

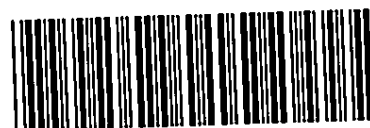
Company Registration Number: 3830685

**PORTFOLIO HOLDINGS
(INVESTMENTS) LIMITED**

Report and Financial Statements

31 December 2007

TUESDAY



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PORTFOLIO HOLDINGS (INVESTMENTS) LIMITED

REPORT AND FINANCIAL STATEMENTS 2007

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PORTFOLIO HOLDINGS (INVESTMENTS) LIMITED

REPORT AND FINANCIAL STATEMENTS 2007

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J M Robertson
C J Hoddell
W S Benjamin
M Pashley

SECRETARY AND REGISTERED OFFICE

J Hopkins
1 Knightsbridge
3rd Floor
London
SW1X 7LX

SOLICITORS

Freshfields Bruckhaus Deringer
65 Fleet Street
London
EC4Y 1HS

PORTFOLIO HOLDINGS (INVESTMENTS) LIMITED

DIRECTORS' REPORT

The directors have pleasure in submitting their report and the unaudited financial statements for the year ended 31 December 2007

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 as at the end of the period and of the profit or loss for that period. In preparing those financial statements, the directors are required to

- a) select suitable accounting policies and then apply them consistently,
- b) make judgements and estimates that are reasonable and prudent,
- c) state whether applicable accounting standards have been followed, and
- d) prepare 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 which 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 the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

The company was established as the General Partner of a Delaware registered limited partnership, Portfolio Holdings (Investments) L P, which was formed pursuant to the laws of Delaware, USA, on 8 September 1999. The limited partners of Portfolio Holdings (Investments) L P are AP PHI Investors L L C, and AP Pelham Partners XV L L C. The limited partnership was formed to acquire and hold interests in investment property vehicles investing in property located in the United Kingdom.

In the opinion of the Directors, the financial position of the company at the balance sheet date was satisfactory as are the future prospects of the company.

RESULTS AND DIVIDENDS

The company made a profit on ordinary activities before taxation of £162 (2006 £7,449) for the year. The retained loss for the year of £610 (2006 £7,449) has been transferred to reserves, giving a retained profit carried forward of £12,940 (2006 £13,550).

The directors do not recommend the payment of a dividend for the year (2006 £nil).

PORTFOLIO HOLDINGS (INVESTMENTS) LIMITED

DIRECTORS' REPORT – (continued)

DIRECTORS AND THEIR INTERESTS

The directors holding office during the year were as follows

	<i>Date of appointment</i>	<i>Date of Resignation</i>
J M Robertson	-	-
C J Hoddell	-	-
W S Benjamin	-	-
M Pashley	-	-

None of the directors held any interest in the share capital of the company

Approved by the Board of Directors
and signed on behalf of the Board



M Pashley

Director

1 Knightsbridge
3rd Floor
London
SW1X 7LX

21 April 2008

PORTFOLIO HOLDINGS (INVESTMENTS) LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 December 2007

	Note	2007 £	2006 £
Profit from investments		162	7,449
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	162	7,449
Taxation on profit ordinary activities	3	(772)	-
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION BEING THE RETAINED (LOSS)/PROFIT FOR THE FINANCIAL YEAR	8	(610)	7,449

All activities are derived from continuing operations

There are no recognised gains or losses in either the current or preceding year other than the gains and losses disclosed in the profit and loss account. Accordingly, no statement of total recognised gains and losses is required.

PORTFOLIO HOLDINGS (INVESTMENTS) LIMITED

NOTE OF HISTORICAL COST PROFIT AND LOSSES for the year ended 31 December 2007

	2007 £	2006 £
Reported profit on ordinary activities	162	7,449
Realisation of property revaluation gains of previous years	-	5,944
	<hr/>	<hr/>
Historical cost profit on ordinary activities before taxation	162	13,393
Taxation	(772)	-
	<hr/>	<hr/>
Historical cost (loss)/profit on ordinary activities after taxation	(610)	13,393
	<hr/>	<hr/>

PORTFOLIO HOLDINGS (INVESTMENTS) LIMITED

BALANCE SHEET

31 December 2007


	Note	2007 £	2006 £
FIXED ASSETS			
Investments	4	395	844
CURRENT ASSETS			
Debtors	5	13,318	12,707
CREDITORS: amounts falling due within one year	6	(772)	-
NET CURRENT ASSETS		12,546	12,707
TOTAL NET ASSETS		12,941	13,551
CAPITAL AND RESERVES			
Called up share capital	7	1	1
Profit and loss account	8	12,940	13,550
EQUITY SHAREHOLDER'S FUNDS		12,941	13,551

The annual accounts have not been audited because the company is entitled to the exemption provided by section 249A(1) of the Companies Act 1985 and its members have not required the company to obtain an audit of these accounts in accordance with section 249B(2)

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records that comply with section 221 of the Companies Act 1985. The directors also acknowledge their responsibilities for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with section 226 of the Companies Act 1985 and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company.

