

Registered number
05139897

LR Life No.1 (UK) Limited

Report and Accounts

30 September 2006

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LR Life No.1 (UK) Limited
Report and accounts
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LR Life No.1 (UK) 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

05139897

LR Life No.1 (UK) 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 Life No.1 (UK) 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 Life No 1 (UK) Limited

Independent auditors' report to the shareholder of LR Life No 1 (UK) Limited

We have audited the accounts of LR Life No 1 (UK) Limited for the period from 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 from 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 from 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 Life No.1 (UK) Limited
Profit and Loss Account
for the period from 14 October 2005 to 30 September 2006

	Notes	2006 £	Year ended 13 October 2005 £
Turnover	2	18,475,042	13,192,000
Net operating expenses		(94,375)	(5,165,000)
Operating profit	3	<u>18,380,667</u>	<u>8,027,000</u>
Exceptional items profit on the disposal of tangible fixed assets	4	-	2,267,000
		<u>18,380,667</u>	<u>10,294,000</u>
Interest receivable		-	49,000
Interest payable	5	-	(11,083,000)
Profit/(loss) on ordinary activities before taxation		<u>18,380,667</u>	<u>(740,000)</u>
Tax on profit/(loss) on ordinary activities		-	-
Profit/(loss) for the period		<u>18,380,667</u>	<u>(740,000)</u>
Retained profit/(loss) for the period	13	<u>18,380,667</u>	<u>(740,000)</u>

LR Life No.1 (UK) Limited
Statement of total recognised gains and losses
for the period from 14 October 2005 to 30 September 2006

		2006	Year ended
		£	13 October
			2005
			£
Profit/(loss) for the period	13	18,380,667	(740,000)
Unrealised surplus on revaluation of properties	12	128,525,994	-
Total recognised gains and losses related to the period		<u>146,906,661</u>	<u>(740,000)</u>

LR Life No.1 (UK) Limited
Balance Sheet
as at 30 September 2006

	Notes	2006 £	13 October 2005 £
Fixed assets			
Investment property	7	348,000,000	219,524,000
Current assets			
Debtors	8	21,673,304	7,103,000
Creditors. amounts falling due within one year	9	(223,471,784)	(3,955,141)
Net current (liabilities)/assets		(201,798,480)	3,147,859
Total assets less current liabilities		146,201,520	222,671,859
Creditors. amounts falling due after more than one year	10	-	(223,377,000)
		<u>146,201,520</u>	<u>(705,141)</u>
Capital and reserves			
Called up share capital	11	1	1
Revaluation reserve	12	128,525,994	-
Profit and loss account	13	17,675,525	(705,142)
Shareholder's funds			
Equity		<u>146,201,520</u>	<u>(705,141)</u>
	14	<u>146,201,520</u>	<u>(705,141)</u>

Mr C King
Director

Approved by the board on 18 June 2007



LR Life No.1 (UK) 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.

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.

2 Turnover

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

LR Life No.1 (UK) Limited
Notes to the Accounts
for the period from 14 October 2005 to 30 September 2006

		Year ended 13 October 2005
	2006	2005
	£	£
3 Operating profit		
Operating profit is stated after charging		
Depreciation	-	3,747,000
Auditors remuneration	2,000	-
		Year ended 13 October 2005
	2006	2005
	£	£
4 Exceptional items		
Profit on disposal of investment property	-	2,267,000
		Year ended 13 October 2005
	2006	2005
	£	£
5 Interest payable		
Other interest	-	11,083,000
6 Taxation		
No tax is considered payable due to the availability of losses for group relief		
7 Investment Property		
		Freehold land and buildings £
Valuation		
At 14 October 2005		219,524,000
Adjustment		6
Surplus on revaluation		128,525,994
Disposals		(50,000)
At 30 September 2006		348,000,000
At cost		219,474,006

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

LR Life No.1 (UK) Limited
Notes to the Accounts
for the period from 14 October 2005 to 30 September 2006

8 Debtors			2006	2005
			£	£
Amounts owed by related undertakings			<u>21,673,304</u>	<u>7,103,000</u>
9 Creditors: amounts falling due within one year			2006	2005
			£	£
Trade creditors			-	20,000
Amounts owed to group undertakings			223,377,409	1,809,141
Other creditors			-	1,200,000
Accruals and deferred income			<u>94,375</u>	<u>926,000</u>
			<u>223,471,784</u>	<u>3,955,141</u>
10 Creditors' amounts falling due after one year			2006	2005
			£	£
Amounts owed to group undertakings			<u>-</u>	<u>223,377,000</u>
11 Share capital	2006	2005	2006	2005
	No	No	£	£
Authorised				
Ordinary shares of £1 each	1,000	1,000	<u>1,000</u>	<u>1,000</u>
	2006	2005	2006	2005
	No	No	£	£
Allotted, called up and fully paid				
Ordinary shares of £1 each	1	1	<u>1</u>	<u>1</u>
12 Revaluation reserve			2006	2005
			£	£
Arising on revaluation during the period			128,525,994	-
At 30 September 2006			<u>128,525,994</u>	<u>-</u>
13 Profit and loss account			2006	2005
			£	£
At 14 October 2005			(705,142)	34,858
Retained profit/(loss)			18,380,667	(740,000)
At 30 September 2006			<u>17,675,525</u>	<u>(705,142)</u>

LR Life No.1 (UK) Limited
Notes to the Accounts
for the period from 14 October 2005 to 30 September 2006

14 Reconciliation of movement in shareholder's funds	2006	2005
	£	£
At 14 October 2005	(705,141)	34,859
Profit/(loss) for the financial period	18,380,667	(740,000)
Other recognised gains and losses	128,525,994	-
	<hr/>	<hr/>
At 30 September 2006	146,201,520	(705,141)

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 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.