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Registered number: 3017471

INDUSTRIAL PROPERTIES (GENERAL PARTNER) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2006



INDUSTRIAL PROPERTIES (GENERAL PARTNER) LIMITED

COMPANY INFORMATION

Directors	R A Gilchrist R K Juddery R D Maxted J R Sims J E H Whiteoak
Secretary	I E Baker
Company number	3017471
Registered office	166 Sloane Street London SW1X 9QF
Auditors	PKF (UK) LLP 16 The Havens Ransomes Europark Ipswich Suffolk IP3 9SJ

INDUSTRIAL PROPERTIES (GENERAL PARTNER) LIMITED

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INDUSTRIAL PROPERTIES (GENERAL PARTNER) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

The directors present their report and the financial statements for the year ended 31 December 2006

Principal activities

The company's principal activity is that of a General Partner to an English Limited Partnership

Directors

The directors who served during the year were

R A Gilchrist
R K Juddery
R D Maxted
J R Sims
J E H Whiteoak

The director's interests in the shares of the ultimate parent company, Rockspring Property Holdings Limited, are shown in the financial statements of that company

During the year no right to subscribe in shares or debentures in the company was granted or exercised by any of the company's directors

Provision of information to auditors

So far as each of the directors is aware at the time the report is approved

- 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

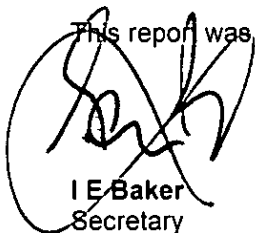
Auditors

The auditors, PKF (UK) LLP, are deemed to be reappointed in accordance with section 386 of the Companies Act 1985 by virtue of an elective resolution passed by the members

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

This report was approved by the board on 13 April 2007

and signed on its behalf



I E Baker
Secretary

INDUSTRIAL PROPERTIES (GENERAL PARTNER) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2006

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 by law 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.

INDUSTRIAL PROPERTIES (GENERAL PARTNER) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INDUSTRIAL PROPERTIES (GENERAL PARTNER) LIMITED

We have audited the financial statements of Industrial Properties (General Partner) Limited for the year ended 31 December 2006 which comprise the profit and loss account, the balance sheet 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 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.

INDUSTRIAL PROPERTIES (GENERAL PARTNER) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INDUSTRIAL PROPERTIES (GENERAL PARTNER) LIMITED

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

Emphasis of matter - Going concern

In forming our opinion, we have considered the adequacy of the disclosure made in note 1.1 to the financial statements concerning the company's inability to continue as a going concern. Our audit report is not qualified in this respect.

PKF (UK) LLP

PKF (UK) LLP

Registered auditors

Ipswich, UK

19 April 2007

INDUSTRIAL PROPERTIES (GENERAL PARTNER) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	2006 £	2005 £
TURNOVER	1	4,990	61,589
Administrative expenses		<u>(58)</u>	<u>(35)</u>
OPERATING PROFIT	2	4,932	61,554
Interest receivable		<u>-</u>	<u>2,060</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		4,932	63,614
TAX ON PROFIT ON ORDINARY ACTIVITIES	4	11,961	(17,661)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	8	16,893	45,953

The notes on pages 7 to 9 form part of these financial statements

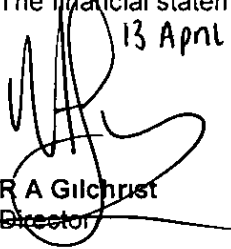
INDUSTRIAL PROPERTIES (GENERAL PARTNER) LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2006

	Note	£	2006 £	£	2005 £
CURRENT ASSETS					
Debtors	5	73,447		78,677	
CREDITORS amounts falling due within one year	6	-		(22,123)	
NET CURRENT ASSETS			<u>73,447</u>		<u>56,554</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>73,447</u>		<u>56,554</u>
CAPITAL AND RESERVES					
Called up share capital	7		10,000		10,000
Profit and loss account	8		63,447		46,554
SHAREHOLDERS' FUNDS			<u>73,447</u>		<u>56,554</u>

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

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

13 April 2007

R A Gilchrist
 Director

The notes on pages 7 to 9 form part of these financial statements

INDUSTRIAL PROPERTIES (GENERAL PARTNER) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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)

The Limited Partnership of which the company is the General Partner is in the process of winding down and it is the intention of the directors to liquidate this company shortly afterwards. For this reason the directors do not consider the company is a going concern. The financial statements have therefore been drawn up to include all assets and liabilities expected to arise as a result of the proposed liquidation.

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS1.

1.3 Revenue recognition

Turnover includes management fees received and receivable. Invoices are raised quarterly in arrears at the end of each period to which they relate. Where expenses are recoverable from third parties, the recoveries and expenses are not included as income or expenses.

2. OPERATING PROFIT

The auditors' remuneration of £3,000 (2005: £600), together with non-audit services of £2,500 (2005: £750) is borne by the immediate parent company, Rockspring Property Investment Managers Limited.

During the year, no director received any emoluments (2005: £NIL). See note 3 below.

3 DIRECTORS' REMUNERATION

The emoluments of R A Gilchrist are paid by the immediate parent company, Rockspring Property Investment Managers Limited, which makes no recharge to the company.

R A Gilchrist is a director of the immediate parent company and a number of fellow subsidiaries and it is not possible to make an accurate apportionment of his emoluments in respect of each of the subsidiaries. Accordingly, the above details in note 2 include no emoluments in respect of R A Gilchrist. His total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of Rockspring Property Holdings Limited, the ultimate parent company of Rockspring Property Investment Managers Limited.

No retirement benefits are accruing to directors under defined benefit pension schemes (2005: none).

INDUSTRIAL PROPERTIES (GENERAL PARTNER) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

4 TAXATION

	2006 £	2005 £
Analysis of tax (credit)/charge in the year		
UK corporation tax charge on profits of the year	-	17,661
Adjustments in respect of prior periods	(11,961)	-
Total current tax	(11,961)	17,661
Tax on profit on ordinary activities	(11,961)	17,661

There were no factors that may affect future tax charges

5 DEBTORS

	2006 £	2005 £
Amounts owed by group undertakings	73,447	78,677

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment

6. CREDITORS: Amounts falling due within one year

	2006 £	2005 £
Corporation tax	-	17,661
Other creditors	-	4,462
	-	22,123

7 SHARE CAPITAL

	2006 £	2005 £
Authorised		
40,000 Ordinary shares of £1 each	40,000	40,000
Allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	10,000	10,000

INDUSTRIAL PROPERTIES (GENERAL PARTNER) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

8 RESERVES

	Profit and loss account £
At 1 January 2006	46,554
Profit retained for the year	16,893
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At 31 December 2006	63,447
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9. RELATED PARTY TRANSACTIONS

In accordance with the exemption afforded by FRS8, certain details of transactions with parent and fellow subsidiary companies are not disclosed, as the company is a wholly owned subsidiary of a group whose consolidated financial statements are publicly available

10 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's ultimate parent company is Rockspring Property Holdings Limited. The largest and smallest group into which the accounts of the company are consolidated is that headed by Rockspring Property Holdings Limited, the company's ultimate parent undertaking, which is registered in England and Wales. Copies of the consolidated accounts are available from Companies House, Crown Way, Cardiff, CF14 3UZ.