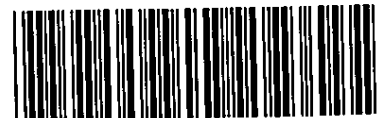


IVG ASTICUS (GMS) LIMITED

ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2006

WEDNESDAY



AR2LZSP4

A02

05/09/2007

369

COMPANIES HOUSE

(Registered Number 2514463)

IVG ASTICUS (GMS) LIMITED

ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2006

IVG ASTICUS (GMS) LIMITED
ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2006

CONTENTS

DIRECTORS' REPORT	1
STATEMENT OF DIRECTORS' RESPONSIBILITIES	2
INDEPENDENT AUDITORS' REPORT	3
PROFIT AND LOSS ACCOUNT	4
BALANCE SHEET	5
CASH FLOW STATEMENT	6
NOTES TO THE FINANCIAL STATEMENTS	7

IVG ASTICUS (GMS) LIMITED

DIRECTORS' REPORT

The directors submit their report and the audited financial statements of the company for the year ended 31 December 2006

RESULTS

The profit for the year after taxation amounted to £1,505,984 (2005 £236,385) which is added to the profit carried forward

No dividend was paid during the year (2005 £nil)

PRINCIPAL ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The principal activity of the company was the leasing of property in central London until its remaining property was disposed of in 2003. At the current time the company is managing its resources and will continue to do so pending the consideration of further investment opportunities

On 2 February 2007, the company acquired a property at Cowcaddens Road, Glasgow, for consideration of £12.5m. The acquisition was financed internally, through the reduction of intercompany loans

DIRECTORS

The following directors served during the year

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

STATEMENT OF INFORMATION PROVIDED TO AUDITORS

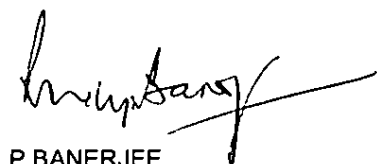
Each of the directors has confirmed that

- 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

16 August 2007



P BANERJEE
Director

IVG ASTICUS (GMS) 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 judgments 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 that 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IVG ASTICUS (GMS) LIMITED

We have audited the financial statements of IVG Asticus (GMS) Limited for the year ended 31 December 2006 which comprise the profit and loss account, the balance sheet, the cash flow statement 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.

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

PwC (UK) LLP

Registered Auditors

IVG ASTICUS (GMS) LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2006

	<u>Notes</u>	<u>2006</u> £	<u>2005</u> £
Administrative expenses		(9,506)	(11,194)
Operating loss	2	(9,506)	(11,194)
Interest receivable and similar items	3	2,149,308	885,099
Interest payable and similar charges	4	(256,518)	(822,520)
Profit on ordinary activities before taxation		1,883,284	51,385
Taxation	5	(377,300)	185,000
Profit for the year	11	1,505,984	236,385

All amounts relate to continuing operations

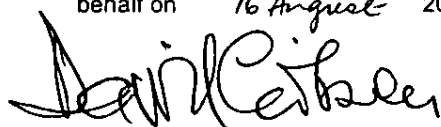
There were no recognised gains or losses other than the profit for the year

IVG ASTICUS (GMS) LIMITED

BALANCE SHEET AT 31 DECEMBER 2006

	<u>Notes</u>	£	<u>2006</u>	£	£	<u>2005</u>	£
CURRENT ASSETS							
Debtors	6	19,877,633			19,363,872		
Cash at bank and in hand		21,103			16,447		
			<u>19,898,736</u>		<u>19,380,319</u>		
CREDITORS							
Amounts falling due within one year	7	(433,244)			(162,953)		
NET CURRENT ASSETS			<u>19,465,492</u>			<u>19,217,366</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>19,465,492</u>			<u>19,217,366</u>	
PROVISIONS FOR LIABILITIES AND CHARGES							
Other provisions	9		(1,025,656)			(2,283,514)	
NET ASSETS			<u>18,439,836</u>			<u>16,933,852</u>	
CAPITAL AND RESERVES							
Called up share capital	10		16,800,000			16,800,000	
Profit and loss account	11		1,639,836			133,852	
SHAREHOLDER'S FUNDS	12		<u>18,439,836</u>			<u>16,933,852</u>	

The financial statements were approved and authorised for issue by the board of directors and signed on its behalf on *16 August* 2007



D GIBSON
Director

IVG ASTICUS (GMS) LIMITED

CASH FLOW STATEMENT YEAR ENDED 31 DECEMBER 2006

	<u>Notes</u>	<u>2006</u> £	<u>2005</u> £
Operating loss		(9,506)	(11,194)
Decrease in debtors		-	2,250
Increase/(decrease) in creditors and provisions		11,082	(11,419)
Net cash inflow/(outflow) from operating activities		1,576	(20,363)

CASH FLOW STATEMENT

Net cash inflow/(outflow) from operating activities		1,576	(20,363)
Returns on investments and servicing of finance	13	634,932	652,455
Taxation		-	1,960
Capital expenditure and financial investment	13	(891,061)	(84,251)
Cash (outflow)/inflow before financing		(254,553)	549,801
Financing	13	259,209	(537,861)
Increase in cash in the period		4,656	11,940

Reconciliation of net cash flow movement to movement in net funds

Increase in cash in the period	14	4,656	11,940
Movement in net funds in the period		4,656	11,940
Net funds at 1 January 2006		16,447	4,507
Net funds at 31 December 2006		21,103	16,447

IVG ASTICUS (GMS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2006

1 ACCOUNTING POLICIES

(a) Basis of accounting

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

(b) Deferred taxation

As required by FRS19 "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 the standard specifies that deferred tax should not be recognised

