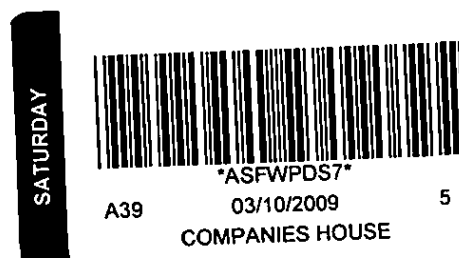


Company Registration No: 5872892

**LSI Europe Limited**

Report and Financial Statements

Year Ended 31 March 2009



**BDO Stoy Hayward**  
Chartered Accountants

# **LSI Europe Limited**

## **Report and financial statements for the year ended 31 March 2009**

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6	Balance sheet
7	Notes forming part of the financial statements

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### **Company information**

#### **Directors**

H R Mould  
P L Vaughan  
M F McGann

#### **Secretary and registered office**

J Jessop, 21 St James's Square, London, SW1Y 4JZ

#### **Company number**

5872892

#### **Auditors**

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

## **LSI Europe Limited**

### **Report of the directors for the year ended 31 March 2009**

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The directors present their report together with the audited financial statements for the year ended 31 March 2009.

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

The principal activity of the company is a holding company.

The directors do not recommend the payment of a dividend.

#### **Directors**

The directors of the company during the year were as follows:

H R Mould	
P L Vaughan	
H J M Price	(resigned 15 October 2008)
M F McGann	(appointed 15 October 2008)

None of the directors hold a beneficial interest in the ordinary share capital of the company.

At 31 March 2009 Mr H R Mould and Mr P L Vaughan were also directors of the ultimate parent company London & Stamford Property Limited. Their interests in the share capital of that company are shown in its financial statements.

#### **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 period which give a true and fair view of the state of affairs of the company and of its profit or loss 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 have been properly prepared in accordance 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.

## **LSI Europe Limited**

### **Report of the directors for the year ended 31 March 2009 (*Continued*)**

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#### **Disclosure of information to auditors**

All of the current directors have taken all 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 expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the next annual general meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

#### **On behalf of the Board**



M F McGann  
**Director**

10 September 2009

## **LSI Europe Limited**

### **Report of the independent auditors for the year ended 31 March 2009**

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#### **To the shareholders of LSI Europe Limited**

We have audited the financial statements of LSI Europe Limited for the year ended 31 March 2009 on pages 5 to 10. These financial statements have been prepared under the accounting policies set out on page 7.

#### **Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities within the Report of the Directors, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with those 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 is not disclosed.

We read the Report of the Directors and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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.

## LSI Europe Limited

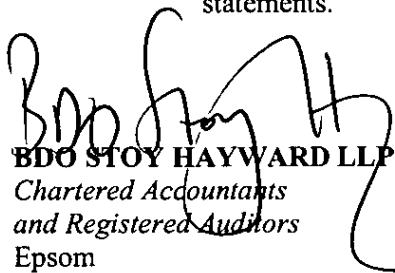
### Report of the independent auditors for the year ended 31 March 2009 *(Continued)*

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#### 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 March 2009;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.



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

10 September 2009

**LSI Europe Limited****Profit and loss account for the year ended 31 March 2009**

	Note	Year ended 31 March 2009 £	Year ended 31 March 2008 £
Administrative expenses		-	(199,799)
Provision against loan to joint venture		-	(339,878)
		<hr/>	<hr/>
<b>Operating loss</b>		-	(535,677)
Loss on disposal of joint venture		-	(697,420)
		<hr/>	<hr/>
<b>Loss on ordinary activities before interest and other income</b>	2	-	(1,233,097)
Net financing income	3	-	93,384
		<hr/>	<hr/>
<b>Loss on ordinary activities before taxation</b>		-	(1,139,713)
Taxation on loss on ordinary activities	4	-	-
		<hr/>	<hr/>
<b>Loss for the year</b>	8	-	(1,139,713)
		<hr/> <hr/>	<hr/> <hr/>

All amounts relate to continuing activities.

There was no difference between historical cost loss and the reported loss on ordinary activities for the year.

There were no recognised gains and losses other than those passing through the profit and loss account.

The notes on pages 7 to 10 form part of these financial statements.

