

Registered number  
05085790

**LR Boss Limited**  
**Report and Accounts**  
**30 September 2006**



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**LR Boss Limited**  
**Report and accounts**  
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**LR Boss Limited**  
**Company Information**

**Directors**

Mr C King  
Mr R N Luck

**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**

05085790

## **LR Boss Limited**

### **Directors' Report**

The directors present their report and accounts for the period ended 30 September 2006, the company having changed its accounting reference date from 13 October to 30 September during the period

#### **Principal activities and review of the business**

The company acts as a commercial property investment company. The directors consider the financial position at 30 September 2006 to be satisfactory.

#### **Results and dividends**

The result for the year is set out in the profit and loss account on page 5. The directors do not recommend the payment of a dividend.

#### **Directors**

The directors who served during the period were as follows:

Mr C King

Mr R N Luck

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

#### **Auditors**

The Company passed an Elective Resolution during the year, 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 18 June 2007.

Mr R N Luck



Secretary

## **LR Boss Limited**

### **Statement of Directors' Responsibilities**

Company law requires the directors 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 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 accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for maintaining 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 accounts 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

## **LR Boss Limited**

### **Independent auditors' report to the shareholder of LR Boss Limited**

We have audited the accounts of LR Boss Limited for the period 14 October 2005 to 30 September 2006 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 director is responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the accounts 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 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 director's 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 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 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2006 and of its profit for the period 14 October 2005 to 30 September 2006,
- the accounts have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the accounts for the period 14 October 2005 to 30 September 2006.

UHY Hacker Young   
Chartered Accountants and Registered Auditors

168 Church Road  
Hove  
East Sussex  
BN3 2DL

18 June 2007

**LR Boss Limited**  
**Profit and Loss Account**  
for the period from 14 October 2005 to 30 September 2006

	Notes	2006 £	Year ended 13 October 2005 £
<b>Turnover</b>	2	2,756,140	1,589,000
Net operating expenses		(28,324)	(743,000)
<b>Operating profit</b>	3	<u>2,727,816</u>	<u>846,000</u>
Exceptional items	4	(1,066,548)	-
		<u>1,661,268</u>	<u>846,000</u>
Income from investments		-	1,300,000
Interest receivable		4,802	130,000
Interest payable	5	(3,960)	(2,042,000)
<b>Profit on ordinary activities before taxation</b>		<u>1,662,110</u>	<u>234,000</u>
Tax on profit on ordinary activities		-	-
<b>Profit for the period</b>		<u>1,662,110</u>	<u>234,000</u>

**LR Boss Limited**  
**Statement of total recognised gains and losses**  
**for the period from 14 October 2005 to 30 September 2006**

		<b>2006</b>	<b>Year ended</b>
		<b>£</b>	<b>13 October</b>
			<b>2005</b>
			<b>£</b>
Profit for the period	15	1,662,110	234,000
Unrealised surplus on revaluation of properties	14	19,851,530	-
Total recognised gains and losses related to the period		<u>21,513,640</u>	<u>234,000</u>

**LR Boss Limited**  
**Balance Sheet**  
**as at 30 September 2006**

	Notes	2006 £	13 October 2005 £
<b>Fixed assets</b>			
Investment property	8	52,000,000	33,474,000
Investments	9	-	8,135,000
		<u>52,000,000</u>	<u>41,609,000</u>
<b>Current assets</b>			
Debtors	10	1,145,521	1,550,394
Cash at bank and in hand		<u>61,614</u>	<u>244,000</u>
		1,207,135	1,794,394
<b>Creditors: amounts falling due within one year</b>	11	(32,375,101)	(792,000)
<b>Net current (liabilities)/assets</b>		<u>(31,167,966)</u>	<u>1,002,394</u>
<b>Total assets less current liabilities</b>		<u>20,832,034</u>	<u>42,611,394</u>
<b>Creditors: amounts falling due after more than one year</b>	12	-	(43,293,000)
		<u>20,832,034</u>	<u>(681,606)</u>
<b>Capital and reserves</b>			
Called up share capital	13	1	1
Revaluation reserve	14	19,851,530	-
Profit and loss account	15	980,503	(681,607)
<b>Shareholder's funds</b>			
Equity		<u>20,832,034</u>	<u>(681,606)</u>
	16	<u>20,832,034</u>	<u>(681,606)</u>

Mr C King  
Director



Approved by the board on 18 June 2007

**LR Boss Limited**  
**Notes to the Accounts**  
**for the period from 14 October 2005 to 30 September 2006**

**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

**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 Statement of Standard Accounting Practice 19 (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 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.

**Changes in accounting policies**

In preparing the accounts for the current year, the company has adopted FRS 25, Financial Instruments: Disclosure & Presentation (IAS 32), and has accordingly restated dividends paid.

**Consolidation**

The company has taken advantage of the exemption under Section 228 of the Companies Act 1985 from the requirement to prepare group accounts as it is a wholly owned subsidiary.