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

Deferred tax assets and liabilities are not discounted

(c) 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

(d) Interest rate SWAP

An obligation under a SWAP agreement has crystallised as the loan to which the SWAP agreement relates has been repaid

2 OPERATING LOSS

	<u>2006</u> £	<u>2005</u> £
Operating loss is stated after charging		
Auditors' remuneration - for audit services	8,000	2,500

None of the directors received any emoluments from the company for their services

3 INTEREST RECEIVABLE AND SIMILAR ITEMS

	<u>2006</u> £	<u>2005</u> £
Group interest	891,060	884,252
Bank interest	390	847
Release of provision for interest rate swap interest (note 9)	1,257,858	-
	<u>2,149,308</u>	<u>885,099</u>

IVG ASTICUS (GMS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2006

4 INTEREST PAYABLE AND SIMILAR CHARGES	2006	2005
	£	£
Group interest	13,040	20,975
Bank interest	243,478	211,669
Provision for interest rate swap interest	-	589,876
	<hr/>	<hr/>
	256,518	822,520
	<hr/>	<hr/>
 5 TAXATION	 2006	 2005
	£	£
(a) The charge for the year comprises		
Current tax		
Corporation tax at 30% (2005 30%)	-	-
Adjustment in respect of prior year	-	-
	<hr/>	<hr/>
Total current tax (note 5(b))	-	-
Deferred taxation (note 8)	377,300	(185,000)
	<hr/>	<hr/>
Tax on profit on ordinary activities	377,300	(185,000)
	<hr/>	<hr/>
	2006	2005
	£	£
(b) The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below		
Profit on ordinary activities before tax	1,883,284	51,385
	<hr/>	<hr/>
Profit on ordinary activities at standard rate of corporation tax in the UK of 30% (2005 30%)	564,985	15,416
	<hr/>	<hr/>
Effects of		
Movement in SWAP provision	(377,300)	177,638
Group relief claimed	(187,685)	(193,054)
	<hr/>	<hr/>
Current tax charge for the year (note 5(a))	-	-
	<hr/>	<hr/>

IVG ASTICUS (GMS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2006

6	DEBTORS	<u>2006</u> £	<u>2005</u> £
	Amounts falling due within one year:		
	Amounts due from ultimate parent company	19,569,933	18,678,872
	Deferred tax asset (see note 8)	307,700	685,000
		<hr/>	<hr/>
		19,877,633	19,363,872
		<hr/>	<hr/>
7	CREDITORS	<u>2006</u> £	<u>2005</u> £
	Amounts falling due within one year:		
	Amount due to group undertaking	404,367	145,158
	Accruals and deferred income	28,877	17,795
		<hr/>	<hr/>
		433,244	162,953
		<hr/>	<hr/>
8	DEFERRED TAXATION		£
	At 1 January 2006 - asset		685,000
	Released in the year		(377,300)
			<hr/>
	At 31 December 2006 - asset		307,700
			<hr/>
	The deferred tax balance comprises the following, provided at 30% where appropriate		
		<u>2006</u> £	<u>2005</u> £
	Tax relief on provision for interest rate SWAPs	307,700	685,000
		<hr/>	<hr/>

IVG ASTICUS (GMS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2006

9 OTHER PROVISIONS

£

At 1 January 2006	2,283,514
Released in the year	(1,257,858)

At 31 December 2006	1,025,656
---------------------	-----------

The above provision relates to interest payable under a SWAP agreement. This obligation has crystallised as the loan to which the SWAP agreement relates was repaid in 2003. It is likely that this provision will be utilised within the next twelve months.

10 CALLED UP SHARE CAPITAL

2006
£

2005
£

Authorised

20,000,000 ordinary shares of £1 each

20,000,000

20,000,000

Allotted, issued and fully paid

16,800,000 ordinary shares of £1 each

16,800,000

16,800,000

There has been no movement in share capital during the year

11 PROFIT AND LOSS ACCOUNT

£

At 1 January 2006

133,852

Profit for the year

1,505,984

At 31 December 2006

1,639,836

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

2006
£

2005
£

Balance at 1 January 2006

16,933,852

16,697,467

Profit for the year

1,505,984

236,385

Balance at 31 December 2006

18,439,836

16,933,852

IVG ASTICUS (GMS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2006

13 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	891,450	885,099
Interest paid	(256,518)	(232,644)
	<u>634,932</u>	<u>652,455</u>
Capital expenditure and financial investment		
Loans made to other group entities	(891,061)	(84,251)
	<u>(891,061)</u>	<u>(84,251)</u>
Financing		
Loans received from other group entities	259,209	-
Repayments of loans received from other group entities	-	(537,861)
	<u>259,209</u>	<u>(537,861)</u>

14 ANALYSIS OF CHANGES IN NET DEBT

	At 1 January <u>2006</u> £	Cash Flows £	At 31 December <u>2006</u> £
Cash in hand and at bank	16,447	4,656	21,103

15 EVENT OCCURRING AFTER THE END OF THE YEAR

On 1 February 2007, the company acquired a property at Cowcaddens Road, Glasgow, for consideration of £12.5m. The acquisition was financed internally, through the reduction of intercompany loans.

16 ULTIMATE PARENT COMPANY AND ULTIMATE CONTROLLING PARTY

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

IVG Immobilien AG, a company incorporated in Germany is regarded by the directors as the ultimate parent company and ultimate controlling party, 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 or balances with group companies by virtue of the exemptions allowed by Financial Reporting Standard No 8.