

ELECTRA PROPERTY PARTNERS (GP) LIMITED

REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30TH SEPTEMBER 2006**

**REGISTERED NUMBER
3804631**

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COMPANIES HOUSE

ELECTRA PROPERTY PARTNERS (GP) LIMITED

Board of Directors

Neil Birnie
Nigel Kenneth Elsley (resigned 31 December 2006)
Roger Isaac(resigned 31 December 2006)
Michael Jerome Landers
Robert John Lewis (appointed 1 January 2007)

Secretary and Registered Office

Philip John Dyke
Paternoster House
65 St Paul's Churchyard
London E4M 8AB

ELECTRA PROPERTY PARTNERS (GP) LIMITED

Report of the Directors

The Directors present their Report and the Financial Statements of the Company for the year ended 30th September 2006

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The Company is the General Partner of a Limited Partnership. During the year under review the Company made a loss but it is expected to trade profitably in the foreseeable future

RESULTS AND DIVIDENDS

The loss for the year after taxation amounted to £10,187 (2005: £nil) The Directors do not recommend the payment of a dividend leaving the loss of £10,187 (2005: £nil) to be transferred to reserves

GOING CONCERN

Despite net liabilities at the end of the year, the financial statements have been prepared under the going concern basis which assumes the Company will continue in operational existence for the foreseeable future. The appropriateness of the going concern basis is dependent on continued support from the Company's shareholder. The Company has received a letter of support from Electra Partners Group Limited, the ultimate parent company, confirming that it will provide financial support to the Company sufficient to enable it to meet its obligations as and when they fall due. For the reason noted above the Directors believe it is appropriate for the Financial Statements to be prepared on a going concern basis.

FINANCIAL RISK MANAGEMENT

The key risks facing the company include credit risk and interest rate risk. These risks and the Board's response to them are set out below -

- Credit risk – The Company is at risk of non payment of fees by its Limited Partnership. The Company has detailed knowledge of its Limited Partnership and has agreements in place which set out fee arrangements
- Interest rate risk – The profit and loss account of the Company is at risk from interest rate movements. The Company does not use derivative instruments to hedge against interest rate risk

KEY PERFORMANCE INDICATORS ("KPIs")

Given the straightforward nature of the business, the Company's Directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

DIRECTORS

Mr N Birnie, Mr NK Elsley, Mr R Isaac and Mr MJ Landers were Directors of the Company throughout the year ended 30th September 2006. No other person was appointed as a Director of the Company during any part of the year under review. On the 31 December 2006 Mr NE Elsley and Mr R Isaac resigned as Directors. On 1 January 2007 Mr RJ Lewis was appointed a Director.

ELECTRA PROPERTY PARTNERS (GP) LIMITED

Report of the Directors (Continued)

DIRECTORS' INTERESTS

The interests of the Directors in the ordinary shares of Electra Partners Group Limited, the ultimate parent company are set out below. Other than as here disclosed, no Director had any notifiable interests in the securities of the Company or of any subsidiary of the Company.

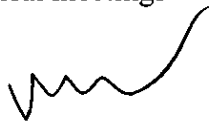
Director	Number of Ordinary Shares in Electra Partners Group Limited		Number of 'A' Shares in Electra Partners Group Limited	
	30 Sep 2006	1 Oct 2005	30 Sep 2006	1 Oct 2005
R Isaac	5,000	5,000	5,000	5,000
N K Elsley	2,500	2,500	2,500	2,500

AUDIT INFORMATION

Pursuant to Section 234ZA (2) (a) of the Companies Act 1985, each of the Directors confirms that (a) so far as they are aware, there is no relevant audit information of which the Company's Auditors are unaware and (b) they have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

ELECTIVE RESOLUTIONS

Elective resolutions were approved on 31 January 2000 whereby the Company is no longer required to hold Annual General Meetings, with the result that PricewaterhouseCoopers LLP will continue as Auditors, and the Directors are no longer required to lay Financial Statements before the Company in general meetings.



By Order of the Board of Directors

PJ Dyke, Secretary

Paternoster House, 65 St Paul's Churchyard, London, EC4M 8AB

30 March 2007

ELECTRA PROPERTY PARTNERS (GP) LIMITED

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 30 September 2006 and that applicable accounting standards have been followed.

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.

The directors confirm that they have complied with these requirements. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

ELECTRA PROPERTY PARTNERS (GP) LIMITED

Independent Auditors' Report to the members of Electra Property Partners (GP) Limited

We have audited the financial statements of Electra Property Partners (GP) Limited for the year ended 30 September 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

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). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 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.

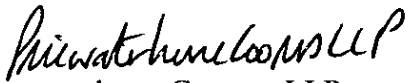
ELECTRA PROPERTY PARTNERS (GP) LIMITED

Independent Auditors' Report to the members of Electra Property Partners (GP) Limited (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 30 September 2006 and of its loss 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



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
30 March 2007

ELECTRA PROPERTY PARTNERS (GP) LIMITED

Profit and Loss Account

	Note	Year ended 30th September 2006 £	Year ended 30th September 2005 £
Operating expenses	2	10,122	-
Operating Loss		(10,122)	-
Interest and similar charges		(65)	-
Loss for the financial year		(10,187)	-
Retained Profit brought forward		5,886	5,886
Retained (Loss)/Profit carried forward		(4,301)	5,886

All results shown in the profit and loss account above are from continuing operations

The company has no recognised gains and losses other than those included in the profit and loss account as shown above and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the results shown above and the results on an unmodified historical cost basis, therefore, no separate note of historical cost profits or losses has been presented

