

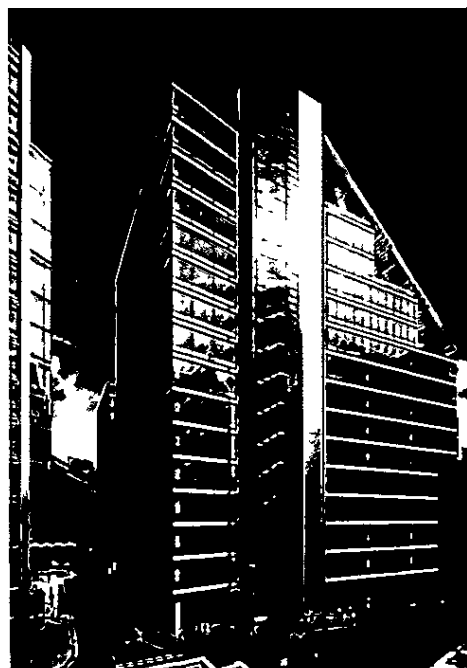
STANHOPE

Report and Financial Statements

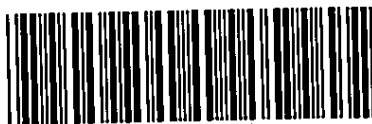
Stanhope Securities Limited

Registered Number 3022022

31 March 2007



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COMPANIES HOUSE

Stanhope Securities Limited

Registered No 3022022

Directors

D J Camp
P W Rogers

Secretary

G A Lewis

Auditors

Grant Thornton UK LLP
Grant Thornton House
London
NW1 2EP

Bankers

The Royal Bank of Scotland plc
24 Grosvenor Place
London
SW1X 7HP

Solicitors

Shearman & Sterling LLP
Broadgate West
9 Appold Street
London
EC2A 2AP

Registered office

Norfolk House
31 St James's Square
London
SW1Y 4JJ

Directors' report

The directors present their report and financial statements for the year ended 31 March 2007

Results and dividends

The result for the year amounted to £nil (2006 - £nil) The directors are unable to recommend the payment of any dividends

Principal activities and review of the business

The principal activity of the company during the year was to hold an investment in Asite plc, an AIM listed property services company, with a view to developing an e-procurement business

Financial risk management

The investment in Asite plc is subject to the success of Asite's business which is yet to achieve a sustainable level The investment has performed poorly to date, however the company's recent restructure is expected to improve its market value

Directors

The directors who served the company during the year were as follows

Sir Stuart Lipton (resigned 5 May 2006)
D J Camp
P W Rogers

None of the directors had any interests in the shares of the company, their interests in the shares of the parent company, Stanhope plc, and the ultimate parent company, Stanhope Group Holdings Ltd, are disclosed in the financial statements of those companies

Directors' responsibilities

The directors are responsible 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)

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 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,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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

Directors' report

In so far as the directors are aware

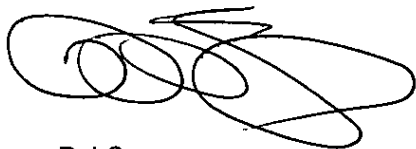
- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

The directors' are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

A resolution to reappoint Grant Thornton LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the board



D J Camp
Director

30 JULY 2007

Independent auditors' report to the members of Stanhope Securities Limited

We have audited the financial statements of Stanhope Securities Limited for the year ended 31 March 2007 which comprise the principal accounting policies, the profit and loss account, the balance sheet, and notes 1 to 12. These 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 United Kingdom law and 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, whether they are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with the financial statements. We also 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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.

