

LXB Investments Limited

Report and Financial Statements

Year Ended

31 December 2007



LXB Investments Limited

Annual report and financial statements for the year ended 31 December 2007

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Directors

T P Walton
N B T Alford
R Margree
B O'Grady

Secretary and registered office

B O'Grady, 2nd Floor, Grafton House, 2-3 Golden Square, London, W1F 9HR

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 year ended 31 December 2007

The directors present their report together with the audited financial statements for the year ended 31 December 2007

Results

The profit and loss account is set out on page 5 and shows the result for the year

Principal activities

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

The company was not active during the year under review

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

Directors

The directors of the company during the year were

T P Walton

N B T Alford

R Margree (appointed 20 August 2007)

B O'Grady (appointed 20 August 2007)

Directors' responsibilities

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

Company law 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 year. 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 year ended 31 December 2007 (*Continued*)

Disclosure of information to auditors

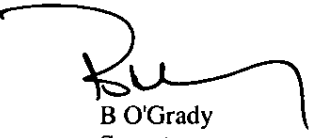
The current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit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

Auditors

BDO Stoy Hayward LLP have indicated their willingness to continue in office.

This 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



B O'Grady
Secretary

Date 30 OCTOBER 2008

LXB Investments Limited

Independent auditor's report

To the shareholders of LXB Investments Limited

We have audited the financial statements of LXB Investments Limited for the year ended 31 December 2007 on pages 5 to 9. These financial statements have been prepared under the accounting policies set out on page 7.

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 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 the company's affairs as at 31 December 2007 and of its result 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



BDO STOY HAYWARD LLP

*Chartered Accountants
and Registered Auditors
Epsom*

Date 30 October 2008

LXB Investments Limited**Profit and loss account for the year ended 31 December 2007**

	Note	2007 £	2006 £
Gross profit and operating profit		-	-
Deficit on lapse of property option	5	-	(87,633)
		<hr/>	<hr/>
Loss on ordinary activities before and after taxation for the financial year	10	-	(87,633)
		<hr/>	<hr/>

All amounts relate to discontinued activities

All recognised gains and losses in the current and prior year are included in the profit and loss account

The notes on pages 7 to 9 form part of these financial statements

LXB Investments Limited**Balance sheet at 31 December 2007**

	Note	2007 £	2007 £	2006 £	2006 £
Current assets					
Debtors	7	1		1	
		<u>1</u>		<u>1</u>	
Total assets less current liabilities			<u>1</u>		<u>1</u>
Capital and reserves					
Called up share capital	8		3		3
Share premium account	9		171,393		171,393
Profit and loss account	9		(171,395)		(171,395)
			<u>1</u>		<u>1</u>
Shareholder's funds	10		<u>1</u>		<u>1</u>

The financial statements were approved by the board of directors and authorised for issue on 30 OCTOBER 2008


B O'Grady
Director

The notes on pages 7 to 9 form part of these financial statements

LXB Investments Limited

Notes forming part of the financial statements for the year ended 31 December 2007

1 Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

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 it is a 'small' company under the Companies Act 1985

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 making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences

Deferred tax balances are not discounted

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2 Auditors' remuneration

The auditors' remuneration is borne by the ultimate parent undertaking. Fees for the audit of the company were £250 (2006: £1,000).

The consolidated accounts of LXB³ Limited disclose details of non-audit fees paid to the company's auditors.

3 Employees

The company employed no staff in the year (2006: £nil).

4 Directors' remuneration

No director received any emoluments from the company during the current year (2006: nil).

LXB Investments Limited

Notes forming part of the financial statements for the year ended 31 December 2007 (Continued)

5 Deficit on lapse of property option

	2007 £	2006 £
Deficit on lapse of option - aborted property development costs	-	(87,633)
	<u> </u>	<u> </u>

6 Taxation on loss on ordinary activities

The tax assessed for the year varies from the standard rate of corporation tax in the UK. A reconciliation is provided below.

	2007 £	2006 £
Loss on ordinary activities before tax	-	(87,633)
	<u> </u>	<u> </u>
Loss on ordinary activities at the standard rate of corporation tax in the UK of 30% (2006 - 30%)	-	(26,290)
Effect of Amounts disallowable	-	26,290
	<u> </u>	<u> </u>
Current tax charge for year	-	-
	<u> </u>	<u> </u>

7 Debtors

	2007 £	2006 £
Amounts owed by group undertakings	1	1
	<u> </u>	<u> </u>

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

8 Share capital

	2007 £	Authorised 2006 £	Allotted, called up and fully paid 2007 £	2006 £
Ordinary shares of £1 each	1,000	1,000	3	3
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

LXB Investments Limited

Notes forming part of the financial statements for the year ended 31 December 2007 (Continued)

9 Reserves

	Share premium account £	Profit and loss account £
At 1 January 2007 and at 31 December 2007	171,393	(171,395)

10 Reconciliation of movements in shareholder's funds

	2007 £	2006 £
Loss for the year	-	(87,633)
Issue of shares in the year	-	1
Premium on shares issued during the year	-	87,632
Net additions to shareholder's funds	-	-
Opening shareholder's funds	1	1
Closing shareholder's funds	1	1

11 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 its related party transactions with other group companies in the year

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

12 Parent entity information

At 31 December 2007, the company's ultimate parent company was LXB³ Limited, which is incorporated in England and is the parent undertaking of the largest group of which the company is a member. LXB³ Limited changed its name from LXB Newco Limited on 31 July 2007. Copies of the consolidated financial statements of LXB³ Limited are available from Companies House.

On 8 January 2008, the company's ultimate parent company, LXB³ Limited, was acquired by LXB³ Limited Partnership. The General Partner of LXB³ Limited Partnership is a subsidiary of LXB³ Partners LLP. LXB³ Partners LLP is not controlled by any one individual or entity.

At 31 December 2007 the company's immediate parent company is LXB Group Limited.