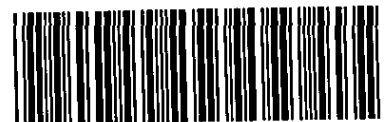


COMPANY REGISTRATION NUMBER 4669592

REGISTRAR

SOHO ESTATES HOLDINGS LIMITED
FINANCIAL STATEMENTS
FOR
31 DECEMBER 2008

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SOHO ESTATES HOLDINGS LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2008

The directors submit their report and the audited group financial statements for the year ended 31 December 2008.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the group comprises investment in properties primarily, but not exclusively, in central London. During the year, the group also acquired an interest in a development project in the United Arab Emirates. The group finances its growth from funds generated from its operations, consequently there is no gearing.

There were no significant changes in the group's principal activity in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the group's activity in the next year.

The directors are satisfied with the results for the year.

As shown in the group's profit and loss account on page 5, the group's turnover has increased by 8% in comparison to turnover recorded for 2007. This increase in turnover is attributable to improved occupancy, rent reviews and the acquisition of a new property.

The group recorded a profit before taxation of £16,078,678 for the year, compared to a profit of £18,045,674 in the prior year.

The balance sheet on page 7 indicates that the group's financial position at the year end, both in terms of net assets and net current assets, remains strong.

Particulars of dividends paid are detailed in note 8 to the financial statements.

RISKS AND UNCERTAINTIES

The group is faced with risks associated with the property sector, including market fluctuations in property prices, rents and yields. The group has no borrowings, and is not therefore subject to any interest rate risk.

DIRECTORS

The directors who served during the year were as follows:

Paul Raymond (deceased 2 March 2008)
Mark Quinn
John James
Kevin Sullivan
Fawn James
Simon Leathes (appointed 1 March 2009)

SOHO ESTATES HOLDINGS LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2008

DIRECTORS' RESPONSIBILITIES

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 the group and of the profit or loss of the group for that period. In preparing these 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;
- 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 that disclose with reasonable accuracy at any time the financial position of the company and the group to 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The information given in the Directors' Report is consistent with the financial statements.

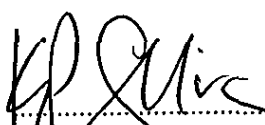
In so far as the directors are aware:

- there is no relevant audit information of which the company's and the group's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

At 31 December 2008, Mr M J Bostelmann, a partner in Arnold Hill & Co, the company's and the group's auditor, was a trustee and executor with no beneficial interest in certain trusts which hold 98% of the company's share capital.

Signed on behalf of the directors


.....
KEVIN SULLIVAN BA FCA
Secretary

Date: 16/12/09

INDEPENDENT AUDITORS REPORT TO THE SHAREHOLDERS OF
SOHO ESTATES HOLDINGS LIMITED
YEAR ENDED 31 DECEMBER 2008

We have audited the financial statements on pages 5 to 18, which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets, and the accounting policies set out on pages 9 and 10.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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 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 group's and the company's circumstances, consistently applied and adequately disclosed.

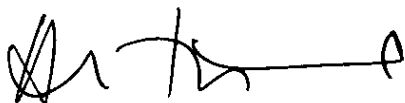
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 SHAREHOLDERS OF
SOHO ESTATES HOLDINGS LIMITED
YEAR ENDED 31 DECEMBER 2008

QUALIFIED OPINION

In prior years the group's investment properties were not revalued in accordance with Statement of Standard Accounting Practice 19, but have been included at the revalued amount as determined at 31 December 2003. Acquisitions subsequent to 2003 have been recorded at cost. This has been rectified as at 31 December 2008, the investment properties being disclosed at valuation at that date. However due to non-revaluation in prior periods since 2003, the revaluation surplus disclosed in the 2008 financial statements represents the revaluation surplus arising from the previous revaluation in 2003 through to 31 December 2008, rather than the revaluation surplus attributable to the year. We are unable to quantify the financial effect of this departure.

Except for the above matter, arising from non-revaluation of investment property in prior periods, in our opinion the financial statements give a true and fair view of the state of the affairs of the group at 31 December 2008 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985. The information given in the Directors' Report is consistent with the financial statements.