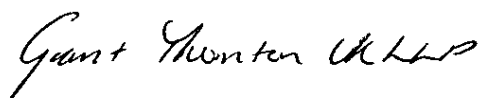
Independent auditors' report to the members of Stanhope Securities Limited (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 March 2007 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985

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 2007 and of its results for the year 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 for the year ended 31 March 2007



Grant Thornton UK LLP
Registered Auditor
London

2 August 2007

Profit and loss account

for the year ended 31 March 2007

	Notes	2007 £	2006 £
<i>Turnover</i>	2	-	-
<i>Operating result</i>	3	-	-
<i>Waiver of amounts owed to parent undertaking</i>		92,638	-
		<u>92,638</u>	<u>-</u>
<i>Amount provided against investment</i>	7	(92,638)	-
		<u>(92,638)</u>	<u>-</u>
<i>Result on ordinary activities before taxation</i>		-	-
<i>Tax on result on ordinary activities</i>		-	-
		<u>-</u>	<u>-</u>
<i>Result for the financial year</i>		<u>-</u>	<u>-</u>

There are no recognised gains or losses attributable to the shareholders for the year ended 31 March 2007 other than as stated above

All the company's results are derived from continuing activities

Balance sheet

at 31 March 2007

	Notes	2007 £	2006 £
Fixed assets			
Investments	7	185,079	277,717
		<u> </u>	<u> </u>
Creditors amounts falling due after more than one year	8	(185,077)	(277,715)
		<u> </u>	<u> </u>
Net assets		2	2
		<u> </u>	<u> </u>
Capital and reserves			
Called up share capital	9	2	2
Profit and loss account		-	-
		<u> </u>	<u> </u>
Equity shareholders' funds	10	2	2
		<u> </u>	<u> </u>

These financial statements were approved by the board of directors on 30 July 2007 and were signed on its behalf by


D J Camp
Director

30 July 2007

Notes to the financial statements

at 31 March 2007

1 Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

Fixed asset investments

Fixed asset investments are shown at cost less provision for impairment

Cash flow statement

The company has taken advantage of the exemption available within FRS 1 (revised) and has not produced a statement of cash flows, on the basis that the consolidated financial statements of its ultimate parent company, in which its cash flows are incorporated, are publicly available

2 Turnover

There was no turnover during the year as the company did not trade

3. Operating result

Auditors' remuneration was borne by the parent undertaking

4. Staff costs

No staff are employed by the company. Staff who perform administration work for the company are employed and remunerated by Stanhope plc

5 Directors' emoluments

The directors of the company did not receive any emoluments in respect of their services to the company

6. Taxation

There is no taxation charge for the year (2006 - £nil)

7. Investments

	£
Cost	
At 31 March 2006 and 31 March 2007	<u>2,081,975</u>
Provision against investments	
At 1 April 2006	(1,804,258)
Additional provision during the year	<u>(92,638)</u>
At 31 March 2007	<u>(1,896,896)</u>
Net book value	
At 31 March 2007	<u>185,079</u>
At 31 March 2006	<u>277,717</u>

Notes to the financial statements

at 31 March 2007

7. Investments (continued)

The investment represents a 10.3% interest in Asite plc, a company listed on the Alternative Investment Market. Asite is a property services company through which Stanhope is developing an e-procurement business. The activities of Asite and, in particular, the new e-commerce venture are consistent with Stanhope's approach to seeking to promote greater efficiency in the property development industry and to provide additional services to occupiers of Stanhope developments.

8. Creditors: amounts falling due after more than one year

	2007 £	2006 £
Amounts owed to group undertakings	<u>185,077</u>	<u>277,715</u>

9. Share capital

	2007 £	Authorised 2006 £
Ordinary shares of £1 each	<u>2</u>	<u>2</u>

	Allotted, called up and fully paid			
	No	2007 £	No	2006 £
Ordinary shares of £1 each	2	<u>2</u>	2	<u>2</u>

10 Reconciliation of shareholders' funds and movement on reserves

	Share capital £	Profit and loss account £	Total share- holders' funds £
At 31 March 2006	<u>2</u>	<u>—</u>	<u>2</u>
At 31 March 2007	<u>2</u>	<u>—</u>	<u>2</u>

11. Related party transactions

The company has taken advantage of the exemption available under FRS 8 not to disclose related party transactions with its parent and fellow subsidiary companies.

12. Parent undertaking and controlling party

The company's immediate and ultimate parent undertaking and controlling party is Stanhope Group Holdings Limited, a company incorporated in the United Kingdom. Copies of group financial statements, which include the company, can be obtained from Norfolk House, 31 St James's Square, London SW1Y 4JJ.