due for payment within one year.

6 Creditors: amounts falling due within one year

	31 March 2006 £	31 March 2005 £
Amounts owed to parent undertaking	532,172	-
Amounts due on completion of property acquisitions	10,452,700	-
	<hr/>	<hr/>
	10,984,872	-

LSI (Investments) Limited (formerly Thorstone (Staines) Limited)

Notes forming part of the financial statements for the period ended 31 March 2006 (*Continued*)

7 Share capital

	31 March 2006 £	31 March 2005 £
<i>Authorised</i>		
1,000 ordinary shares of £1 each	1,000	1,000
	<u> </u>	<u> </u>
	31 March 2006 £	31 March 2005 £
<i>Allotted, called up and fully paid</i>		
2 ordinary shares of £1 each	2	2
	<u> </u>	<u> </u>

London and Stamford Investments Limited unconditionally exchanged contracts to acquire the entire issued ordinary share capital of the company on 22 March 2006 for £2, being the fair value of the net assets of the company at that date. Completion of the acquisition took place on 20 April 2006.

8 Cash flow statement

The company has used the exemption under Financial Reporting Standard 1, "Cash Flow Statements", not to prepare a cash flow statement as it meets the definition of a small company based on the small companies' exemption in companies' legislation.

9 Post balance sheet events

On 20 April 2006 the company completed the purchase of a retail warehouse property in Stoke-on-Trent.

10 Related party transactions

The company has taken advantage of the exemption available to wholly owned subsidiary undertakings under Financial Reporting Standard 8, "Related Party Transactions", not to disclose details of any transactions with entities that are included in the consolidated financial statements of London & Stamford Investments Limited.

11 Controlling party information

At 31 March 2006 the company's immediate and ultimate parent company was London & Stamford Investments Limited. The consolidated financial statements of this company are available from Companies House.