

Company No: 3165167

**Fountain & Colonnade Management
Limited**

Report and Financial Statements

For the year ended 31 December 2005



FOUNTAIN & COLONNADE MANAGEMENT LIMITED

Annual report and financial statements for the year ended 31 December 2005

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FOUNTAIN & COLONNADE MANAGEMENT LIMITED

Directors and Company information for the year ended 31 December 2005

Directors

S R Elmer
C Pinder
N P Gorman
K Janjua (appointed 31 January 2006)

Secretary and registered office

R Yeoman, 123 Buckingham Palace Road, London, SW1W 9SR

Auditors

Ernst & Young LLP, 1 More London Place, London, SE1 2AF

FOUNTAIN & COLONNADE MANAGEMENT LIMITED

Report of the directors for the year ended 31 December 2005

The directors present their report together with the audited financial statements for the year ended 31 December 2005.

Results and dividends

The profit and loss account for the year ended 31 December 2005 is set out on page 6.

The directors consider the state of the Company's affairs to be satisfactory.

The directors do not recommend the payment of a dividend. (2004: £nil)

Principal activities, trading review and future developments

The Company holds the head lease to the properties known as 123 and 151 Buckingham Palace Road, London, SW1. The properties are let to PA Victoria North Limited and Victoria South Limited respectively.

The Company's principal activity is to administer the provision of management services in relation to the properties. It is intended that the Company will continue to act in this capacity.

Directors and their interests

The directors of the Company during the year were:

M F Drabble (resigned 31 January 2006)
M J Smith (resigned 28 April 2006)
S R Elmer
J S Walters (resigned 29 April 2005)
C Pinder (appointed 29 April 2005)
N P Gorman

None of the directors have any interest in the share capital of the Company.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period, 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
- 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.

FOUNTAIN & COLONNADE MANAGEMENT LIMITED

Report of the directors for the year ended 31 December 2005 (continued)

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.

Auditors

In accordance with Section 386 of the Companies Act 1985, the Company has elected to dispense with the obligation to appoint auditors annually.

By order of the Board



Secretary

9 June 2006

FOUNTAIN & COLONNADE MANAGEMENT LIMITED

Independent auditor's report

To the shareholders of Fountain & Colonnade Management Limited

We have audited the company's financial statements for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 14. 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 are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as 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 if, in our opinion, the Directors' Report 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 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.

FOUNTAIN & COLONNADE MANAGEMENT LIMITED

Independent auditor's report (*continued*)

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 2005 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young

Ernst & Young LLP
Registered auditor
London

12 June 2006

FOUNTAIN & COLONNADE MANAGEMENT LIMITED**Profit and loss account for the year ended 31 December 2005**

	Notes	2005 £	2004 £
Turnover	2	1,835,227	1,216,399
Cost of sales		<u>(1,835,227)</u>	<u>(1,216,399)</u>
Operating result	3	-	-
Taxation	5	<u>-</u>	<u>-</u>
Accumulated result for the year	9	<u>-</u>	<u>-</u>

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

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

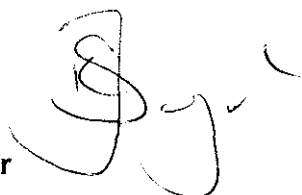
FOUNTAIN & COLONNADE MANAGEMENT LIMITED

Balance sheet at 31 December 2005

	Notes	2005 £	2004 £
Current assets			
Debtors	6	1,185,562	18,856
Cash at bank and in hand		<u>100</u>	<u>100</u>
		1,185,662	18,956
Creditors: amounts falling due within one year	7	<u>(1,185,562)</u>	<u>(18,856)</u>
Net assets		<u>100</u>	<u>100</u>
Capital and reserves			
Called up share capital	8	<u>100</u>	<u>100</u>
Shareholders' funds	10	<u>100</u>	<u>100</u>

The financial statements were approved by the board of directors on 9 June 2006

Director



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

FOUNTAIN & COLONNADE MANAGEMENT LIMITED

Notes to the financial statements for the year ended 31 December 2005

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable United Kingdom accounting standards. The following principal accounting policies have been applied:

Turnover

Turnover represents the value of goods sold or invoiceable value of work carried out stated net of value added tax.

2 Segmental information

All turnover, profit before taxation and net assets arose from the principal activities of the Company, and one geographical segment, the United Kingdom.

3 Operating result

Auditors' remuneration is borne by another group undertaking.

4 Directors' emoluments

No director received remuneration during the year (2004 - £Nil).

FOUNTAIN & COLONNADE MANAGEMENT LIMITED

Notes to the financial statements for the year ended 31 December 2005 (continued)

5 Taxation

	2005 £	2004 £
a Analysis of tax charge for the year		
UK corporate tax	-	-
b Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	-	-
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2004 – 30%)	-	-
Current tax charge for the year (note 5a)	-	-

c Factors that may affect future tax charges

The directors are not aware of any factors likely to materially affect the tax charge in future years.

6 Debtors

	2005 £	2004 £
Amounts falling due within one year		
Prepayments	969,419	18,856
Accrued other debtors	54,283	-
Trade debtors	161,860	-
	<u>1,185,562</u>	<u>18,856</u>

7 Creditors: amounts falling due within one year

	2005 £	2004 £
Amount due to group undertaking	161,860	-
Accruals	54,283	-
Deferred income	969,419	18,856
	<u>1,185,562</u>	<u>18,856</u>

FOUNTAIN & COLONNADE MANAGEMENT LIMITED

Notes to the financial statements for the year ended 31 December 2005 (continued)

8 Share capital

	2005 Number	2005 £	2004 Number	2004 £
Authorised				
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
Allotted, called up and fully paid				
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

9 Profit and loss account

	2005 £	2004 £
Balance at 1 January	-	-
Accumulated result for the year	<u>-</u>	<u>-</u>
Balance at 31 December	<u>-</u>	<u>-</u>

10 Reconciliation of movements in shareholders' funds

	2005 £	2004 £
Opening shareholders' funds	<u>100</u>	<u>100</u>
Result for the year	<u>-</u>	<u>-</u>
Closing shareholders' funds	<u>100</u>	<u>100</u>

11 Cash Flow Statement

The Company has taken advantage of the exemption conferred by Financial reporting Standard No. 1 (Revised) from the requirement to produce a cash flow statement on the grounds that it is a small company.

12 Related party transactions

During the year PA Victoria North Limited and Gold Property Limited Partnership 4 were invoiced for management services in relation to the properties, £1,006,440 and £807,900 (2004 - £772,771 and £572,660) respectively.

FOUNTAIN & COLONNADE MANAGEMENT LIMITED

Notes to the financial statements for the year ended 31 December 2005 (*continued*)

13 Interest in long leasehold properties

The Company holds the head lease to the properties known as 123 and 151 Buckingham Palace Road, London, SW1. The properties are let to PA Victoria North Limited and Victoria South Limited respectively.

The Company's principal activity is to administer the provision of management services in relation to the properties.

14 Ultimate parent and controlling company

The Company is equally owned by Victoria South Limited, which is owned by GOLD 4 General Partner Limited as general partner of GOLD Property Limited Partnership 4, a limited partnership registered in England, and PA Victoria North Limited whose ultimate parent company is PA Holdings Limited, a company registered in England.