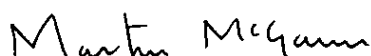
# LSI Europe Limited

## Balance Sheet at 31 March 2009

	Note	31 March 2009 £	31 March 2008 £
Creditors: amounts falling due within one year	5	(2,015,686)	(2,015,686)
Net current liabilities		(2,015,686)	(2,015,686)
Total assets less current liabilities		(2,015,686)	(2,015,686)
Net liabilities		(2,015,686)	(2,015,686)
Capital and reserves			
Called up share capital	6	1,000	1,000
Profit and loss account	7	(2,016,686)	(2,016,686)
Equity shareholders' deficit	8	(2,015,686)	(2,015,686)

The financial statements were approved and authorised for issue by the Board of Directors on 10 September 2009 and were signed on its behalf by:

M F McGann  
Director



The notes on pages 7 to 10 form part of these financial statements



# LSI Europe Limited

## Notes forming part of the financial statements for the year ended 31 March 2009

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### 1 Accounting policies

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

The following principal accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements:

#### *Going Concern*

The financial statements have been prepared on the going concern basis as the company's immediate parent company, London & Stamford Investments Limited, has confirmed its intention to support the company financially to enable it to continue to trade. The financial statements do not include any adjustments that would result from a discontinuance of this support.

If the company were unable to continue to trade for the foreseeable future, adjustments would have to be made to reduce the balance sheet values of assets to their recoverable amounts, to provide for further liabilities that might arise and to reclassify fixed assets and long-term liabilities as current assets and liabilities.

#### *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 at the balance sheet date; and,
- the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the short term to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

#### *Financial liabilities and equity*

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

# LSI Europe Limited

## Notes forming part of the financial statements for the year ended 31 March 2009 (*Continued*)

### 2 Profit and loss account

Directors' emoluments are £nil (2008: £nil). The company has no employees (2008: none). The auditors' remuneration for the period was borne by the parent company.

### 3 Net (financing income)/cost

	Year ended 31 March 2009 £	Year ended 31 March 2008 £
Interest receivable on intergroup loans	-	(105,651)
Cost of hedging debt	-	12,267
	<u>-</u>	<u>(93,384)</u>

### 4 Taxation on loss on ordinary activities

	Year ended 31 March 2009 £	Year ended 31 March 2008 £
<i>UK corporation tax</i>		
Current tax on losses for the year	-	-

The tax assessed for the year is different to the standard rate of corporation tax in the UK. The differences are explained below:

	Year ended 31 March 2009 £	Year ended 31 March 2008 £
Loss on ordinary activities before tax	-	(1,139,713)
Loss on ordinary activities at the standard rate of Corporation tax in the UK of 28% (2008: 28%)	-	(319,120)
Effect of:		
Expenses not deductible for tax purposes	-	322,909
Group relief (claimed)/surrendered	-	(3,789)
	<u>-</u>	<u>-</u>

# LSI Europe Limited

Notes forming part of the financial statements for the year ended 31 March 2009 (*Continued*)

## 5 Creditors: amounts falling due within one year

	31 March 2009 £	31 March 2008 £
Amounts owed to parent undertaking	2,015,686	2,015,686

## 6 Share capital

	31 March 2009 £	31 March 2008 £
<i>Authorised</i>		
1,000 ordinary shares of £1 each	1,000	1,000
<i>Allotted, called up and fully paid</i>		
1,000 ordinary shares of £1 each	1,000	1,000

## 7 Reserves

	Profit and loss account £
At 1 April 2008 and 31 March 2009	(2,016,686)

## 8 Reconciliation of movement in shareholders' deficit

	31 March 2009 £	31 March 2008 £
Loss for the year	-	(1,139,713)
Net movements in shareholders' deficit	-	(1,139,713)
Opening shareholders' deficit	(2,015,686)	(875,973)
Closing shareholders' deficit	(2,015,686)	(2,015,686)

## **LSI Europe Limited**

**Notes forming part of the financial statements for the year ended 31 March 2009 (Continued)**

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### **9 Cash flow statement**

The company has used the exemption under Financial Reporting Standard 1, "Cash Flow Statements", not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled by the ultimate parent company, London and Stamford Property Ltd, and the company is included in its consolidated financial statements.

### **10 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 any transactions with entities that are included in the consolidated financial statements of London & Stamford Property Limited.

### **11 Controlling party information**

At 31 March 2009 the company's immediate parent company was London & Stamford Investments Limited and its ultimate parent company was London & Stamford Property Limited. The consolidated financial statements of London & Stamford Property Limited are available from 2<sup>nd</sup> Floor, Regency Court, Gategny Esplanade, St Peter Port, Guernsey, GY1 3NQ.