

IVG ASTICUS REAL ESTATE LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2006

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COMPANIES HOUSE

(Registered Number 2305636)

IVG ASTICUS REAL ESTATE LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2006

IVG ASTICUS REAL ESTATE LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2006

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IVG ASTICUS REAL ESTATE LIMITED

DIRECTORS' REPORT

The directors submit their report and the audited financial statements of the company for the year ended 31 December 2006, which show the state of the company's affairs

PRINCIPAL ACTIVITY, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The principal activity of the company during the period was the acquisition and the holding of property in central London for commercial letting. The directors plan to develop the activities of the company and the group, taking into account the general economic conditions which are likely to exist in the year ending 31 December 2007.

The profit for the year after taxation amounted to £16,443,289 (2005 £647,575) which is transferred to reserves. A dividend of £12,750,000 was paid during the period (2005 £5,000,000).

DIRECTORS

The following directors served during the period

Mr J Svedin resigned 31 December 2006
Mr P Banerjee
Mr D H Gibson

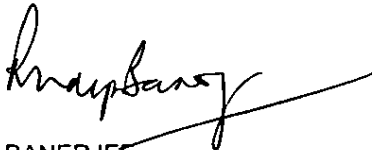
STATEMENT OF INFORMATION PROVIDED TO AUDITORS

Each of the directors has confirmed that

- so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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

Approved by the Board of Directors and signed on behalf of the Board on 29 August 2007



P BANERJEE
Director

IVG ASTICUS REAL ESTATE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required to 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. In preparing these 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,
- 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IVG ASTICUS REAL ESTATE LIMITED

We have audited the financial statements of IVG Asticus Real Estate Limited for the year ended 31 December 2006 which comprise the profit and loss account, the balance sheet, the cash flow statement, the statement of total recognised gains and losses and the related notes. The financial statements have been prepared under 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 auditors' 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

The directors' responsibilities for preparing the annual report and 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. 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 judgments 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
IVG ASTICUS REAL ESTATE LIMITED
(CONTINUED)

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 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

London, UK
29 August 2007

PKF(UK) Ltd
Registered Auditors

IVG ASTICUS REAL ESTATE LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2006

		<u>2006</u> £	Year ended 31 December <u>2005</u> £
	<u>Notes</u>		
Turnover - rents receivable	1(c)	2,855,809	4,324,069
Other operating income		1,332,580	1,764,874
		<hr/> 4,188,389	<hr/> 6,088,943
Operating costs		(1,616,617)	(2,084,257)
Administrative expenses		(1,740,278)	(1,642,555)
		<hr/>	<hr/>
Operating profit	2	831,494	2,362,131
Profit on disposal of fixed assets	5	13,376,074	-
		<hr/>	<hr/>
Profit on ordinary activities before interest		14,207,568	2,362,131
Interest receivable and similar items	6	5,897,004	2,309,522
Interest payable and similar charges	7	(6,344,704)	(4,517,078)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		13,759,868	154,575
Taxation	8	2,683,421	493,000
		<hr/>	<hr/>
Profit for the year	17	<u>16,443,289</u>	<u>647,575</u>

All amounts relate to continuing operations

IVG ASTICUS REAL ESTATE LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31 DECEMBER 2006

	<u>2006</u> £	Year ended 31 December <u>2005</u> £
Profit for the financial year	16,443,289	647,575
Unrealised surplus on revaluation of investment properties	<u>3,991,644</u>	<u>7,466,268</u>
Total recognised gains and losses relating to the year	<u><u>20,434,933</u></u>	<u><u>8,113,843</u></u>

