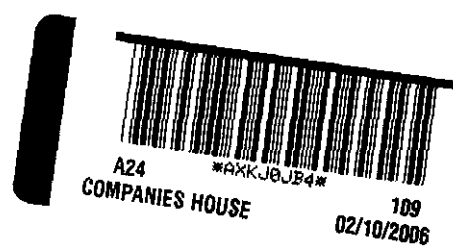


Report of the Directors and
Financial Statements for the Year Ended 31 March 2006
for
Bulldog Properties Ltd



Bulldog Properties Ltd

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for the Year Ended 31 March 2006

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Bulldog Properties Ltd

Company Information
for the Year Ended 31 March 2006

DIRECTORS:

R Q Hoare
M R Riley
Sir Andrew Cunynghame Bt.
E J Lane Fox

SECRETARY:

Sir Andrew Cunynghame Bt.

REGISTERED OFFICE:

37 Fleet Street
London
EC4P 4DQ

REGISTERED NUMBER:

2527062 (England and Wales)

AUDITORS:

Roberts & Co
Chartered Accountants
Registered Auditors
136 Kensington Church Street
London
W8 4BH

Bulldog Properties Ltd

Report of the Directors **for the Year Ended 31 March 2006**

The directors present their report with the financial statements of the company for the year ended 31 March 2006.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the purchase and sale of properties.

DIRECTORS

The directors during the year under review were:

R Q Hoare
M R Riley
Sir Andrew Cunynghame Bt.
E J Lane Fox

The beneficial interests of the directors holding office on 31 March 2006 in the issued share capital of the company were as follows:

	31.3.06	1.4.05
Ordinary £1 shares		
R Q Hoare	-	-
M R Riley	-	-
Sir Andrew Cunynghame Bt.	-	-
E J Lane Fox	30	30

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 year 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. 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;
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the 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


The auditors, Roberts & Co, will be proposed for re-appointment in accordance with Section 385A of the Companies Act 1985.

Bulldog Properties Ltd

Report of the Directors
for the Year Ended 31 March 2006

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:



.....
Sir Andrew Cunynghame Bt. - Director

Date: 22nd Sept 2006
.....

**Report of the Independent Auditors to the Shareholders of
Bulldog Properties Ltd**

We have audited the financial statements of Bulldog Properties Ltd for the year ended 31 March 2006 on pages five to nine. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

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

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom 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 the 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 regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

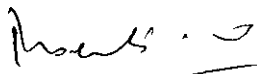
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2006 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.



Roberts & Co
Chartered Accountants
Registered Auditors
136 Kensington Church Street
London
W8 4BH

Date: 22 September 2006

Bulldog Properties Ltd**Profit and Loss Account**
for the Year Ended 31 March 2006

	Notes	2006 £	2005 £
TURNOVER		2,498,020	1,088,000
Cost of sales		2,098,784	878,441
GROSS PROFIT		399,236	209,559
Administrative expenses		133,068	102,532
		266,168	107,027
Other operating income		257,889	60,427
OPERATING PROFIT	2	524,057	167,454
Interest receivable and similar income		1,112	21,787
		525,169	189,241
Interest payable and similar charges		45,221	46
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		479,948	189,195
Tax on profit on ordinary activities	3	126,043	52,021
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		353,905	137,174
RETAINED PROFIT FOR THE YEAR		353,905	137,174

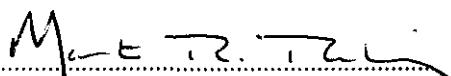
The notes form part of these financial statements

Bulldog Properties Ltd**Balance Sheet****31 March 2006**

	Notes	2006 £	2005 £
FIXED ASSETS			
Tangible assets	4	1,352	558,157
CURRENT ASSETS			
Stocks	5	2,722,010	3,932,640
Debtors	6	1,377,783	389,603
		4,099,793	4,322,243
CREDITORS			
Amounts falling due within one year	7	1,233,805	2,366,965
NET CURRENT ASSETS		2,865,988	1,955,278
TOTAL ASSETS LESS CURRENT LIABILITIES		2,867,340	2,513,435
CAPITAL AND RESERVES			
Called up share capital	8	100	100
Profit and loss account	9	2,867,240	2,513,335
SHAREHOLDERS' FUNDS		2,867,340	2,513,435

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

ON BEHALF OF THE BOARD:



M R Riley - Director

Approved by the Board on 22 Sept 2006

**Notes to the Financial Statements
for the Year Ended 31 March 2006****1. ACCOUNTING POLICIES****Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

Turnover

Turnover represents net proceeds arising from the sale of properties.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery etc - 25% on cost

Stocks

Stock is valued at the lower of cost and net realisable value.

Deferred taxation

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2006	2005
	£	£
Depreciation - owned assets	1,301	35,474
Profit on disposal of fixed assets	(228,001)	(587)
Auditors' remuneration	2,350	2,350
	<u> </u>	<u> </u>
Directors' emoluments and other benefits etc	-	-
	<u> </u>	<u> </u>

3. TAXATION**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	2006	2005
	£	£
Current tax:		
UK corporation tax	126,043	54,148
Deferred tax	-	(2,127)
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	126,043	52,021
	<u> </u>	<u> </u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2006****3. TAXATION - continued****Factors affecting the tax charge**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2006 £	2005 £
Profit on ordinary activities before tax	479,948	189,195
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005 - 30%)	143,984	56,759
Effects of:		
Depreciation in excess of capital allowances	(974)	5,359
Disallowable items	950	78
Indexation	(15,906)	-
Marginal relief	(2,011)	(8,048)
Current tax charge	126,043	54,148

4. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Totals £
COST			
At 1 April 2005	526,861	144,305	671,166
Additions	-	230	230
Disposals	(526,861)	(136,925)	(663,786)
At 31 March 2006	-	7,610	7,610
DEPRECIATION			
At 1 April 2005	-	113,010	113,010
Charge for year	-	1,301	1,301
Eliminated on disposal	-	(108,053)	(108,053)
At 31 March 2006	-	6,258	6,258
NET BOOK VALUE			
At 31 March 2006	-	1,352	1,352
At 31 March 2005	526,861	31,295	558,156

5. STOCKS

Properties for resale are valued at the lower of cost and net realisable value.

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Other debtors	1,377,783	389,603

Bulldog Properties Ltd**Notes to the Financial Statements - continued
for the Year Ended 31 March 2006****7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2006	2005
	£	£
Bank loans and overdrafts	245,277	1,051,074
Trade creditors	27,399	84,057
Tax	126,043	54,148
Social security and other taxes	1,311	1,643
Other creditors	-	3,693
Due to Parent Undertaking	801,425	1,170,000
Accrued expenses	32,350	2,350
	<u>1,233,805</u>	<u>2,366,965</u>

8. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2006	2005
			£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2006	2005
			£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

9. RESERVES

	Profit and loss account £
At 1 April 2005	2,513,335
Retained profit for the year	<u>353,905</u>
At 31 March 2006	<u>2,867,240</u>

10. ULTIMATE PARENT COMPANY

The company's ultimate holding company is Bulldog Holdings Ltd., a company incorporated in England and Wales.

11. CONTINGENT LIABILITIES

The company's bankers hold an unlimited guarantee given by the holding company and the company has given an unlimited guarantee in respect of a fellow subsidiary.