

Registered number
4234346

LR (Tower) Limited
Report and accounts
for the year ended
31 August 2007

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LR (Tower) Limited
Report and accounts
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LR (Tower) Limited
Company information

Director
Mr C King

Company secretary
Mr R N Luck

Registered office
Quadrant House, Floor 6
17 Thomas More Street
Thomas More Square
London
E1W 1YW

Independent auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
1 Embankment Place
London
WC2N 6RH

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LR (Tower) Limited
Director's report

The director presents his report and the audited accounts of the company for the year ended 31 August 2007

Principal activities and review of the business

The company acts as a commercial property investment company. During the year the company sold its existing property, realising a profit of £3,912,117. The director considers the financial position at 31 August 2007 to be satisfactory.

Results and dividends

The results for the year are set out in the profit and loss account on page 5. A dividend of £5,000,000, (£5,000,000 per ordinary £1 share) has been paid (2006: £nil).

Directors

The directors of the company who served during the year and up to the date of signing of the financial statements were:

Mr I M Livingstone (resigned 4 April 2007)
Mr C King

Qualifying third party indemnity provisions

The company maintains liability insurance for its director and officer. Following shareholder approval, the company has also provided an indemnity for its director and the company secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 1985.

Independent auditors and disclosure of information to auditors

In so far as the director is aware:

- there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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.

During the year UHY Hacker Young resigned as auditors to the company, and the director appointed PricewaterhouseCoopers LLP to fill the casual vacancy. PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

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

By order of the board



Mr R N Luck

Company secretary
30 June 2008

LR (Tower) Limited
Statement of director's responsibilities

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give 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 those financial statements, the director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary

The director confirms that he has complied with the above requirements in preparing the financial statements

The director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with 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.



Mr R N Luck

Company secretary
30 June 2008

LR (Tower) Limited

Independent auditors' report to the members of LR (Tower) Ltd

We have audited the financial statements of LR (Tower) Limited for the year ended 31 August 2007 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses, note of historical costs profit and losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of director and auditors

The director's 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 director's 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). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 whether in our opinion the information given in the director's report is consistent with the financial statements.

In addition we 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 director's remuneration and other transactions 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 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 director 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 the company's affairs as at 31 August 2007 and of its profit for the year then 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.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
1 Embankment Place
London
WC2N 6RH

30 June 2008

LR (Tower) Limited
Profit and loss account
for the year ended 31 August 2007

	Note	2007 £	2006 £
Turnover	2	7,080	41,707
Administrative expenses		(94,037)	(22,860)
Other operating income		470	4,000
Operating (loss)/profit	3	<u>(86,487)</u>	<u>22,847</u>
Exceptional items			
Profit \ (loss) on disposal of investment properties	4	3,912,117	(93,194)
Interest receivable and similar income		19,119	2,133
Interest payable and similar charges	6	-	(28,185)
Profit/(loss) on ordinary activities before taxation		<u>3,844,749</u>	<u>(96,399)</u>
Tax on profit/(loss) on ordinary activities	7	-	-
Profit/(loss) for the financial year	13	<u>3,844,749</u>	<u>(96,399)</u>

All amounts relate to continuing operations

LR (Tower) Limited
Statement of total recognised gains and losses
for the year ended 31 August 2007

	2007 £	2006 £
Profit/(loss) for the financial year	3,844,749	(96,399)
Total recognised gains and losses related to the year	<u>3,844,749</u>	<u>(96,399)</u>

Note of historical costs profits and losses for the year ended 31 August 2007

	2007 £	2006 £
Profit/(loss) on ordinary activities before taxation	3,844,749	(96,399)
Realisation of prior year revaluations of investment properties	-	2,082,639
Historical cost profit on ordinary activities before taxation	<u>3,844,749</u>	<u>1,986,240</u>

LR (Tower) Limited
Balance sheet
as at 31 August 2007

	Note	2007 £	2006 £
Fixed assets			
Investment properties	9	-	1,857,000
Current assets			
Debtors	10	7,235,002	438,935
Creditors amounts falling due within one year	11	(6,164,233)	(69,915)
Net current assets		<u>1,070,769</u>	<u>369,020</u>
Net assets		<u>1,070,769</u>	<u>2,226,020</u>
Capital and reserves			
Called up share capital	12	1	1
Profit and loss account	13	1,070,768	2,226,019
Total equity shareholders' funds	14	<u>1,070,769</u>	<u>2,226,020</u>



Mr C King
Director

30 June 2008

LR (Tower) Limited
Notes to the accounts
for the year ended 31 August 2007

1 Accounting policies

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, as modified to include the revaluation of investment properties, and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the period, are set out below.

