

Dayvalley Limited

FINANCIAL STATEMENTS

for the year ended

31 May 2006



Company Registration No 04644710

Dayvalley Limited

DIRECTORS AND OFFICERS

DIRECTORS

V A Tchenguiz
R Tchenguiz
J D Thorpe

SECRETARY

M H P Ingham

COMPANY NUMBER

04644710 (England and Wales)

REGISTERED OFFICE

4th Floor
Leconfield House
Curzon Street
London
W1J 5JA

AUDITORS

Baker Tilly
Chartered Accountants
The Clock House
140 London Road
Guildford
Surrey
GU1 1UW

SOLICITORS

Olswang
90 High Holborn
London
WC1V 6XX

Dayvalley Limited

DIRECTORS' REPORT

The directors present their report and financial statements of Dayvalley Limited for the year ended 31 May 2006

PRINCIPAL ACTIVITIES

The principal activity of the company, which has remained unchanged during the financial year, was that of an intermediate holding company

REVIEW OF THE BUSINESS

In the opinion of the directors the result for the year and the financial position of the company at 31 May 2006 were satisfactory

FINANCIAL RISKS AND KEY PERFORMANCE INDICATORS

The company is a dormant intermediate holding company, accordingly it has no key performance indicators

The company has no exposure to financial, interest rate or credit risks other than through its investments in its subsidiaries. As its subsidiaries are involved in property investment the principal risks they have are in respect of interest rate and tenant credit risk

Interest rate risk

The risk has been mitigated by the subsidiaries only being party to fixed interest rate loans

Tenant credit risk

The risk has been mitigated by the subsidiaries only taking on appropriate tenants with credit checks undertaken by Prime Estates Management Limited, a fellow group company. In the main, tenants must be categorised as AAA by rating agencies or be a Government organisation

DIVIDENDS

The directors do not recommend payment of an ordinary dividend

DIRECTORS

The following directors have held office since 1 June 2005

V A Tchenguiz

R Tchenguiz

J D Thorpe

(Appointed 16 February 2007)

DIRECTORS' INTERESTS IN SHARES

The directors at 31 May 2006 had no beneficial interest in the share capital of the company at any time during the year

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor


Dayvalley Limited

DIRECTORS' REPORT (CONTINUED)

AUDITORS

The company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with Section 386(1) of the Companies Act 1985. Therefore, the auditors, Baker Tilly, will be deemed to be reappointed for each succeeding financial year.

On behalf of the board



R Tchenguiz
Director

28 March 2007

Dayvalley Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent,
- c state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- d 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 to enable them to ensure that the financial statements comply with the requirements of 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 AUDITOR'S REPORT TO THE MEMBERS OF DAYVALLEY LIMITED

We have audited the financial statements on pages 6 to 11

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 auditor's 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 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 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 opinion

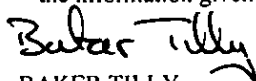
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 31 May 2006 and of its result for the year then ended and 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.



BAKER TILLY

Registered Auditor
Chartered Accountants
The Clock House
140 London Road
Guildford
Surrey
GU1 1UW

28 March 2007

Dayvalley Limited
PROFIT AND LOSS ACCOUNT
for the year ended 31 May 2006

	<i>Notes</i>	2006 £	2005 £
Profit on sale of subsidiary undertaking		-	4,239
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	4,239
Taxation	2	-	-
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	7	-	4,239

All amounts derive from continuing activities

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

Dayvalley Limited

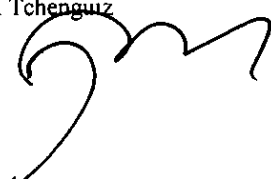
BALANCE SHEET

31 May 2006

	Notes	2006 £	2005 £
FIXED ASSETS			
Investments	3	<u>3</u>	<u>3</u>
CURRENT ASSETS			
Debtors	4	4,244	4,244
CREDITORS Amounts falling due within one year	5	<u>(7)</u>	<u>(7)</u>
NET CURRENT ASSETS		<u>4,237</u>	<u>4,237</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>4,240</u></u>	<u><u>4,240</u></u>
CAPITAL AND RESERVES			
Called up share capital	6	1	1
Profit and loss account	7	<u>4,239</u>	<u>4,239</u>
EQUITY SHAREHOLDERS' FUNDS	8	<u><u>4,240</u></u>	<u><u>4,240</u></u>