These financial statements were approved by the Board of Directors on 21 April 2008

Signed on behalf of the Board of Directors


M Pashley
Director

PORTFOLIO HOLDINGS (INVESTMENTS) LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2007

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and preceding years.

Basis of accounting

The accounts have been prepared under the historical cost convention as modified to include the revaluation of certain fixed assets and in accordance with applicable United Kingdom accounting standards.

Cash Flow Statement

The company has taken advantage of the exemption from preparing a cash flow statement contained in FRS1 Cash Flow Statements (revised 1996) as it is a small company as defined by the companies legislation.

Investments

The company has accounted for its participating interest in the partnership under the net equity accounting method. Other investments are stated at cost.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws enacted, or substantially enacted by the balance sheet date.

Deferred taxation is provided in full using the liability method for all timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company had no employees during the year (2006: none) and the directors did not receive any remuneration for services to the company during the year (2006: £Nil).

All audit fees for the current and preceding year are borne by Portfolio Holdings (Investments) L.P.

PORTFOLIO HOLDINGS (INVESTMENTS) LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2007

3. TAXATION

Tax on profit on ordinary activities are analysed as follows	2007 £	2006 £
United Kingdom corporation tax at 30% (2006 30%)	-	-
Prior year adjustment	772	-
	<u>772</u>	<u>-</u>
	<u>772</u>	<u>-</u>

The tax assessed for the year differs from that resulting from applying the standard rate of corporation tax in the United Kingdom at 30% (2006 30%) The differences are explained below

	2007 £	2006 £
Profit on ordinary activities before tax	162	7,449
	<u>162</u>	<u>7,449</u>
Tax at 30% (2006 30%) thereon	49	2,235
Effects of Non-taxable distribution from partnership	(49)	(2,235)
Prior year adjustment	772	-
	<u>772</u>	<u>-</u>
Current tax charge for the year	<u>772</u>	<u>-</u>

PORTFOLIO HOLDINGS (INVESTMENTS) LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2007

4. INVESTMENTS

The company holds 0.1% of equity in Portfolio Holdings (Investments) L P, a Delaware registered limited partnership, whose registered office is at c/o Corporation Service Company, 2711 Centreville Road, Suite 400, Wilmington, County of New Castle, Delaware, 19808, USA

	2007 £	2006 £
Opening balance	844	19,064
Movement in capital	(611)	(25,669)
Share of profit for the year	162	7,449
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Balance as at 31 December	395	844
	<hr/>	<hr/>

The company also holds a special membership interest of \$100 in each of AP PHI Investors L L C and AP Pelham Partners XV L L C which are limited liability companies incorporated in Delaware, whose registered offices are at c/o Corporation Service Company, 2711 Centreville Road, Wilmington, County of New Castle, Delaware, 19808, USA. AP PHI Investors L L C and AP Pelham Partners XV L L C also hold interests in Portfolio Holdings (Investments) L P. The special membership interest in each of the above will be repaid on winding up. It gives Portfolio Holdings (Investments) Limited a special right to appoint and remove managers of those entities.

5. DEBTORS

	2007 £	2006 £
Debtors are analysed as follows		
Called up share capital not paid	1	1
Amounts owed from AP PHI Investors LLC	10,960	10,459
Amounts owed from AP Pelham Partners XV LLC	2,357	2,247
	<hr/>	<hr/>
	13,318	12,707
	<hr/>	<hr/>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £	2006 £
Creditors are analysed as follows		
Corporation tax payable	772	-
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PORTFOLIO HOLDINGS (INVESTMENTS) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2007

7. CALLED UP SHARE CAPITAL

As at 31 December 2007 and 31 December 2006 the authorised share capital of the company comprised 1,000 ordinary shares of £1 each, one of which had been issued at par and is unpaid

8. RESERVES

	Profit and Loss Account £
Reserves are analysed as follows	
Balance as at 1 January 2007	13,550
Retained loss for the year	(610)
	<hr/>
Balance as at 31 December 2007	12,940
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9. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDER'S FUNDS

	2007 £	2006 £
Opening equity shareholder's funds	13,551	6,102
Loss for the financial year	(610)	7,449
	<hr/>	<hr/>
Closing equity shareholder's funds	12,941	13,551
	<hr/>	<hr/>

10. RELATED PARTIES

There were no related party transactions during the year