**Cash flow statement**

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cashflow statement on the grounds that the company is wholly owned and its ultimate parent publishes a consolidated cashflow statement.

**Turnover**

Turnover represents rental income, net of value added tax.

**LR Boss Limited**  
**Notes to the Accounts**  
**for the period from 14 October 2005 to 30 September 2006**

**2 Turnover**

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

	<b>2006</b>	<b>Year ended 13 October 2005</b>
	<b>£</b>	<b>£</b>

**3 Operating profit**

Operating profit is stated after charging

Depreciation

Auditors remuneration

-	163,000
<u>2,000</u>	<u>-</u>

**4 Exceptional items**

Loss on disposal of investment property

Provisions against costs of investment in subsidiaries less  
waiver of loans from those subsidiaries (see note 9)

	Year ended 13 October
2006	2005
£	£
(530,240)	-
(536,308)	-
<hr/> (1,066,548)	<hr/> -

**5 Interest payable**

On borrowings repayable within five years

Other interest

	Year ended 13 October
2006	2005
£	£
-	1,103,000
3,960	939,000
<hr/> 3,960	<hr/> 2,042,000

**6 Taxation**

No tax is considered payable due to the availability of losses for group relief

**7 Equity dividends**

Equity dividends on ordinary shares - interim paid

	Year ended 13 October 2005
2006	2005
£	£
-	800,000

**LR Boss Limited**  
**Notes to the Accounts**  
**for the period from 14 October 2005 to 30 September 2006**

**8 Investment Properties**

	<b>Freehold land and buildings £</b>
<b>Valuation</b>	
At 14 October 2005	33,474,000
Adjustment	(130)
Surplus on revaluation	19,851,530
Disposals	<u>(1,325,400)</u>
At 30 September 2006	<u>52,000,000</u>
 At cost	 <u>32,148,470</u>

The investment properties were valued by the directors on an open market value basis at 30 September 2006. The properties have been charged to secure a bank loan made to a related undertaking.

**9 Investments**

	<b>Investments in subsidiary undertakings £</b>
<b>Cost</b>	
At 14 October 2005	8,135,000
Provision for permanent diminution in value	<u>(8,135,000)</u>
At 30 September 2006	<u>-</u>

The company holds 100% of the share capital of Clydecare Limited, a dormant company incorporated in Scotland, and of Elipse Limited, a dormant company incorporated in Northern Ireland. Both companies were placed into members' voluntary liquidation on 9 June 2006 and as a result the cost of investment has been fully provided against in the accounts.

**10 Debtors**

	<b>2006 £</b>	<b>2005 £</b>
Amounts owed by related undertakings	1,144,496	1,550,394
Other debtors	<u>1,025</u>	<u>-</u>
	<u>1,145,521</u>	<u>1,550,394</u>

**LR Boss Limited**  
**Notes to the Accounts**  
**for the period from 14 October 2005 to 30 September 2006**

<b>11 Creditors: amounts falling due within one year</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Loan notes	55,482	-
Trade creditors	-	29,000
Amounts owed to group undertakings	32,303,838	604,000
Accruals and deferred income	15,781	159,000
	<u>32,375,101</u>	<u>792,000</u>
<b>12 Creditors: amounts falling due after one year</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Loan notes	-	242,000
Amounts owed to group undertakings	-	43,051,000
	<u>-</u>	<u>43,293,000</u>
<b>13 Share capital</b>	<b>2006</b>	<b>2005</b>
	<b>No</b>	<b>No</b>
Authorised		
Ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
	<b>2006</b>	<b>2005</b>
	<b>No</b>	<b>No</b>
Allotted, called up and fully paid		
Ordinary shares of £1 each	1	1
	<u>1</u>	<u>1</u>
<b>14 Revaluation reserve</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Arising on revaluation during the period	19,851,530	-
At 30 September 2006	<u>19,851,530</u>	<u>-</u>
<b>15 Profit and loss account</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
At 14 October 2005	(681,607)	(115,607)
Profit for the financial period	1,662,110	234,000
Dividend paid	-	(800,000)
At 30 September 2006	<u>980,503</u>	<u>(681,607)</u>

**LR Boss Limited**  
**Notes to the Accounts**  
**for the period from 14 October 2005 to 30 September 2006**

<b>16 Reconciliation of movement in shareholder's funds</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
At 14 October 2005	(681,606)	(115,606)
Profit for the financial period	1,662,110	234,000
Dividends	-	(800,000)
Other recognised gains and losses	19,851,530	-
At 30 September 2006	<u>20,832,034</u>	<u>(681,606)</u>

**17 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

**18 Parent undertaking**

The company is a wholly owned subsidiary of LR Property Holdings Ltd, a company incorporated and registered in Jersey. The ultimate parent undertaking is Loopsign Ltd, a company incorporated in England and Wales. The ultimate controlling parties are I M Livingstone and R J Livingstone through their joint ownership of Loopsign Ltd.