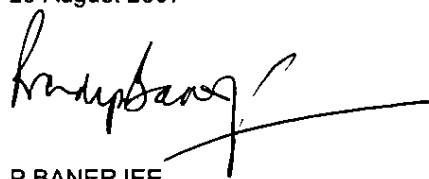
NOTE OF HISTORICAL COST PROFITS AND LOSSES

	<u>2006</u> £	Year ended 31 December <u>2005</u> £
Reported profit on ordinary activities before taxation	13,759,868	154,575
Realisation of property valuation gains of prior years	<u>(1,716,789)</u>	<u>-</u>
Historical cost profit on ordinary activities before taxation	<u><u>12,043,079</u></u>	<u><u>154,575</u></u>
Historical cost profit for the year retained after taxation	<u><u>14,726,500</u></u>	<u><u>647,575</u></u>

IVG ASTICUS REAL ESTATE LIMITED
BALANCE SHEET
31 DECEMBER 2006

	<u>Notes</u>	<u>£</u>	<u>2006</u>	<u>£</u>	<u>£</u>	<u>2005</u>	<u>£</u>
FIXED ASSETS							
Tangible assets	9		38,237,087			70,629,698	
Investments	10		18,104,715			18,104,615	
			<hr/>			<hr/>	
			56,341,802			88,734,313	
CURRENT ASSETS							
Debtors	11	134,184,212		51,832,165			
Cash at bank and in hand		2,198,967		2,395,108			
		<hr/>		<hr/>			
		136,383,179		54,227,273			
CREDITORS							
Amounts falling due within one year	12	(3,191,235)		(3,923,341)			
		<hr/>		<hr/>			
NET CURRENT ASSETS			133,191,944			50,303,932	
TOTAL ASSETS LESS CURRENT LIABILITIES			<hr/>			<hr/>	
			189,533,746			139,038,245	
CREDITORS							
Amounts falling due after more than one year	12		(130,177,980)			(85,232,412)	
PROVISIONS							
Deferred taxation	13		(334,000)			(2,469,000)	
			<hr/>			<hr/>	
			59,021,766			51,336,833	
			<hr/>			<hr/>	
CAPITAL AND RESERVES							
Called up share capital	14		40,000,000			40,000,000	
Capital contribution	15		1,475,000			1,475,000	
Revaluation reserve	16		12,729,677			7,021,244	
Profit and loss account	17		4,817,089			2,840,589	
			<hr/>			<hr/>	
SHAREHOLDER'S FUNDS	18		59,021,766			51,336,833	
			<hr/>			<hr/>	

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 August 2007



P BANERJEE
Director

IVG ASTICUS REAL ESTATE LIMITED
CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2006

	<u>Notes</u>	<u>2006</u> £	Year ended 31 December <u>2005</u> £
Operating profit		831,494	2,362,131
Depreciation		5,800	5,278
Increase in debtors		(501,826)	(1,049,625)
Decrease in creditors		(247,013)	(9,269)
		<hr/>	<hr/>
Net cash inflow from operating activities		88,455	1,308,515
		<hr/>	<hr/>
CASH FLOW STATEMENT			
Net cash inflow from operating activities		88,455	1,308,515
Returns on investments and servicing of finance	19	(447,700)	(2,239,538)
Taxation		98,422	-
Capital expenditure (less receipts)	19	(32,099,837)	(10,462,115)
Equity dividends paid		(12,750,000)	(5,000,000)
		<hr/>	<hr/>
Cash outflow before financing		(45,110,660)	(16,393,138)
Financing	19	44,914,519	16,917,613
		<hr/>	<hr/>
(Decrease)/increase in cash in the period		(196,141)	524,475
		<hr/>	<hr/>
Reconciliation of net cash flow movement to movement in net debt	20		
(Decrease)/increase in cash in the period		(196,141)	524,475
Cash and other inflow from movement in debt		(44,914,519)	(16,917,613)
		<hr/>	<hr/>
Movement in net debt in the period		(45,110,660)	(16,393,138)
Net debt at 31 December 2005		(83,212,777)	(66,819,639)
		<hr/>	<hr/>
Net debt at 31 December 2006		(128,323,437)	(83,212,777)
		<hr/>	<hr/>

IVG ASTICUS REAL ESTATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2006

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention, as modified by the revaluation of investment property

(b) Consolidated financial statements

Consolidated accounts have not been prepared as permitted by section 228 of the Companies Act 1985. The financial statements present information about the company as an individual undertaking and not about the group as a whole.