Arnold Hill & Co
Chartered Accountants and Registered Auditors
Craven House
16 Northumberland Avenue
London WC2N 5AP

Date: 20 October 2009

SOHO ESTATES HOLDINGS LIMITED
GROUP PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2008

	<u>Notes</u>	<u>2008</u> <u>£</u>	<u>2007</u> <u>£</u>
TURNOVER		26,355,736	24,313,314
Administrative Expenses			
- Recurring		(6,241,451)	(7,842,657)
- Exceptional Items	2	<u>(5,633,489)</u>	<u>-</u>
OPERATING PROFIT	2	14,480,796	16,470,657
Interest Receivable and Similar Income	5	1,597,882	1,582,209
Interest Payable and Similar Charges	6	<u>-</u>	<u>(7,192)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		16,078,678	18,045,674
Tax on Profit on Ordinary Activities	7	<u>(4,967,394)</u>	<u>(6,173,939)</u>
PROFIT FOR THE FINANCIAL YEAR	16	<u>£ 11,111,284</u>	<u>£ 11,871,735</u>

All the group's activities are classed as continuing.

The statement of total group recognised gains and losses is on page 6 of these financial statements.

The notes on pages 9 to 18 form part of these financial statements.

SOHO ESTATES HOLDINGS LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2008

	<u>2008</u> <u>£</u>	<u>2007</u> <u>£</u>
Profit for the Financial Year	11,111,284	11,871,735
Unrealised net gain on revaluation of investment properties	50,813,324	-
Currency Translation Gain arising on Consolidation	64,260	-
TOTAL RECOGNISED GAINS RELATING TO THE YEAR	<u>£ 61,988,868</u>	<u>£ 11,871,735</u>

The notes on pages 9 to 18 form part of these financial statements.

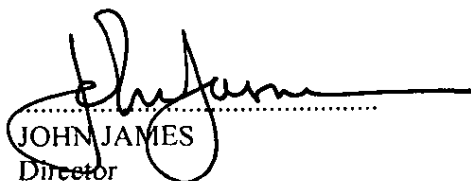
SOHO ESTATES HOLDINGS LIMITED

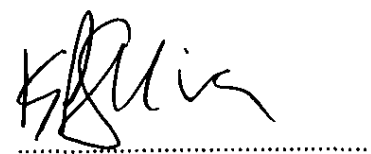
GROUP BALANCE SHEET

AS AT 31 DECEMBER 2008

	<u>Notes</u>	<u>GROUP</u> <u>2008</u> <u>£</u>	<u>PARENT</u> <u>2008</u> <u>£</u>	<u>GROUP</u> <u>2007</u> <u>£</u>	<u>PARENT</u> <u>2007</u> <u>£</u>
FIXED ASSETS					
Tangible Fixed Assets	9	357,029,284	-	292,448,694	-
Investments in Subsidiary Undertakings	10	-	1,169,000	-	1,169,000
		<u>357,029,284</u>	<u>1,169,000</u>	<u>292,448,694</u>	<u>1,169,000</u>
CURRENT ASSETS					
Debtors	11	3,088,366	7,392,394	3,639,684	7,436,833
Cash at Bank and in Hand		<u>22,371,908</u>	<u>-</u>	<u>34,867,544</u>	<u>-</u>
		25,460,274	7,392,394	38,507,228	7,436,833
CREDITORS: Amounts Falling Due Within One Year	12	<u>(8,737,066)</u>	<u>(15,000)</u>	<u>(18,391,510)</u>	<u>(16,467)</u>
NET CURRENT ASSETS		<u>16,723,208</u>	<u>7,377,394</u>	<u>20,115,718</u>	<u>7,420,366</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		373,752,492	8,546,394	312,564,412	8,589,366
PROVISIONS FOR LIABILITIES	13	(927,272)	-	(375,060)	-
		<u>£ 372,825,220</u>	<u>£ 8,546,394</u>	<u>£ 312,189,352</u>	<u>£ 8,589,366</u>
CAPITAL AND RESERVES					
Called Up Share Capital	15	41,000	41,000	41,000	41,000
Revaluation Reserve	16	50,813,324	-	-	-
Consolidation Reserve	16	268,969,399	-	268,969,399	-
Profit and Loss Account	16	<u>53,001,497</u>	<u>8,505,394</u>	<u>43,178,953</u>	<u>8,548,366</u>
SHAREHOLDERS' FUNDS - EQUITY	17	<u>£ 372,825,220</u>	<u>£ 8,546,394</u>	<u>£ 312,189,352</u>	<u>£ 8,589,366</u>

Approved by the Board for signing on 16/10/09


JOHN JAMES
Director


KEVIN SULLIVAN BA FCA
Director

The notes on pages 9 to 18 form part of these financial statements.

