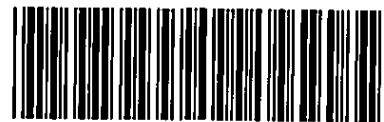


5580449

**LTS CONTRACTORS LIMITED**  
**REPORT & FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2006**

FRIDAY



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COMPANIES HOUSE

**LTS CONTRACTORS LIMITED**

**ANNUAL REPORT**

**For the period ended 31 December 2006**

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**LTS CONTRACTORS LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

Mr M S Ellice (appointed 30 September 2005)  
Mr R Sanderson (appointed 30 September 2005)

**SECRETARY**

Mr R Sanderson (appointed 30 September 2005)

**COMPANY NUMBER**

5580449 (England)

**AUDITORS**

PricewaterhouseCoopers LLP  
1 Embankment Place  
London WC2N 6RH

**BANKERS**

Bank of Scotland  
155 Bishopsgate  
London EC2M 3YB

**REGISTERED OFFICE**

The Northern & Shell Building  
Number 10 Lower Thames Street  
London EC3R 6EN

# **LTS CONTRACTORS LIMITED**

## **DIRECTORS' REPORT**

**For the period 30 September 2005 - 31 December 2006**

The directors present their report and the audited financial statements of the Company for the 15 month period ended 31 December 2006

### **PRINCIPAL ACTIVITIES**

The Company's principal activity is the fitting out of commercial office space

The Company was incorporated on 30 September 2005 and commenced trading on that date

### **REVIEW OF THE PERIOD AND FUTURE PROSPECTS**

The profit and loss account is set out on page 6

The directors consider the trading results to be satisfactory given the competitive market in which the Company operates

The Company is well placed to further improve its results and to take advantage of new opportunities as they arise

The risks, uncertainties and key performance indicators pertaining to the Company are consistent with those experienced by the Company's fellow subsidiaries. They are discussed in the "Review of the year and future prospects" section in the Directors' Report of Northern & Shell Network Limited, the ultimate operational parent of the Company

The Company's net assets were £93,000 as at 31 December 2006

### **RESULTS AND DIVIDENDS**

The Company recorded a profit on ordinary activities before taxation for the period 30 September 2005 to 31 December 2006 of £133,000

The directors do not recommend the payment of a dividend

### **DIRECTORS AND THEIR INTERESTS**

The present membership of the board is set out on page 2

At the date of incorporation of the Company and the end of the period, Mr R C Desmond was beneficially interested in the whole of the issued share capital of the Company. The interests of Mr R C Desmond, who is a director of the ultimate operational parent company, Northern & Shell Network Limited, are shown in the financial statements of that company

During the period 225,000 £1 Ordinary 'B' shares were issued in Northern & Shell America Limited, a fellow group undertaking. At the beginning and end of the period, the directors' beneficial interests in the issued share capital of that company were

	<b>£1 Ordinary 'B' shares</b>	
	<b>At 30 September 2005</b>	<b>At 31 December 2006</b>
Mr M S Ellice	-	75,000
Mr R Sanderson	-	37,500

### **POLICY ON PAYMENT OF CREDITORS**

The Company agrees terms and conditions for transactions individually with its suppliers. Payment is made on these terms, subject to the terms and conditions being met by the supplier

# **LTS CONTRACTORS LIMITED**

## **DIRECTORS' REPORT**

**For the period 30 September 2005 - 31 December 2006**

### **FINANCIAL RISK MANAGEMENT**

The Company's operations expose it to a variety of financial risks that include credit and liquidity risks. The Company has mechanisms in place that seek to limit the impact of the adverse effects of these risks on the financial performance of the Company.

#### **Credit risk**

The Company has implemented policies that require appropriate credit checks to be performed on potential customers before sales are made.

#### **Liquidity risk**

The Company actively manages its finances to ensure that the Company has sufficient funds available for its operations.

### **STATEMENT OF 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. The directors are required to prepare financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the period ended 31 December 2006 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and 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.

