

COMPANY REGISTRATION NUMBER 2884992

TUKCON 4 LIMITED
FINANCIAL STATEMENTS
31 MARCH 2006



TUKCON 4 LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2006

CONTENTS	PAGE
Officers and Professional Advisers	1
The Directors' Report	2
Independent Auditor's Report to the Shareholders	4
Profit and Loss Account	6
Balance Sheet	7
Notes to the Financial Statements	8
The Following Pages Do Not Form Part of the Financial Statements	
Detailed Profit and Loss Account	13
Notes to the Detailed Profit and Loss Account	14

TUKCON 4 LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The Board of Directors

G N Marsden
P J Pulford

Company Secretary

P J Pulford

Registered Office

124/130 Seymour Place
London
W1H 1BG

Auditor

Bright Grahame Murray
Chartered Accountants
& Registered Auditors
124/130 Seymour Place
London
W1H 1BG

TUKCON 4 LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2006

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2006.

Principal Activities and Business Review

The principal activity of the company during the period was that of property construction.

The directors are satisfied with the results for the period and the state of affairs of the company at the balance sheet date.

Results and Dividends

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

Directors

The directors who served the company during the year are listed on page 1.

Neither director held a direct beneficial interest in the company's issued share capital during the period.

At 31 March 2006, G N Marsden and P J Pulford were both directors of the ultimate parent undertaking, Safehawk Limited, and their interests in that company are shown in its financial statements.

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 year. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on page 8, 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.

TUKCON 4 LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2006

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. The directors 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.

In so far as the directors are aware:

there is no relevant audit information of which the company's auditors are unaware; and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditor

A resolution to re-appoint Bright Grahame Murray as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed on behalf of the directors



~~Secretary~~ Director

Approved by the directors on 23/6/07.

TUKCON 4 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TUKCON 4 LIMITED

YEAR ENDED 31 MARCH 2006

We have audited the financial statements of Tukcon 4 Limited for the year ended 31 March 2006 on pages 6 to 11 which have been prepared on the basis of the accounting policies set out on page 8.

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an auditor's 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditor

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).

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.

TUKCON 4 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TUKCON 4 LIMITED *(continued)*

YEAR ENDED 31 MARCH 2006

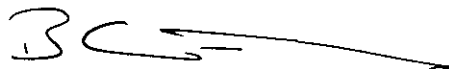
Opinion

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 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.



BRIGHT GRAHAME MURRAY
Chartered Accountants
& Registered Auditors

124/130 Seymour Place
London
W1H 1BG

30 January 2007

TUKCON 4 LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 MARCH 2006**

	Note	2006 £	2005 £
Turnover	2	—	—
Cost of sales		<u>(6,650)</u>	<u>(66,496)</u>
Gross Profit		6,650	66,496
Administrative expenses		—	1,775
Profit on Ordinary Activities Before Taxation		<u>6,650</u>	<u>64,721</u>
Tax on profit on ordinary activities	6	(18,135)	18,501
Retained Profit for the Financial Year		<u>24,785</u>	<u>46,220</u>
Balance brought forward		<u>53,486</u>	<u>7,266</u>
Balance carried forward		<u>78,271</u>	<u>53,486</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

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

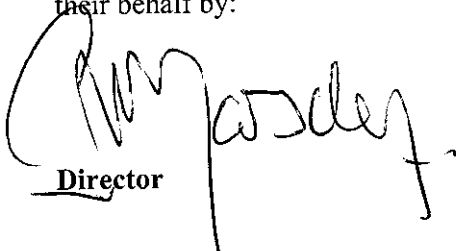
TUKCON 4 LIMITED

BALANCE SHEET

31 MARCH 2006

	Note	2006 £	£	2005 £	£
Current Assets					
Debtors	7	625,139		609,511	
Cash at bank	8	95,955		395,205	
		<u>721,094</u>		<u>1,004,716</u>	
Creditors: Amounts falling due within one year	9	<u>642,821</u>		<u>951,228</u>	
Net Current Assets			<u>78,273</u>		<u>53,488</u>
Total Assets Less Current Liabilities			<u>78,273</u>		<u>53,488</u>
Capital and Reserves					
Called-up equity share capital	11		2		2
Profit and loss account			<u>78,271</u>		<u>53,486</u>
Shareholders' Funds	12		<u>78,273</u>		<u>53,488</u>

These financial statements were approved by the directors on the 25/01/07 and are signed on their behalf by:


