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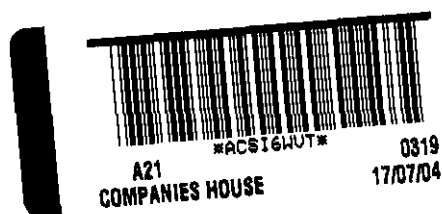
COMPANY NUMBER \_\_\_\_\_

**LXB Investments Limited**

Report and Financial Statements

Period Ended

31 December 2003



**BDO**

BDO Stoy Hayward  
Chartered Accountants

**LXB Investments Limited**

**Report and financial statements for the period ended 31 December 2003**

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**Contents**

**Page:**

1	Report of the directors
3	Report of the independent auditors
5	Balance sheet
6	Notes forming part of the financial statements

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**Directors**

T P Walton  
N B T Alford

**Secretary and registered office**

I M Hollocks, 6 Cavendish Place, London, W1G 9NB

**Company number**

4928834

**Auditors**

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

## **LXB Investments Limited**

### **Report of the directors for the period ended 31 December 2003**

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The directors present their report together with the audited financial statements for the period ended 31 December 2003.

The company has not traded during the financial period and accordingly no profit and loss account has been prepared. Furthermore there were no other recognised gains or losses for the period.

#### **Principal activities, review of business and future developments**

The principal activity of the company is that of property investment in the United Kingdom.

The directors are satisfied with the performance of the company during the period under review and do not anticipate any significant change in future activities.

There have been no events since the balance sheet date that materially affect the position of the company.

#### **Date of incorporation**

The company was incorporated on 10 October 2003.

#### **Directors**

The directors of the company during the period were:

T P Walton	(appointed 19 November 2003)
N B T Alford	(appointed 10 October 2003)

No director had any interest in the share capital of the company during or at the end of the period.

At 31 December 2003, the interests of Messrs Walton and Alford in the share capital of the ultimate parent company, Clickloop Holdings Limited, are disclosed in the financial statements of that company.

#### **Directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial period 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 those financial statements, the directors are required to:

- 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.

**LXB Investments Limited**

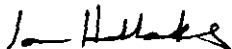
**Report of the directors for the period ended 31 December 2003 *(Continued)***

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**Auditors**

BDO Stoy Hayward LLP were appointed as first auditors to the company and have indicated their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

**By order of the Board**



I M Hollocks

**Secretary**

Date: 13 July 2004

**To the shareholders of LXB Investments Limited**

We have audited the financial statements of LXB Investments Limited for the period ended 31 December 2003 on pages 5 to 8 which have been prepared under the accounting policies set out on page 6.

*Respective responsibilities of directors and auditors*

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards 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 United Kingdom Auditing Standards.

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.

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 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 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.

**Report of the independent auditors (*Continued*)**

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*Opinion*

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 and have been properly prepared in accordance with the Companies Act 1985.



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

Date: 13 July 2004

**LXB Investments Limited****Balance sheet at 31 December 2003**

	Note	31 December 2003 £
<b>Fixed assets</b>		
Investment property	5	83,762
<b>Creditors: amounts falling due within one year</b>	6	83,761
		<hr/>
<b>Total assets less current liabilities</b>		1
		<hr/>
<b>Capital and reserves</b>		
Called up share capital	7	1
		<hr/>
<b>Equity shareholders' funds</b>		1
		<hr/>

The financial statements were approved by the Board on 13 July 2004.



T P Walton  
Director

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

## 1 Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The financial statements are in compliance with the Companies Act 1985 except that, as explained below, investment properties are not depreciated.

The following principal accounting policies have been applied:

### *Cash flow statement*

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1, "Cash Flow Statements (Revised 1996)", not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Clickloop Holdings Limited and the company is included in consolidated financial statements.

### *Investment properties*

Investment properties, which are completed, are included in the balance sheet at their open market value at the balance sheet date, on the basis of an annual valuation. The aggregate surplus or deficit arising from revaluation is transferred to the revaluation reserve. However, if on an individual property a deficit arising from a valuation below cost is expected to be permanent, it is charged to the profit and loss account. Proceeds from sales of investment properties are recognised on unconditional exchange of contract.

Investment properties under development are stated at cost, less any provision for permanent diminution in value.

### *Depreciation*

In accordance with Statement of Standard Accounting Practice No. 19, "Accounting for investment properties", no depreciation is provided in respect of freehold investment properties. This is a departure from the requirements of the Companies Act 1985 which requires all properties to be depreciated. Such properties are not held for consumption, but for investment, and the directors consider that to depreciate them would not give a true and fair view. Depreciation is only one of many factors reflected in the annual valuation of properties and accordingly the amount of depreciation which might otherwise have been charged cannot be separately identified or quantified. The directors consider that this policy results in the accounts giving a true and fair view.

### *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:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is unable to utilise existing capital losses available within the group of which it is a member; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.



**2 Auditors' remuneration**

The auditors' remuneration will be borne by a current fellow group undertaking.

**3 Employees**

The average number of employees (excluding directors) during the period was nil.

**4 Directors' remuneration**

No director received any emoluments during the current period.

**5 Investment property**

	<b>Option to purchase a freehold property at cost £</b>
<i>Cost</i>	
Additions and at 31 December 2003	<b>83,762</b>

The option to purchase has been treated as a fixed asset addition and is stated at cost.

**6 Creditors: amounts falling due within one year**

	31 December 2003 £
Amounts owed to group undertakings	83,761

**7 Share capital**

	Authorised 31 December 2003 £	Allotted, called up and fully paid 31 December 2003 £
<i>Equity share capital</i>		
Ordinary shares of £1 each	1,000	1

Movements in allotted share capital:

On 10 October 2003 the company issued 1 ordinary share of £1 at par for cash.

**8 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 all of its related party transactions with other group companies in the period.

In the opinion of the directors there are no other related party transactions to be disclosed.

**9 Ultimate parent company**

At 31 December 2003 the company's ultimate parent company was Clickloop Holdings Limited, which is incorporated in England and is the parent undertaking of the largest group of which the company is a member. Copies of the consolidated financial statements of Clickloop Holdings Limited are available from Companies House.