

Company Registration No. 4126237

Knollys House (No. 1) Limited

Report and Financial Statements

31 December 2005



Knollys House (No. 1) Limited

Report and financial statements 2005

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Knollys House (No. 1) Limited

Report and financial statements 2005

Officers and professional advisers

Directors

C Conway-Hughes
S Jobburn
M Lefteris

Secretary

C Conway-Hughes

Registered office

105 Wigmore Street
London
W1U 1QY

Auditors

Deloitte & Touche LLP
Chartered Accountants
London

Knollys House (No. 1) Limited

Directors' report

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

Principal activities and business review

The principal activity of the company is to act as a nominee company. The directors do not anticipate this will change in the foreseeable future.

Results and dividends

The company did not trade during the current or prior year and accordingly it made neither a profit nor a loss. Hence no profit and loss account has been provided. No dividends have been proposed or paid in respect of the current or prior year.

Directors and their interests

The directors who served during the year, except as noted, were as follows:

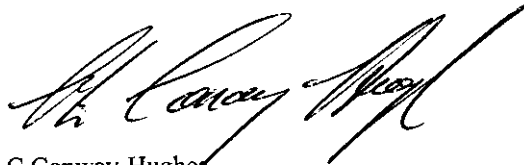
C Conway-Hughes
S Jobburn
M Lefteris

No director had any interests in the share capital of the company or any other group company during the year.

Auditors

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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



C Conway-Hughes
Secretary

11th October 2006

Knollys House (No. 1) Limited

Statement of directors' responsibilities

United Kingdom 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 as at the end of the financial year 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; and
- 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 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.

Independent auditors' report to the members of Knollys House (No. 1) Limited

We have audited the financial statements of Knollys House (No. 1) Limited for the year ended 31 December 2005 which comprise the balance sheet and the related notes 1 to 7. 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 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 United Kingdom 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, in accordance with the relevant financial reporting framework, 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 the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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.

Independent auditors' report to the members of Knollys House (No. 1) 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 31 December 2005 and of its result for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

“ October 2006

Knollys House (No. 1) Limited

Balance sheet 31 December 2005

	Note	2005 £	2004 £
Current assets			
Other debtors	4	2	2
Net assets		<u>2</u>	<u>2</u>
Capital and reserves			
Called up share capital	5	2	2
Equity shareholder's funds	6	<u>2</u>	<u>2</u>

These financial statements were approved by the Board of Directors on 11th October 2006.

Signed on behalf of the Board of Directors



M Lefteris
Director

Knollys House (No. 1) Limited

Notes to the accounts

Year ended 31 December 2005

1. Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the current and prior years, is set out below.

Basis of accounting

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

Cash flow statement

Under the provisions of Financial Reporting Standard No. 1 (Revised), the company has not prepared a cash flow statement because it is a wholly owned subsidiary of a company incorporated in Great Britain which is part of a group which prepares a consolidated cash flow statement.

2. Operating expenses

Operating expenses for the year were £nil (2004: £nil). The audit fee was borne by the Hemingway Investment Partnership in both the current and prior year.

3. Staff costs

The company did not employ any staff directly in the current and prior year. Amounts paid in respect of services provided to the company by the directors for the current and prior year have been borne by the Hemingway Investment Partnership and are disclosed in those financial statements.

4. Debtors

	2005 £	2004 £
Other debtors	<u>2</u>	<u>2</u>

5. Called up share capital

	2005 £	2004 £
Authorised		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Called up, allotted and fully paid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

6. Reconciliation of movements in equity shareholder's funds

There was no movement in equity shareholder's funds for the years ended 31 December 2005 and 2004.

Knollys House (No. 1) Limited

Notes to the accounts

Year ended 31 December 2005

7. Ultimate parent company

The company is a wholly-owned subsidiary undertaking of Hemingway GP No. 4 Limited, a company incorporated in Great Britain and registered in England and Wales. The financial statements of this company are publicly available.

The smallest group in which the company's results are consolidated is that headed by Hemingway Properties Limited. The financial statements of Hemingway Properties Limited are available to the public and may be obtained from the company's principal place of business at 105 Wigmore Street, London, W1U 1QY.

The largest group in which the company's results are consolidated is that headed First Sloane Street Limited, incorporated in Great Britain. The financial statements of First Sloane Street Limited are available to the public and may be obtained from 105 Wigmore Street, London, W1U 1QY. First Sloane Street Limited is both the ultimate parent company and ultimate controlling party.