Director

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

TUKCON 4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2006

1. Accounting Policies

Basis of Accounting

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

Changes in Accounting Policies

In preparing the financial statements for the current year, the company has adopted the following Financial Reporting Standards:

-the presentation requirements of 'FRS 25 Financial Instruments: Disclosure and Presentation (IAS 32)'.
-

Cash Flow Statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Deferred Taxation

Full provision without discounting is made for all timing differences which have arisen but not reversed at the balance sheet date. Provision is made for future taxation on gains on revalued assets only where a binding agreement to dispose of the asset exists at the year end. Deferred tax assets are only recognised to the extent that the Directors consider that it is more likely than not there will be suitable profits from which the future reversal of the underlying timing differences can be deducted.

Financial Instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Cost of Sales

This includes all sums reasonably foreseen as being payable in respect of each development project.

Where a cost is payable after more than one year, it is recognised at the time of entering into the contract at an amount equivalent to the net present value of sums contracted as payable. Such liabilities are reviewed each year end and adjusted to reflect any change in contractual liabilities or provisions having regard to transactions subsequently concluded. Any adjusting credit or charge is reflected in the profit and loss account.

Bank interest received on accounts relating to property developed by the company is credited against cost of sales.

TUKCON 4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2006

2. Turnover

The turnover and pre-tax profit are attributable to the principal activity of the company carried out wholly in the United Kingdom.

3. Operating Profit

Operating profit is stated after charging:

	2006 £	2005 £
Auditor's remuneration - as auditor	-	1,750
Interest Receivable (Note 5)	<u>(6,650)</u>	<u>(55,081)</u>

4. Particulars of Employees

No salaries or wages have been paid to employees, including the directors, during the year.

5. Interest Receivable

Interest receivable on development accounts of £6,650 (2005 - £55,081) is included as a credit to cost of sales.

6. Taxation on Ordinary Activities

(a) Analysis of charge in the year

	2006 £	2005 £
Current tax:		
UK Corporation tax based on the results for the year at 30% (2005 - 30%)	1,281	19,416
Over provision in prior year	<u>(19,416)</u>	<u>(915)</u>
Total current tax	<u>(18,135)</u>	<u>18,501</u>

TUKCON 4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2006

6. Taxation on Ordinary Activities *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2005 - 30%).

	2006 £	2005 £
Profit on ordinary activities before taxation	<u>6,650</u>	<u>64,721</u>
Profit on ordinary activities by rate of tax	1,995	19,416
Overprovision in prior year	(19,416)	(915)
Marginal Relief	(714)	-
Total current tax (note 6(a))	<u>(18,135)</u>	<u>18,501</u>

7. Debtors

	2006 £	2005 £
Amounts owed by group undertakings	609,511	609,511
Other debtors	15,628	-
	<u>625,139</u>	<u>609,511</u>

8. Cash at Bank

	2006 £	2005 £
Cash at bank	<u>95,955</u>	<u>395,205</u>

A fixed charge over the sum of £95,955 at 31 March 2006 (2005: £395,205) has been registered to secure obligations under a lease agreement. A floating charge over the assets of the company has also been registered to secure these obligations.

9. Creditors: Amounts falling due within one year

	2006 £	2005 £
Amounts owed to group undertakings	536,607	842,773
Corporation tax	1,281	17,400
Accruals and deferred income	104,933	91,055
	<u>642,821</u>	<u>951,228</u>

10. Deferred Taxation

No provision for deferred taxation has been made during the year. There are no amounts provided or unprovided that require to be disclosed.

TUKCON 4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2006

11. Share Capital

Authorised share capital:

	2006	2005
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2006		2005	
	No	£	No	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Equity shares				
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

12. Reconciliation of Movements in Shareholders' Funds

	2006	2005
	£	£
Profit for the financial year	24,785	46,220
Opening shareholders' funds	<u>53,488</u>	<u>7,268</u>
Closing shareholders' funds	<u>78,273</u>	<u>53,488</u>

13. Ultimate Parent Company

The company's immediate parent undertaking is Tukup Limited. No consolidated accounts have been produced by the parent as the results of that company have been consolidated in the group accounts of Highbridge Properties Plc, which heads the smallest group for which consolidated financial statements have been prepared, which are available from the company's registered office.

The company's ultimate parent undertaking is Safehawk Limited, which heads the largest group for which consolidated financial statements have been prepared and these are available from that company's registered office.

Exemption has been taken from including related party disclosures in respect of group transactions on the grounds that details are included in publicly available consolidated financial statements.