The financial statements on pages 6 to 11 were approved by the board of directors and authorised for issue on 28 March 2007 and are signed on its behalf by

R Tchenguiz



Director

Dayvalley Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with applicable accounting standards

The financial statements have been prepared under the historical cost convention

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements

INVESTMENTS

Fixed asset investments are stated at cost less provision for diminution in value

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements

Deferred tax is measured at the tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

CASH FLOW STATEMENT

The company is exempt from the requirement to prepare a cash flow statement as it is entitled to the exemptions for small companies' accounts set out in section 246 to 249 of the Companies Act 1985

Dayvalley Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2006

1 EMPLOYEES

There were no employees during the year apart from the directors, who received no emoluments

2 TAXATION	2006	2005
	£	£
Current tax charge	-	-
	<hr/>	<hr/>
Factors affecting the tax charge for the year		
(Loss)/profit on ordinary activities before taxation	-	4,239
	<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2005 30.00%)	-	1,272
	<hr/>	<hr/>
Effects of		
Non taxable gains	-	(1,272)
UK Transfer Pricing	70	33
Group Relief	(70)	(33)
	<hr/>	<hr/>
	-	(1,272)
	<hr/>	<hr/>
Current tax charge	-	-
	<hr/>	<hr/>

Dayvalley Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 May 2006

3 FIXED ASSET INVESTMENTS

	<i>Shares in group undertakings</i>
	£
Cost	
1 June 2005 and 31 May 2006	3

In the opinion of the directors the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

<i>Company</i>	<i>Country of registration or incorporation</i>	<i>Shares held</i>	
		<i>Class</i>	<i>%</i>
Subsidiary undertakings			
Bankmead Limited	England	Ordinary	100
Dawnread Limited	England	Ordinary	100
Wealdmist Limited	England	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

	<i>Capital and reserves</i>	<i>Profit/(loss) for the year</i>
	£	£
Bankmead Limited	104,170	42,378
Dawnread Limited	(17,084)	12
Wealdmist Limited	(50,236)	(25,951)

4	DEBTORS	2006	2005
		£	£
	Due within one year		
	Amounts owed by group undertakings	4,244	4,244

5	CREDITORS	2006	2005
	Amounts falling due within one year	£	£
	Amounts owed to group undertakings	7	7

Dayvalley Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 May 2006

6	SHARE CAPITAL	2006 £	2005 £
	Authorised		
	100 Ordinary shares of £1 each	100	100
		<u> </u>	<u> </u>
	Allotted, issued and fully paid		
	1 Ordinary shares of £1 each	1	1
		<u> </u>	<u> </u>

7 STATEMENT OF MOVEMENT ON RESERVES

*Profit and loss
account
£*

1 June 2005 and 31 May 2006 4,239

8	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2006 £	2005 £
	Profit for the financial year	-	4,239
	Opening shareholders' funds	4,240	1
		<u> </u>	<u> </u>
	Closing shareholders' funds	4,240	4,240
		<u> </u>	<u> </u>

9 CONTROL

The immediate holding company is Rainweald Limited

The directors regard the ultimate holding company to be Vin-Rotch Properties Limited Inc , a company incorporated in the Republic of Panama

The ultimate controlling party is the Tchenguiz Family Trust

10 RELATED PARTY TRANSACTIONS

At the balance sheet date the balance owed to each of the company's subsidiaries was as follows Bankmead Limited £1 (2005 £1), Dawnread Limited £1 (2005 £1) and Wealdmist Limited £1 (2005 £1)

At the balance sheet date the balances owed to fellow group companies were as follows Viewpalm Limited £1 (2005 £1), Filmcourt Limited £1 (2005 £1) and Holaw (573) Limited £2 (2005 £2)

At the balance sheet date £1 (2005 £1) was due from the company's immediate parent company, Rainweald Limited and £4,243 (2005 £4,243) was due from Dalefox Limited, a fellow group company