(c) Turnover

Rents receivable represent amounts due from tenants, excluding VAT in respect of the period. All rents are generated from within the United Kingdom.

(d) Investment property

All costs associated with the acquisition and construction of investment property, net of incidental receipts and including interest payable on loans taken out to finance the project, are capitalised. Capitalisation of interest finishes at the date of practical completion, while expenses continue to be capitalised where appropriate after this date. Properties under construction are retained at cost until the date of practical completion and subsequently revalued at the next balance sheet date.

In accordance with Statement of Standard Accounting Practice No. 19 (SSAP 19), investment property is stated in the balance sheet at open market value. Revaluation surpluses and deficits are taken to a revaluation reserve except to the extent that they represent reversals of deficits previously recognised through the profit and loss account.

Also in accordance with SSAP 19 no depreciation is provided in respect of investment property. This is a departure from the requirement of the Companies Act 1985 which requires all assets having a limited useful economic life to be depreciated. The directors consider this treatment necessary in order to show a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount which would otherwise have been shown cannot be separately quantified.

(e) Investments

Fixed asset investments are shown at cost less provision for impairment.

(f) Other tangible fixed assets

Other tangible fixed assets are depreciated by equal annual instalments over their estimated useful lives as follows:

Fixtures, fittings and equipment - 25%

IVG ASTICUS REAL ESTATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2006

1 ACCOUNTING POLICIES (Continued)

(g) Deferred taxation

As required by Financial Reporting Standard 19 "Deferred Tax", full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation, except for those timing differences in respect of which FRS19 specifies that deferred tax should not be recognised

Deferred assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

(h) Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated to sterling at the rate prevailing at the balance sheet date. Transactions in foreign currencies are converted at the rate prevailing at the date of the transaction. All exchange gains and losses are taken to the profit and loss account

(i) Operating leases

Leasing charges in respect of operating leases are recognised in the profit and loss account over the lives of the lease agreement as incurred

(j) Pension contributions

The company makes contributions into personal pension plans, which are charged to the profit and loss account as they arise

(k) Operating lease incentives

In accordance with UITF 28 rent receivable in the period, from lease commencement to the earlier of the first rent review to the prevailing market rate and the lease end date, is spread evenly over that period. The cost of other incentives is spread on a straight-line basis over a similar period. Unamortised amounts are included in debtors and prepayments

UITF 28 also requires that the carrying value of investment properties reported in the balance sheet should not include any amount that is reported as a separate asset. These amounts have been excluded from fixed assets and the revaluation reserve by netting them off against the revaluation of investment properties for the year

2 OPERATING PROFIT

	<u>2006</u> £	<u>2005</u> £
The operating profit is stated after charging		
Auditors' remuneration - for audit services	133,744	59,386
- for taxation services	128,157	132,107
- for other services	5,497	96,691
Depreciation	5,800	5,278
Operating lease rentals in respect of - land and buildings	-	540,062
- other	-	-
	<hr/>	<hr/>

IVG ASTICUS REAL ESTATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2006

3 STAFF COSTS AND NUMBERS

	<u>2006</u> £	<u>2005</u> £
Staff costs, including directors were		
Wages and salaries	515,543	413,628
Social security costs	79,866	64,561
Pension contributions	26,470	29,755
	<u>621,879</u>	<u>507,944</u>
	<u>Number</u>	<u>Number</u>
Average monthly number of persons employed during the period		
Administration	<u>10</u>	<u>7</u>

4 DIRECTORS' REMUNERATION

	<u>2006</u> £	<u>2005</u> £
Emoluments	293,225	258,974
Payments under long term incentive schemes	86,000	43,487
Contributions to personal pension scheme	11,134	16,829
	<u>390,359</u>	<u>319,290</u>
Emoluments of highest paid director		
Total emoluments (including long term incentive schemes)	242,630	173,614
Contributions to personal pension scheme	6,077	9,967
	<u>248,707</u>	<u>183,581</u>

Payments under long term incentive schemes represent amounts paid in the year in respect of cash settled phantom share options in the shares of IVG Immobilien AG, the parent company. Additional payments, subject to the terms of the schemes, may be made over a period of time up to 2009. The costs arising in respect of these schemes will be accounted for as and when paid.

