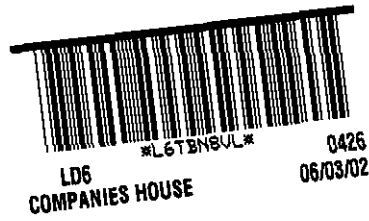


3897327

Report and Accounts

LG/SL (Property Management) Limited

31 December 2001



LG/SL (Property Management) Limited

Registered No. 3897327

DIRECTORS

J L Schwartz
T J Binnington
R R W Falls
G P Newman

SECRETARY

T & H Secretarial Services Limited

AUDITORS

Ernst & Young LLP
Becket House
1 Lambeth Palace Road
SE1 7EU

BANKERS

Barclays Bank
54 Lombard St
London
EC3V 9EX

REGISTERED OFFICE

Brookfield House
44 Davies St
London
W1K 5JA

LG/SL (Property Management) Limited

DIRECTORS' REPORT

The directors present their report and accounts for the six month period ended 31 December 2001.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS DEVELOPMENTS

The Company was engaged in providing property management services to companies in the same Group ("Group Companies"). By 10 October 2001 the Group Companies had sold all of their remaining properties. The Company is now engaged in post completion matters.

RESULTS AND DIVIDENDS

The accounts show a profit after tax for the period of £5,046,128 (year to 30 June 2001 - loss of £741,660) which is dealt with as shown in the profit and loss on page 5. The directors do not recommend the payment of a dividend.

DIRECTORS

The directors during the period were as detailed on page 1.

DIRECTORS' INTERESTS

The directors have no interests in the Ordinary Shares of the Company.

AUDITORS

The Company has passed a resolution under s386 of the Companies Act 1985 not to reappoint auditors annually. Ernst & Young LLP have expressed their willingness to continue in office for the forthcoming year.

On behalf of the Board

Director



27 FEB 2002

LG/SL (Property Management) Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts 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 to enable them to ensure that the accounts 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LG/SL (PROPERTY MANAGEMENT) LIMITED

We have audited the company's financial statements for the period ended 31 December 2001 which comprise the Profit and Loss Account, Balance Sheet, Statement of Total Recognised Gains and Losses and notes 1 to 11. These financial statements have been prepared on the basis of the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 transactions with the company 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 United Kingdom Auditing Standards 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2001 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
London

21 February 2012

LG/SL (Property Management) Limited

PROFIT AND LOSS ACCOUNT for the period ended 31 December 2001

	<i>Period ended 31 December 2001 £</i>	<i>Year ended 30 June 2001 £</i>
<i>Notes</i>		
Administration expenses	(1,138,093)	(1,053,260)
Inter company management fee	2,211,559	-
	<hr/>	<hr/>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION	2 1,073,466	(1,053,260)
Bank interest payable and similar charges	(606)	(2,088)
Interest receivable	130,558	313,688
Write back of inter company loan	3,842,710	-
	<hr/>	<hr/>
PROFIT /(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	5,046,128	(741,660)
Tax on profit/(loss) on ordinary activities	3 -	-
	<hr/>	<hr/>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	5,046,128	(741,660)
	<hr/>	<hr/>
PROFIT/(LOSS) FOR THE PERIOD/YEAR	5,046,128	(741,660)
	<hr/>	<hr/>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains and losses other than the profit and loss account above.

LG/SL (Property Management) Limited

BALANCE SHEET at 31 December 2001

		31 December 2001	30 June 2001
	Notes	£	£
FIXED ASSETS			
Furniture, fittings and computer equipment	4	-	20,784
CURRENT ASSETS			
Debtors	5	193,292	5,088,104
Cash at bank		3,739,017	11,560,030
CREDITORS: amounts falling due within one year	6	(89,506)	(17,872,243)
NET CURRENT ASSETS/(LIABILITIES)		3,842,803	(1,224,019)
TOTAL ASSETS LESS CURRENT (LIABILITIES)		3,842,803	(1,203,325)
		3,842,803	(1,203,325)
CAPITAL AND RESERVES			
Share Capital	8	100	100
Profit and loss account	9	3,842,703	(1,203,425)
Equity Shareholder's funds		3,842,803	(1,203,325)

Directors

27 FEB 2002

LG/SL (Property Management) Limited

NOTES TO THE ACCOUNTS

at 31 December 2001

1. ACCOUNTING POLICIES

Accounting convention

The accounts have been prepared under the historical cost convention. The accounts are prepared in accordance with applicable accounting standards.

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all timing differences to the extent that it is probable that the liabilities will crystallise.