### **DISCLOSURE OF INFORMATION TO AUDITORS**

In accordance with Section 234ZA of the Companies Act, in the case of each of the persons who are directors at the time when this report is approved, the following applies:

- so far as the director is aware, there is no relevant audit information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware, and
- the director has taken all steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### **AUDITORS**

It was resolved at the annual general meeting that the Company would appoint PricewaterhouseCoopers LLP as auditors for the Company.

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the annual general meeting.

Approved by the Board and signed on behalf of the Board



Mr R Sanderson  
Secretary

Date 19 April 2007

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**

**LTS CONTRACTORS LIMITED**

**For the period ended 31 December 2006**

We have audited the financial statements of LTS Contractors Limited for the period ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

**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). 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 Directors' 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 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.

**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 2006 and of its profit for the period 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  
London  
Date 20 April 2007

**LTS CONTRACTORS LIMITED**

**PROFIT AND LOSS ACCOUNT**

**For the period ended 31 December 2006**

	<b>Notes</b>	<b>Total 2006 £000</b>
<b>Turnover</b>	<b>2</b>	<b>7,650</b>
<b>Cost of sales</b>		<b>(7,131)</b>
<b>Gross profit</b>		<b>519</b>
<b>Administrative expenses</b>		<b>(29)</b>
<b>Operating profit</b>	<b>3</b>	<b>490</b>
<b>Profit on ordinary activities before interest and taxation</b>		<b>490</b>
<b>Interest receivable and similar income</b>	<b>5</b>	<b>1</b>
<b>Interest payable and similar charges</b>	<b>6</b>	<b>(358)</b>
<b>Profit on ordinary activities before taxation</b>		<b>133</b>
<b>Tax on profit on ordinary activities</b>	<b>7</b>	<b>(40)</b>
<b>Retained profit for the financial period</b>	<b>11/12</b>	<b>93</b>

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the period stated above and their historical cost equivalent

There are no recognised gains and losses other than those stated above and therefore no separate statement of total recognised gains and losses has been presented

Turnover and operating profits are wholly attributable to continuing operations

The notes on pages 8 to 11 form part of these financial statements

**LTS CONTRACTORS LIMITED**  
**BALANCE SHEET as at 31 December 2006**

	Notes	2006 £000
<b>CURRENT ASSETS</b>		
Debtors	8	934
<b>CREDITORS</b> amounts falling due within one year	9	<u>(841)</u>
<b>NET CURRENT ASSETS</b>		<u>93</u>
<b>NET ASSETS</b>		<u>93</u>
<b>EQUITY CAPITAL AND RESERVES</b>		
Called up share capital	10	-
Profit and loss account	11	<u>93</u>
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>	12	<u>93</u>

Approved by the Board of Directors



Mr M S Ellice

Date 19 April 2007



## **LTS CONTRACTORS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the period ended 31 December 2006**

#### **1 PRINCIPAL ACCOUNTING POLICIES**

##### **( a ) Basis of accounting**

The financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards. The principal accounting policies are set out below. The financial statements have been prepared for the period 30 September 2005 to 31 December 2006.

##### **( b ) Cash flow statement**

The Company is a wholly owned subsidiary of Express Newspapers and is included in the consolidated financial statements of Northern & Shell Network Limited and has therefore relied on the exemption provided by FRS1 from preparing its own cash flow statement.

##### **( c ) Debtors**

Debtors are initially stated at fair value. The carrying value of debtors are reviewed for impairments if events or changes in circumstances indicate the carrying value may not be recoverable.

##### **( d ) Revenue recognition**

Turnover represents the invoiced amount of goods sold and services provided (stated net of Value Added Tax). Turnover is recognised as services are provided.

#### **2 TURNOVER**

The Company's turnover, profit before taxation and net assets arises solely from its fitting out of commercial space activities carried out in the United Kingdom.

#### **3 OPERATING PROFIT**

##### **Audit Services**

Auditors remuneration of £4k for the period ended 31 December 2006 is borne by Express Newspapers, the immediate parent company.

Fees paid to the Company's auditor, PricewaterhouseCoopers LLP, and its associates for services other than the statutory audit of the Company are not disclosed in LTS Contractors Limited's accounts since the consolidated accounts of LTS Contractors Limited's ultimate operational parent, Northern & Shell Network Limited, are required to disclose other services on a consolidated basis.