Contributions were made into personal pension schemes for two directors (2005 two)

5 PROFIT ON DISPOSAL OF FIXED ASSETS

On 28 April 2006 the company sold its freehold investment property at 20 Soho Square, London, for gross proceeds of £52.5m realising a surplus over book value of approximately £13m. There were no disposals in 2005.

6 INTEREST RECEIVABLE AND SIMILAR ITEMS

	<u>2006</u> £	<u>2005</u> £
Group interest	5,302,418	2,235,845
Bank interest	594,586	73,677
	<u>5,897,004</u>	<u>2,309,522</u>

IVG ASTICUS REAL ESTATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2006

7 INTEREST PAYABLE AND SIMILAR CHARGES

	<u>2006</u> £	<u>2005</u> £
Group interest	6,000,492	1,959,396
Bank interest	-	2,260,205
Other interest	344,212	297,477
	<hr/>	<hr/>
	6,344,704	4,517,078
	<hr/>	<hr/>

8 TAXATION

	<u>2006</u> £	<u>2005</u> £
(a) The charge for the period comprises		
Current tax		
Corporation tax at 30% (2005 30%)	-	-
Adjustments in respect of prior years	(548,421)	-
	<hr/>	<hr/>
Total current tax (note 8(b))	(548,421)	-
Deferred taxation		
Origination and reversal of timing differences	(2,135,000)	(493,000)
	<hr/>	<hr/>
Tax on profit on ordinary activities	(2,683,421)	(493,000)
	<hr/>	<hr/>
(b) The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below		
	<u>2006</u> £	<u>2005</u> £
Profit on ordinary activities before tax	13,759,868	154,575
	<hr/>	<hr/>
Profit on ordinary activities at standard rate of corporation tax in the UK of 30%	4,127,960	46,373
Effects of		
Indexation on disposal of fixed asset	(1,742,000)	-
Expenses not deductible for tax purposes	-	223,920
Capital allowances in excess of depreciation	(150,000)	1,703
Interest not deductible until paid	(81,000)	506,521
Losses in other group companies utilised	(2,424,960)	(1,050,086)
Interest imputation on loan to group companies	270,000	271,569
Adjustments in respect of prior periods	(548,421)	-
	<hr/>	<hr/>
Current tax charge for the year (note 8(a))	(548,421)	-
	<hr/>	<hr/>

The future tax charge will be affected by a combination of capital allowances and available losses

IVG ASTICUS REAL ESTATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2006

9 TANGIBLE FIXED ASSETS

	<u>Freehold and long leasehold investment properties</u> £	<u>Fixtures, fittings and equipment</u> £	<u>Total</u> £
Cost or valuation			
At 1 January 2006	70,616,488	364,803	70,981,291
Disposals	(36,378,455)	-	(36,378,455)
Revaluation	3,991,644	-	3,991,644
	<hr/>	<hr/>	<hr/>
At 31 December 2006	38,229,677	364,803	38,594,480
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 January 2006	-	351,593	351,593
Charge for the year	-	5,800	5,800
	<hr/>	<hr/>	<hr/>
At 31 December 2006	-	357,393	357,393
	<hr/>	<hr/>	<hr/>
Net book amounts			
At 31 December 2006	38,229,677	7,410	38,237,087
	<hr/>	<hr/>	<hr/>
At 31 December 2005	70,616,488	13,210	70,629,698
	<hr/>	<hr/>	<hr/>

At 31 December 2006 the freehold property is stated at a valuation following a professional open market valuation obtained from FPD Savills International Property Consultants