The notes on pages 10 to 12 form an integral part of the financial statements

ELECTRA PROPERTY PARTNERS (GP) LIMITED

Balance Sheet

		As at 30th September 2006 £	As at 30th September 2005 £
	Note		
Fixed Assets			
Investments	4	100	100
Current Assets			
Debtors	5	11,916	11,916
Cash at bank and in hand		3,826	17,309
Creditors			
Amounts falling due within one year	6	20,043	23,339
Net Current (Liabilities)/Assets		(4,301)	5,886
Net (Liabilities)/Assets		(4,201)	5,986
Capital and Reserves			
Called-up share capital	7	100	100
Profit and loss account		(4,301)	5,886
Total Equity Shareholders' Funds	8	(4,201)	5,986

The notes on pages 10 to 12 form an integral part of the financial statements

The Financial Statements on pages 8 to 12 were approved by the Board of Directors on 30 March 2007 and were signed on its behalf by -



RJ Lewis *Director*

ELECTRA PROPERTY PARTNERS (GP) LIMITED

Notes to the Financial Statements

1 ACCOUNTING POLICIES

The Financial Statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and the Companies Act 1985. The more significant accounting policies are listed below.

- (a) The Financial Statements have been prepared under the historical cost convention and the going concern basis which assumes the Company will continue in operational existence for the foreseeable future.

The appropriateness of the going concern basis is dependent on continued support from the Company's shareholder. The Company has received a letter of support from Electra Partners Group Limited, the ultimate parent company confirming that it will provide financial support to the Company sufficient to enable it to meet its obligations as and when they fall due.

If the Company were unable to continue in operational existence for the foreseeable future, adjustments may have to be made to the valuation of assets and liabilities on a break up basis to provide for further liabilities that might arise.

For the reasons noted above the Directors believe it is appropriate for the Financial Statements to be prepared on a going concern basis.

- (b) Partnership Income is priority profit share from the Limited Partnership and profit in respect of the Company's interest in the Limited Partnership. All income and expenses are accounted for on an accruals basis.
- (c) Fixed asset investments are held at cost less provisions for diminution in value.
- (d) The Company is a wholly owned subsidiary of an EU company which publishes consolidated Financial Statements that include a consolidated cash flow statement and therefore is not required to produce a cash flow statement.
- (e) The Financial Statements contain information about Electra Property Partners (GP) Limited as an individual company and do not contain information as the parent of a group. The Company is exempt under Section 228 of the Companies Act 1985 from the requirement to prepare consolidated Financial Statements as it and its subsidiary undertakings are included by full consolidation, or the reasons for their exclusions provided in the consolidated Financial Statements of its ultimate parent, Electra Partners Group Limited, a company registered in England and Wales.

ELECTRA PROPERTY PARTNERS (GP) LIMITED

Notes to the Financial Statements *(continued)*

	Year ended 30th September 2006 £	Year ended 30th September 2005 £
2 OPERATING EXPENSES		
Bank Charges	17	-
Recharge	10,105	-
	10,122	-

The audit fees in 2006 have been borne by another group company
The audit fee and bank charges for the years ended 30th September 2005 were borne by the Limited Partnership

- 3 DIRECTORS AND EMPLOYEES**
No remuneration was paid to the Directors during the period ended 30th September 2006 (2005 £nil) There were no employees of the company (2005 none)

4 FIXED ASSET INVESTMENTS		
Electra Fairmile Property Partners LP	100	100

5 DEBTORS		
Amounts due from Group Undertakings and related parties		
- Electra Administration Limited	550	550
Amounts due from Partnership	11,366	11,366
	11,916	11,916

6 CREDITORS		
Amounts falling due within one year -		
Amounts due to Partnership	20,043	20,043
UK Corporation Tax	-	3,296
	20,043	23,339

ELECTRA PROPERTY PARTNERS (GP) LIMITED

Notes to the Financial Statements (*continued*)

	As at 30th September 2006 £	As at 30th September 2005 £
7 SHARE CAPITAL		
Authorised, allotted, issued and fully paid		
1 "A" Ordinary shares of £1 each	1	1
Authorised, allotted, issued and fully paid		
99 "B" Ordinary shares of £1 each	99	99
	100	100

Both classes of shares have the same rights and privileges in all respects

8 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS		
(Loss)/Profit for the financial year	(10,187)	-
Opening equity shareholders' funds	5,986	5,986
Closing equity shareholders' funds	(4,201)	5,986

9 RELATED PARTY TRANSACTIONS

Transactions in the period with Electra Fairmile Property Partners LP, the Limited Partnership, were as follows -

- Partnership income receivable in the period £nil (2005: £nil)
- Income as Limited Partner, receivable in the period £nil (2005: £nil)

At 30 September 2006, included within creditors is £20,043 (2005: £20,043) due to the partnership. Debtors of £11,366 due from the partnership, include £2,367 (2005: £2,367) relating to audit fees to be borne on the company's behalf by the Limited Partnership.

Advantage has been taken of the exemption available under Financial Reporting Standard 8 (Related Party Disclosures) not to disclose transactions between entities, 90% or more of whose voting rights are controlled within the Group.

10 ULTIMATE HOLDING COMPANY

The Company's ultimate parent undertaking is Electra Partners Group Limited, a company incorporated in Great Britain and registered in England and Wales. Copies of Electra Partners Group Limited's Financial Statements are available from the Secretary of the Company at Paternoster House, 65 St Paul's Churchyard, London, EC4M 8AB.