SOHO ESTATES HOLDINGS LIMITED

GROUP CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2008

	<u>Notes</u>	<u>2008</u> <u>£</u>	<u>2007</u> <u>£</u>
Net Cash Inflow from Operating Activities	22	7,628,202	15,438,367
Returns on Investments and Servicing of Finance	23	2,347,666	1,575,017
Taxation		(6,954,365)	(5,942,122)
Capital Expenditure and Financial Investment	23	(14,164,139)	(1,998,914)
Dividends		<u>(1,353,000)</u>	<u>(1,353,000)</u>
(Decrease) / Increase in Cash in the Year	24	<u>£ (12,495,636)</u>	<u>£ 7,719,348</u>

Reconciliation of Net Cash Flow to Movement in Net Funds for Year Ended 31 December 2008

	<u>Notes</u>	<u>2008</u> <u>£</u>	<u>2007</u> <u>£</u>
(Decrease) / Increase in Cash in the Year	25	<u>(12,495,636)</u>	<u>7,719,348</u>
Movement in Net Funds in the Year		(12,495,636)	7,719,348
Net Funds as at 1 January		<u>34,867,544</u>	<u>27,148,196</u>
Net Funds as at 31 December	25	<u>£ 22,371,908</u>	<u>£ 34,867,544</u>

The notes on pages 9 to 18 form part of these financial statements.

SOHO ESTATES HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

1. ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable Accounting Standards, except as noted under Investment Properties below.

Basis of Consolidation

The group financial statements consolidate the accounts of Soho Estates Holdings Limited and all of its subsidiaries to 31 December 2008 using the acquisition method.

The assets and liabilities of subsidiary undertakings acquired have been included in the consolidation at the fair value at 31 December 2008.

Turnover

Turnover represents the amount of property income receivable in the year, derived wholly in the United Kingdom, exclusive of Value Added Tax.

Investment properties

In accordance with SSAP 19, investment properties are revalued annually and fluctuations in value transferred to the revaluation reserve. The properties are therefore not depreciated which represents a departure from the Companies Act requirement under which depreciation should be charged on assets held for continuing use. The directors consider that, because these properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view and that it is necessary to adopt SSAP 19 in order to give a true and fair view.

With regard to properties undergoing conversion or development at the year end, where those properties were previously held as investment property and will continue to be held as investment property once that work is complete, they will continue to be disclosed as investment property during the temporary period of conversion or development. The directors regard this override of SSAP 19 as necessary to give a true and fair view.

Freehold properties with leasehold interests held separately by members of the group are separately valued in individual entities and consolidated without any further adjustments.

Land and Buildings

Land and buildings are initially recorded at cost. Depreciation is not provided on buildings as the depreciation charge would be immaterial to the accounts.

Pension Costs

A self-administered defined contribution pension scheme is operated for some employees. Contributions to the scheme are charged to the profit and loss account in the year in which they are paid. The group also previously operated a defined benefits multi-employer pension scheme, the decision to close that scheme was taken in 2006 and the final scheme deficit was provided for in that year.

SOHO ESTATES HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

Deferred Taxation

Deferred tax is recognised in respect of timing differences that had originated but had not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less tax.

In respect of deferred tax assets, these are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantially enacted at the balance sheet date.

Foreign currencies

The financial statements of foreign subsidiaries are translated into sterling using the closing rate method. The profit and loss accounts of such subsidiaries are translated into sterling at the average rates applicable to the respective accounting periods. Translation differences are taken straight to reserves and are reported in the Statement of Group Total Recognised Gains & Losses.

Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All exchange differences of a trading nature are taken to the profit and loss account.

