

Registered number
4234346

LR (Discos) Limited
Report and Accounts
30 September 2004



LR (Discos) Limited
Report and accounts
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LR (Discos) Limited
Company Information

Director

Mr I M Livingstone

Secretary

Mr R N Luck

Registered Office

St Alphage House
2 Fore Street
London
EC2Y 5DH

Auditors

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

Registered number

4234346

LR (Discos) Limited
Director's Report

The director presents his report and accounts for the year ended 30 September 2004.

Principal activities and review of the business

The company acts as a commercial property investment company. The director considers the financial position at 30 September 2004 to be satisfactory.

Results and dividends

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

Directors

The director who served during the year was:

Mr I M Livingstone

The director had no interest in the ordinary shares of the company at any time during the year.

Auditors

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

This report was approved by the board on 6 June 2005.

Mr R N Luck



Secretary

LR (Discos) Limited
Statement of Director's Responsibilities

Company law requires the director to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those accounts, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the accounts comply with the Companies Act 1985. He is 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.

LR (Discos) Ltd

Independent auditors' report to the shareholders of LR (Discos) Ltd

We have audited the accounts of LR (Discos) Ltd for the year ended 30 September 2004 which comprise pages 5 to 11. These accounts have been prepared under the historical cost convention as modified to include the revaluation of fixed assets and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Director's Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

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

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Director's Report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

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

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30 September 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



UHY Hacker Young
Chartered Accountants and Registered Auditors

168 Church Road
Hove
East Sussex
BN3 2DL

06 June 2005

LR (Discos) Limited
Profit and Loss Account
for the year ended 30 September 2004

	Notes	2004 £	2003 £
Turnover	2	315,000	315,000
Net operating expenses	3	(22,249)	(9,321)
Other operating income		-	30,000
Operating profit	4	<u>292,751</u>	<u>335,679</u>
Interest payable	5	(211,431)	(204,896)
Profit on ordinary activities before taxation		<u>81,320</u>	<u>130,783</u>
Tax on profit on ordinary activities	6	-	-
Profit for the financial year		<u>81,320</u>	<u>130,783</u>
Retained profit for the financial year	13	<u>81,320</u>	<u>130,783</u>

LR (Discos) Limited
Statement of total recognised gains and losses
for the year ended 30 September 2004

	Notes	2004 £	2003 £
Profit for the financial year	13	81,320	130,783
Total recognised gains and losses related to the year		<u>81,320</u>	<u>130,783</u>

LR (Discos) Limited
Balance Sheet
as at 30 September 2004

	Notes	2004 £	2003 £
Fixed assets			
Investment property	7	3,343,000	3,343,000
Current assets			
Debtors	8	560,918	640,812
Creditors: amounts falling due within one year	9	(202,031)	(266,796)
Net current assets		<u>358,887</u>	<u>374,016</u>
Total assets less current liabilities		3,701,887	3,717,016
Creditors: amounts falling due after more than one year	10	(3,334,203)	(3,430,652)
		<u>367,684</u>	<u>286,364</u>
Capital and reserves			
Called up share capital	11	1	1
Revaluation reserve	12	75,639	75,639
Profit and loss account	13	292,044	210,724
Shareholders' funds:			
Equity		<u>367,684</u>	<u>286,364</u>
	14	<u>367,684</u>	<u>286,364</u>

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

Mr I M Livingstone
 Director

Approved by the board on 6 June 2005



LR (Discos) Limited
Notes to the Accounts
for the year ended 30 September 2004

1 Accounting policies

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

Finance Costs

Finance costs are amortised over the period of the loan in accordance with FRS4.

Accounting convention

The accounts have been prepared under the historical cost convention as modified to include the revaluation of fixed assets and in accordance with applicable accounting standards.

Depreciation

Compliance with the Statement of Standard Accounting Practice (SSAP 19) "Accounting for Investment Properties" requires departure from the requirements of the Companies Act 1985 relating to depreciation and an explanation for the departure is given below.