No provision is made for tax liabilities which are contingent upon the sale of investment properties at values in the balance sheet.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life as follows:

Furniture & Fittings	-	2 years
Computer equipment	-	2 years

Cashflow statement

The Company according to FRS1 (revised 1996) is exempt from the requirement to prepare a statement of cashflows as it is an wholly subsidiary undertaking of LG/SL Property Holdings Limited the consolidated accounts of which will include a consolidated statement of cashflows, including those of the company.

2. OPERATING PROFIT

The operating profit is arrived at after deducting the following:

Audit fees	35,000
Depreciation	-
	<u> </u>

No director received any remuneration from the Company during the period.

3. TAXATION

The profit arising in the period will be offset by losses surrendered by other group undertakings for no payment.

LG/SL (Property Management) Limited

NOTES TO THE ACCOUNTS

at 31 December 2001

4. FIXED ASSETS

Fixtures and fittings	<i>Fixtures & Fittings</i>	<i>Computer Equipment</i>	<i>Total</i>
	£	£	£
Cost:			
As at 30 June 2001	11,867	36,318	48,185
Disposals	(11,867)	(36,318)	(48,185)
	<u> </u>	<u> </u>	<u> </u>
Cost at 31 December 2001	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Depreciation			
As at 30 June 2001	(4,319)	(23,082)	(27,401)
Depreciation for the period	-	-	-
Disposals	4,319	23,082	27,401
	<u> </u>	<u> </u>	<u> </u>
Accumulated depreciation at 31 December 2001	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Net Book Value at 31 December 2001	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Net Book Value at 30 June 2001	7,548	13,236	20,784
	<u> </u>	<u> </u>	<u> </u>

5. DEBTORS

	<i>31 December 2001</i>	<i>30 June 2001</i>
	£	£
Other debtors	193,292	138,266
Amount due from fellow subsidiary undertakings	-	4,949,838
	<u> </u>	<u> </u>
	193,292	5,088,104
	<u> </u>	<u> </u>

6. CREDITORS: amounts falling due within one year

	<i>31 December 2001</i>	<i>30 June 2001</i>
	£	£
Amounts due to fellow subsidiaries	-	17,658,956
Accruals and deferred income	89,506	180,000
Other creditors	-	33,287
	<u> </u>	<u> </u>
	89,506	17,872,243
	<u> </u>	<u> </u>

LG/SL (Property Management) Limited

NOTES TO THE ACCOUNTS

at 31 December 2001

7. STAFF COSTS

	<i>31 December</i>	<i>30 June</i>
	<i>2001</i>	<i>2001</i>
	£	£
Wages and salaries	130,157	310,643
Social Security costs	14,409	29,171
Other pension costs	8,519	23,842
	<u>153,085</u>	<u>363,656</u>

The average weekly number of employees, including executive directors, during the period was as follows:

	<i>31 December</i>	<i>30 June</i>
	<i>2001</i>	<i>2001</i>
	No.	No.
Property management	1	4
Administration	4	5

8. SHARE CAPITAL

<i>Authorised</i>	<i>Authorised</i>	<i>Allotted and</i>	<i>Allotted and</i>
<i>31 Dec 2001</i>	<i>30 June 2001</i>	<i>called up</i>	<i>called up</i>
<i>No.</i>	<i>No</i>	£	£
100	100	100	100

9. MOVEMENTS ON RESERVES AND RECONCILIATION OF SHAREHOLDERS' FUNDS

	<i>Share</i>	<i>Profit</i>	<i>Total</i>
	<i>Capital</i>	<i>and loss</i>	<i>share-</i>
	<i>£</i>	<i>account</i>	<i>holders'</i>
	£	£	£
At 30 June 2000	100	(461,765)	(461,665)
Loss for the year	–	(741,660)	(741,660)
At 30 June 2001	100	(1,203,425)	(1,203,325)
Profit for the period	–	5,046,128	5,046,128
At 31 December 2001	100	3,842,703	3,842,803

LG/SL (Property Management) Limited

NOTES TO THE ACCOUNTS

at 31 December 2001

10. RELATED PARTY TRANSACTION

A number of assets of the Company were sold to Sovereign Land (Management) Limited pursuant to a Hive Across Agreement dated 28 September 2001. The total consideration paid under the contract was £1 for assets with a net book value of £20,784.

Tim Binnington, Robert Falls and Graeme Newman were interested in this transaction as they own directly or indirectly a substantial interest in the issued share capital of Sovereign Land (Management) Limited. Each director declared their interest in the transaction at the Board meeting during which the Board approved the entry by the Company into the Hive Across Agreement.

11. ULTIMATE PARENT UNDERTAKING

The ultimate parent is Credit Suisse First Boston (International) A.G., a company incorporated in Switzerland. The smallest and largest group which has included the company in its group accounts LG/SL Property Holdings Limited, copies of which are available from the registered office:

Brookfield House
44 Davies Street
London
W1K 5JA