#### **4 DIRECTORS' EMOLUMENTS**

Directors' emoluments in respect of services rendered by the directors to the Company are borne by the immediate parent company, Express Newspapers. The directors do not receive any fees or emoluments from the Company as their duties are incidental to their main duties to other subsidiary undertakings of Northern & Shell Network Limited.

The Company has no employees.

**LTS CONTRACTORS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the period ended 31 December 2006**

**5 INTEREST RECEIVABLE AND SIMILAR INCOME**

**2006  
£000**

Bank deposit	1
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**6 INTEREST PAYABLE AND SIMILAR CHARGES**

**2006  
£000**

Group interest payable	358
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**7 TAX ON PROFIT ON ORDINARY ACTIVITIES**

**2006  
£000**

Current tax	
UK corporation tax at 30%	40

Total current tax	40
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Tax on profit on ordinary activities	40
--------------------------------------	----

**8 DEBTORS**

**2006  
£000**

Amounts falling due within one year	
-------------------------------------	--

Amounts owed by group undertakings	918
Other debtors	16

934

Amounts owed by group undertakings carry interest between 2.0% and 2.5% above base rate, are unsecured and repayable on demand

**LTS CONTRACTORS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the period ended 31 December 2006**

**9 CREDITORS amounts falling due within one year**

**2006  
£000**

Trade creditors	14
Amounts owed to group undertakings	6
Other creditors	616
Amounts owed to group undertakings with respect to group relief	40
Accruals and deferred income	165
	<hr/>
	841

Amounts owed to group undertakings carry interest between 2.0% and 2.5% above base rate, are unsecured and repayable on demand  
Amounts owed to group undertakings with respect to group relief are non interest bearing

**10 SHARE CAPITAL**

**2006**

Authorised 100 Ordinary shares of £1 each	<hr/>
	£100
Allotted, call up and fully paid 1 Ordinary share of £1	<hr/>
	£1

During the period 1 Ordinary share was issued for cash. The nominal value and consideration received for this share was £1

**11 RESERVES**

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**Profit and loss account  
£000**

At 30 September 2005	-
Retained profit for the period	93
At 31 December 2006	<hr/>
	93

**LTS CONTRACTORS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the period ended 31 December 2006**

**12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>2006 £000</b>
Profit for the period	93
Net addition to shareholders' funds	<u>93</u>
Opening shareholders' funds	<u>-</u>
Closing shareholders' funds	<u>93</u>

**13 GUARANTEES AND CONTINGENT LIABILITIES**

At 31 December 2006, the assets of the Company are held as security for bank loans advanced to group undertakings. After the year end, the arrangements securing these bank loans were amended (note 14)

The Company is part of the Northern & Shell Network Limited group. At 31 December 2006, certain claims in the normal course of business were pending against the group and certain tax computations were still subject to agreement with the relevant taxation authorities. Although there is uncertainty regarding the final outcome of these matters, the directors believe, based on professional advice received, that adequate provision has been made in the financial statements for anticipated liabilities and the probable ultimate resolution of such matters will not have a material effect on the financial statements of the Company.

**14 POST BALANCE SHEET EVENT**

On 18 April 2007, the bank loans referred to in note 13 were restructured. As a result, the arrangements in place as at 31 December 2006 were superseded and the bank loans are no longer secured on the assets of the Company.

**15 RELATED PARTY TRANSACTIONS**

The Company is exempt under the terms of FRS8 from disclosing related party transactions with entities that are part of the Northern & Shell Network Limited group.

**16 ULTIMATE PARENT UNDERTAKING**

The immediate parent undertaking is Express Newspapers and the ultimate parent undertaking is RCD1 Limited. RCD1 Limited acts purely as a holding company and does not participate in operations. Accordingly, Northern & Shell Network Limited acts as the ultimate operational parent of the group.

The largest and smallest groups into which these accounts are consolidated are RCD1 Limited and Northern & Shell Network Limited respectively.

RCD1 Limited, Northern & Shell Network Limited and Express Newspapers are registered in England. Copies of the financial statements of RCD1 Limited and Northern & Shell Network Limited can be obtained from The Northern & Shell Building, Number 10 Lower Thames Street, London, EC3R 6EN.