Investment Properties

In accordance with SSAP 19, investment properties are revalued annually and the surplus or deficit is transferred to the revaluation reserve. No depreciation is provided in respect of investment properties. The Companies Act 1985 requires all properties to be depreciated. However, this requirement conflicts with SSAP 19 and the director considers that to depreciate would not give a true and fair view.

Deferred Taxation

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

Cash flow statement

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

Turnover

Turnover represents rental income, net of value added tax.

2 Turnover

The total turnover for the company for the period has been derived from its principal activity, wholly undertaken in the UK.

LR (Discos) Limited
Notes to the Accounts
for the year ended 30 September 2004

3 Net Operating Expenses

	2004	2003
	£	£
Administrative expenses	1,872	3,071
Property expenses	20,377	6,250
	<u>22,249</u>	<u>9,321</u>

4 Operating profit

2004	2003
£	£

Operating profit is stated after charging:

Auditors remuneration	<u>1,650</u>	<u>1,600</u>
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5 Interest payable

2004	2003
£	£

On borrowings repayable within five years	205,954	199,419
Amortisation of loan fees	5,477	5,477
	<u>211,431</u>	<u>204,896</u>

6 Taxation

No tax has been provided for due to the availability of losses through group relief.

7 Investment Property

2004
£

Valuation

At 1 October 2003	<u>3,343,000</u>
At 30 September 2004	<u>3,343,000</u>

Cost

<u>3,267,361</u>

The investment property was valued by the director on an open market value basis at 30 September 2004.

8 Debtors

2004	2003
£	£

Trade debtors	-	92,531
Due from related undertakings	560,918	537,615
Prepayments and accrued inc.	-	10,666
	<u>560,918</u>	<u>640,812</u>

LR (Discos) Limited
Notes to the Accounts
for the year ended 30 September 2004

9 Creditors: amounts falling due within one year	2004	2003
	£	£
Bank loans	55,412	124,820
Other taxes and social security costs	10,905	13,524
Accruals and deferred income	135,714	128,452
	<u>202,031</u>	<u>266,796</u>

10 Creditors: amounts falling due after one year	2004	2003
	£	£
Bank loans	3,343,788	3,445,714
Finance costs	(9,585)	(15,062)
	<u>3,334,203</u>	<u>3,430,652</u>

The bank loan is secured over the investment property and is repayable in June 2006.

The comparative figures have been restated to show finance costs as a deduction from the loans in accordance with the accounting policy for finance costs. These were previously shown as prepayments.

11 Share capital	2004	2003
	£	£
Authorised:		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	2004	2003
	No	No
Allotted, called up and fully paid:		
Ordinary shares of £1 each	1	1
	<u>1</u>	<u>1</u>

12 Revaluation reserve	2004	2003
	£	£
At 1 October 2003	75,639	75,639
At 30 September 2004	<u>75,639</u>	<u>75,639</u>

LR (Discos) Limited
Notes to the Accounts
for the year ended 30 September 2004

13 Profit and loss account	2004	2001
	£	£
At 1 October 2003	210,724	79,941
Retained profit	81,320	130,783
	<hr/>	<hr/>
At 30 September 2004	292,044	210,724

14 Reconciliation of movement in shareholders' funds	2004	2003
	£	£
At 1 October 2003	286,364	155,581
Profit for the financial year	81,320	130,783
	<hr/>	<hr/>
At 30 September 2004	367,684	286,364

15 Related party transactions

The company has taken advantage of the exemption in FRS8 that transactions do not need to be disclosed with companies 90% or more of whose voting rights are controlled within the group.

16 Ultimate parent undertaking

The company is a subsidiary of London & Regional Commercial Properties Holdings Ltd, a company incorporated and registered in England and Wales. During the year, the ultimate parent undertaking was Nutmeg Ltd, a company incorporated and registered in Guernsey, Channel Islands. In November 2004, the ultimate parent undertaking changed to Loopsign Ltd, a company incorporated in England & Wales. The ultimate controlling parties are I M Livingstone and R J Livingstone through their joint ownership of Loopsign Ltd.