2. GROUP OPERATING PROFIT

	<u>2008</u>	<u>2007</u>
	<u>£</u>	<u>£</u>
This is stated after charging:		
Directors' Emoluments	4,966,298	1,136,082
Auditors' Remuneration - as auditor	98,886	104,610
- for other services	2,200	-
Exceptional items		
- Bonuses (note - i)	4,522,000	-
- Provision for onerous contract (note - ii)	778,372	-
- Impairment loss (note - iii)	333,117	-

(i) Bonuses

Bonuses of £4,008,865, plus National Insurance of £513,135 were paid in the year.

(ii) Provision for onerous contract

A sum of £778,372 relating to an onerous property development contract in a subsidiary undertaking has been provided for during the year.

(iii) Impairment loss

An impairment loss arose in a subsidiary undertaking in relation to land and buildings held for development.

SOHO ESTATES HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

3. DIRECTORS' EMOLUMENTS

	<u>2008</u> <u>£</u>	<u>2007</u> <u>£</u>
Emoluments Receivable	4,870,298	1,044,392
Pension Contributions	96,000	91,690
	<u>£ 4,966,298</u>	<u>£ 1,136,082</u>
Emoluments of Highest Paid Director:	<u>2008</u> <u>£</u>	<u>2007</u> <u>£</u>
Total Emoluments (excluding pension contributions)	<u>£ 2,608,804</u>	<u>£ 413,926</u>

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial year amounted to:

	<u>2008</u> <u>No</u>	<u>2007</u> <u>No</u>
Number of Staff	<u>20</u>	<u>22</u>

The aggregate payroll costs of the above were:

	<u>2008</u> <u>£</u>	<u>2007</u> <u>£</u>
Wages and Salaries	5,585,445	1,663,007
Social Security Costs	712,457	209,573
Pension Costs	131,552	544,198
Other Benefits	18,197	28,846
	<u>£ 6,447,651</u>	<u>£ 2,445,624</u>

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>2008</u> <u>£</u>	<u>2007</u> <u>£</u>
Bank Interest Receivable	1,586,236	1,569,483
Other Interest Receivable	11,646	12,726
	<u>£ 1,597,882</u>	<u>£ 1,582,209</u>

SOHO ESTATES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

6 INTEREST PAYABLE AND SIMILAR CHARGES

	<u>2008</u>	<u>2007</u>
	<u>£</u>	<u>£</u>
Bank Interest Payable	-	3,672
Other Interest Payable	-	3,520
	<u>-</u>	<u>£ 7,192</u>

7. TAX ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	<u>GROUP</u>	<u>GROUP</u>
	<u>2008</u>	<u>2007</u>
	<u>£</u>	<u>£</u>
Current Tax:		
UK Corporation Tax Based on the Results for the Year at 28.5% (2007 – 30%)	4,761,635	5,645,365
Under Provision in Prior Year	72,028	313,451
Total Current Tax	<u>4,833,663</u>	<u>5,958,816</u>
Deferred Tax:		
Origination of Timing Differences	133,731	215,123
Tax on Profit on Ordinary Activities	<u>£ 4,967,394</u>	<u>£ 6,173,939</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher (2007: higher) than the standard rate of corporation tax in the UK of 28.5% (2007 – 30%).

	<u>2008</u>	<u>2007</u>
	<u>£</u>	<u>£</u>
Profit on Ordinary Activities Before Taxation	<u>16,078,678</u>	<u>18,045,674</u>
Profit on Ordinary Activities by Rate of Tax	4,582,423	5,413,702
Under Provision in Prior Year	72,028	313,451
Disallowable Items	499,954	670,511
Capital Allowances for Year in Excess of Depreciation	(113,480)	(248,010)
Pension Settlement Deduction	(99,221)	(183,412)
Retirement Benefits	(106,892)	-
Other Adjustments	(1,149)	(7,426)
Current Tax Charge for the Year	<u>£ 4,833,663</u>	<u>£ 5,958,816</u>

SOHO ESTATES HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

8. DIVIDENDS

Equity Dividends

	<u>2008</u>	<u>2007</u>
	<u>£</u>	<u>£</u>
Paid		
Equity Dividends on Ordinary Shares	<u>£ 1,353,000</u>	<u>£ 1,353,000</u>