The valuations were carried out in accordance with the Practice Statements of the Royal Institution of Chartered Surveyors Appraisal and Valuation Manual, and were undertaken by external valuers as defined in Practice Statement 5

The historical cost of the properties was £25,500,000 (2005 £63,595,244) Included in the cost are interest charges of £nil (2005 £2,030,320)

The revaluation figure disclosed above of £3,991,644 comprises a revaluation on investment properties for the year of £4,761,967 reduced by lease incentives of £770,323, see note 1 (j)

10 INVESTMENTS

	<u>Investments in subsidiaries</u> £	<u>Loans to subsidiaries</u> £	<u>Total</u> £
At 1 January 2006	3	18,104,612	18,104,615
Additions	100	-	100
	<hr/>	<hr/>	<hr/>
At 31 December 2006	103	18,104,612	18,104,715
	<hr/>	<hr/>	<hr/>

IVG ASTICUS REAL ESTATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2006

10 INVESTMENTS (continued)

At 31 December 2006 the company owned directly, or indirectly, the entire share capital of the following subsidiaries, all of which are registered in England and Wales

	<u>Proportion and class of shares held</u>	<u>Profit/(loss) for the year ended 31 December 2006</u>	<u>Capital and reserves at 31 December 2006</u> £
Brooksave Limited - dormant	100% of ordinary shares	-	2
IVG Asticus (Caxton) Limited - property development/investment	100% of ordinary shares	(208,689)	18,669,160
IVG Asticus (Lombard) Limited - property development/investment	100% of ordinary shares	(139,329)	1,886,619
IVG Asticus (Aldgate) Limited - property investment	100% of ordinary shares	(24,744)	1,049,994
		<hr/>	<hr/>

11 DEBTORS

	<u>2006</u> £	<u>2005</u> £
Amounts falling due within one year		
Trade debtors	1,511,519	1,526,993
Amounts due from fellow subsidiary undertakings	129,182,865	45,157,976
Other debtors	355,774	1,185,468
Prepayments and accrued income	2,619,712	1,239,582
	<hr/>	<hr/>
	133,669,870	49,110,019
Amounts falling due after more than one year		
Trade debtors	199,440	251,758
Prepayments and accrued income	314,902	2,470,388
	<hr/>	<hr/>
	134,184,212	51,832,165
	<hr/>	<hr/>

12 CREDITORS

	<u>2006</u> £	<u>2005</u> £
Amounts falling due within one year		
Amounts due to fellow subsidiary undertakings	344,424	375,473
Amounts due to related party undertakings	756,039	-
Corporation tax	-	450,000
Other creditors including taxation and social security	406,929	762,884
Accruals and deferred income	1,683,843	2,334,984
	<hr/>	<hr/>
	3,191,235	3,923,341
Amounts falling due after more than one year		
Amount due to parent company	130,177,980	85,232,412
	<hr/>	<hr/>

IVG ASTICUS REAL ESTATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2006

13 DEFERRED TAXATION

	<u>2006</u> £	<u>2005</u> £
At 1 January 2006	2,469,000	2,962,000
Credit for the period	(2,135,000)	(493,000)
	<hr/>	<hr/>
At 31 December 2006	334,000	2,469,000
	<hr/>	<hr/>
The deferred tax balance comprises the following, provided at 30% where appropriate		
Accelerated capital allowances	334,000	2,356,000
Short-term timing differences	-	113,000
	<hr/>	<hr/>
	334,000	2,469,000
	<hr/>	<hr/>

14 CALLED UP SHARE CAPITAL

	<u>2006</u> £	<u>2005</u> £
Authorised		
45,000,000 ordinary shares of £1 each	45,000,000	45,000,000
	<hr/>	<hr/>
Allotted, issued and fully paid		
40,000,000 ordinary shares of £1 each	40,000,000	40,000,000
	<hr/>	<hr/>

15 CAPITAL CONTRIBUTION

In 1998 a capital contribution of £1,475,000 was received from the company's parent undertaking, Stockned BV. This contribution is not repayable and bears no interest.