Finance costs

Finance costs, including issue costs which are initially recognised as a reduction in the proceeds of the associated capital instrument, are amortised over the period of the loans in accordance with FRS4.

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 by the director annually on an open market basis and independently valued when required by SSAP 19 and the surplus or deficit is transferred to the revaluation reserve. No depreciation is provided in respect of investment properties. This departure from the Companies Act 1985, which requires all properties to be depreciated, is, in the opinion of the director, necessary for the financial statements to show a true and fair view in accordance with applicable accounting standards. The depreciation (which would, had the provisions of the Act been followed, have decreased the profit for the year) is only one of the factors reflected in the valuation and the amount attributable to this factor cannot reasonably be separately identified or quantified.

Deferred taxation

Deferred tax is provided in respect of all timing differences that have originated, but not reversed, at the balance sheet date that give rise to an obligation to pay more or less tax in the future. Deferred tax is not recognised when fixed assets are revalued unless, by the balance sheet date, there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements.

Deferred tax is measured on a non-discounted basis. A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted at the balance sheet date.

LR (Tower) Limited
Notes to the accounts
for the year ended 31 August 2007

1 Accounting policies (continued)

Cash flow statement

The company has taken advantage of the exemption in the Financial Reporting Standards No 1 (revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its ultimate parent publishes a consolidated cash flow statement

Turnover

Turnover comprises rental income net of value added tax and is recognised when the financial risks and rewards are transferred

2 Turnover

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

3 Operating (loss)/profit

	2007 £	2006 £
Operating (loss)/profit is stated after charging		
Auditors' remuneration	-	2,000

Auditors' remuneration has been borne by London & Regional Properties Limited

4 Exceptional items

	2007 £	2006 £
Profit \ (loss) on disposal of investment properties	3,912,117	(93,194)

5 Director's emoluments

The director did not receive any emoluments in respect of his services to the company (2006 £nil)

LR (Tower) Limited
Notes to the accounts
for the year ended 31 August 2007

6 Interest payable and similar charges

	2007 £	2006 £
On borrowings repayable within five years	<u>-</u>	<u>28,185</u>

7 Tax on profit on ordinary activities

No tax has been provided for due to the losses in prior years being available

8 Dividends

	2007 £	2007 £
Dividends paid - £5,000,000 per £1 share	<u>5,000,000</u>	<u>-</u>

9 Investment property

	2007 £
Valuation	
At 1 September 2006	1,857,000
Disposals	<u>(1,857,000)</u>
At 31 August 2007	<u>-</u>
Cost	<u>-</u>

10 Debtors

	2007 £	2006 £
Trade debtors	-	14,988
Amounts due from group undertakings	7,220,015	419,860
Other debtors	14,987	4,087
	<u>7,235,002</u>	<u>438,935</u>

Other debtors of £14,987 relate to debit balances on trade creditors (2006 £4,087)

11 Creditors: amounts falling due within one year

	2007	2006
Trade creditors	-	581
Amounts owed to related undertakings	5,074,611	13,834
Taxation and social security costs	1,029,622	-
Accruals and deferred income	60,000	55,500
	<u>6,164,233</u>	<u>69,915</u>

LR (Tower) Limited
Notes to the accounts
for the year ended 31 August 2007

12 Called up share capital	2007	2006
	£	£
Authorised		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

	2007	2006	2007	2006
	Number	Number	£	£
Allotted and fully paid				
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

13 Profit and loss account	2007
	£
At 1 September 2006	2,226,019
Dividends paid	(5,000,000)
Profit for the financial year	3,844,749
At 31 August 2007	<u>1,070,768</u>

14 Reconciliation of movement in shareholders' funds	2007	2006
	£	£
At 1 September	2,226,020	2,322,419
Profit /(loss) for the financial year	3,844,749	(96,399)
Dividends	(5,000,000)	-
At 31 August	<u>1,070,769</u>	<u>2,226,020</u>

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

LR (Tower) Limited
Notes to the accounts
for the year ended 31 August 2007

16 Parent undertaking

The company is a subsidiary of London & Regional Commercial Properties Holdings Limited, a company incorporated and registered in England and Wales

The ultimate parent undertaking is Loopsign Limited, a company incorporated in England and Wales

Copies of the Loopsign Limited consolidated financial statements can be obtained from the company secretary at
Quadrant House, Floor 6
17 Thomas More Street
Thomas More Square
London
E1W 1YW

The ultimate controlling parties are I M Livingstone and R J Livingstone through their joint ownership of Loopsign Limited