16 REVALUATION RESERVE

	<u>2006</u> £	<u>2005</u> £
At 1 January 2006	7,021,244	(445,024)
Revaluation of freehold land and buildings	3,991,644	7,466,268
Transfer from profit and loss reserve (note 17)	1,716,789	-
	<hr/>	<hr/>
At 31 December 2006	12,729,677	7,021,244
	<hr/>	<hr/>

The revaluation figure disclosed above of £3,991,644 comprises a revaluation on investment properties for the year of £4,761,967 reduced by lease incentives of £770,323, see note 1 (k).

IVG ASTICUS REAL ESTATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2006

17 PROFIT AND LOSS ACCOUNT

	<u>2006</u> £	<u>2005</u> £
At 1 January 2006	2,840,589	7,193,014
Profit for the year	16,443,289	647,575
Transfer to revaluation reserve (note 16)	(1,716,789)	-
Dividends paid during the year	(12,750,000)	(5,000,000)
	<hr/>	<hr/>
At 31 December 2006	4,817,089	2,840,589
	<hr/>	<hr/>

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	<u>2006</u> £	<u>2005</u> £
At 1 January 2006	51,336,833	48,222,990
Profit for the period	16,443,289	647,575
Revaluation of freehold land and buildings	3,991,644	7,466,268
Dividends paid	(12,750,000)	(5,000,000)
	<hr/>	<hr/>
At 31 December 2006	59,021,766	51,336,833
	<hr/>	<hr/>

19 ANALYSIS OF CASH FLOW FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	<u>2006</u> £	<u>2005</u> £
Returns on investment and servicing of finance		
Interest received	5,897,004	2,309,522
Interest paid	(6,344,704)	(4,549,060)
	<hr/>	<hr/>
	(447,700)	(2,239,538)
	<hr/>	<hr/>
Capital expenditure (less receipts)		
Proceeds from sale of tangible fixed assets	51,925,152	-
Payments to acquire tangible fixed assets	-	(4,514)
Payments to acquire fixed asset investments	(100)	-
Repayments of loans made to other group entities	-	5,298,968
New loans to subsidiaries	(84,024,889)	(15,756,569)
	<hr/>	<hr/>
	(32,099,837)	(10,462,115)
	<hr/>	<hr/>
Financing		
Repayments of bank loan	-	(59,347,000)
Repayments of loans from other group entities	-	(8,967,799)
Loans received from other group entities	44,914,519	85,232,412
	<hr/>	<hr/>
	44,914,519	16,917,613
	<hr/>	<hr/>

IVG ASTICUS REAL ESTATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2006

20 ANALYSIS OF CHANGES IN NET DEBT

	At 31 December <u>2005</u> £	Cash Flows <u>£</u>	At 31 December <u>2006</u> £
Cash in hand and at bank	2,395,108	(196,141)	2,198,967
Net debt due within one year	(375,473)	31,049	(344,424)
Net debt due in more than one year	(85,232,412)	(44,945,568)	(130,177,980)
	<u>(83,212,777)</u>	<u>(45,110,660)</u>	<u>(128,323,437)</u>

21 LEASE COMMITMENTS

	<u>Land and buildings</u> <u>2006</u> £	<u>2005</u> £
Annual commitments in respect of operating leases expiring		
Within one year	148,447	148,447
Between two and five years	174,679	323,126
	<u>323,126</u>	<u>471,573</u>

22 ULTIMATE PARENT COMPANY AND PARENT GROUPS

The company's immediate parent undertaking is Stockned Holding BV, a company incorporated in the Netherlands

IVG Immobilien AG, incorporated in Germany, is regarded by the directors as the ultimate parent company and is the parent undertaking of the largest and smallest group for which group accounts are prepared

Group accounts of IVG Immobilien AG are available to the public from Zanderstr 5, D-53177 Bonn, Germany

No disclosure has been made within these financial statements of any transactions with group companies by virtue of the exemptions allowed by Financial Reporting Standard No 8