9. TANGIBLE FIXED ASSETS

<u>GROUP</u>	<u>Freehold Investment Properties</u>	<u>Freehold Land and Buildings</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Cost or Valuation			
At 1 January 2008	292,448,694	-	292,448,694
Additions	12,830,982	1,333,157	14,164,139
Revaluation	50,813,324	(396,873)	50,416,451
At 31 December 2008	<u>356,093,000</u>	<u>936,284</u>	<u>357,029,284</u>
Depreciation			
At 1 January 2008 and 31 December 2008	<u>-</u>	<u>-</u>	<u>-</u>
Net Book Value			
At 31 December 2008	<u>£ 356,093,000</u>	<u>£ 936,284</u>	<u>£ 357,029,284</u>
At 31 December 2007	<u>£ 292,448,694</u>	<u>-</u>	<u>£ 292,448,694</u>

Investment properties, were valued on a Market Value basis at 31 December 2008 by Gerald Eve LLP. Owner occupied property was valued on an Existing Use Value basis by Gerald Eve LLP at 31 December 2008. The owner occupied property, comprising part of a larger investment property, is considered to be insignificant and is not therefore disclosed separately from Investment Property. There are no Existing Use Values that differ significantly from Market Value. The valuation was made in accordance with the RICS Valuation Standards (6th Edition). The historical cost of investment properties is £225,240,409 (2007: £212,409,427) and the aggregate depreciation charged under historical cost accounting is £nil (2007: £nil). Depreciation has not been charged on freehold land and building because it is immaterial to the financial statements.

SOHO ESTATES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

10. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

	<u>PARENT</u>
	<u>£</u>
Cost and Net Book Value	
At 1 January 2008 and 31 December 2008	<u>£ 1,169,000</u>

The group undertakings owned at the year-end and included in the above are set out below. All the shareholdings are of £1 ordinary shares except Gulf Investor 101 Limited where the shareholdings are AED 1,000 ordinary shares.

<u>Company</u>	<u>Registered</u>	<u>Percentage Held</u>	<u>Activity</u>
Paul Raymond Organisation Limited	England & Wales	100	Property
Soho Estates Limited*	England & Wales	100	Property
Victor Green Properties Limited*	England & Wales	100	Property
20/21 Leicester Square Limited*	England & Wales	100	Dormant
Gulf Investor 101 Limited*	United Arab Emirates	90	Property
* Held by subsidiary undertaking			

11. DEBTORS

	<u>GROUP</u> <u>2008</u>	<u>PARENT</u> <u>2008</u>	<u>GROUP</u> <u>2007</u>	<u>PARENT</u> <u>2007</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Trade Debtors	2,029,615	-	2,432,248	-
Amount Due from Subsidiaries	-	7,389,186	-	7,434,689
Other Debtors	880,130	3,208	139,301	2,144
Deferred Tax Asset (note 14)	-	-	133,731	-
Prepayments and Accrued Income	178,621	-	934,404	-
	<u>£ 3,088,366</u>	<u>£ 7,392,394</u>	<u>£ 3,639,684</u>	<u>£ 7,436,833</u>

The debtors above include the following amounts falling due after more than one year:

	<u>GROUP</u> <u>2008</u>	<u>PARENT</u> <u>2008</u>	<u>GROUP</u> <u>2007</u>	<u>PARENT</u> <u>2007</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Other Debtors	<u>£ 543,393</u>	<u>-</u>	<u>-</u>	<u>-</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>GROUP</u> <u>2008</u>	<u>PARENT</u> <u>2008</u>	<u>GROUP</u> <u>2007</u>	<u>PARENT</u> <u>2007</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Trade Creditors	74,513	-	234,650	11,163
Corporation Tax	527,854	-	2,655,225	-
Other Taxes and Social Security	-	-	-	-
Costs	467,444	-	765,160	-
Other Creditors	3,406,558	-	10,211,256	-
Accruals and Deferred Income	4,260,697	15,000	4,525,219	5,304
	<u>£ 8,737,066</u>	<u>£ 15,000</u>	<u>£ 18,391,510</u>	<u>£ 16,467</u>

SOHO ESTATES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

13. PROVISIONS FOR LIABILITIES

	<u>Retirement Benefits</u>	<u>Other</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>
At 1 January 2008	375,060	-	375,060
Additions	-	927,272	927,272
Reductions	(375,060)	-	(375,060)
At 31 December 2008	<u>-</u>	<u>£ 927,272</u>	<u>£ 927,272</u>

Retirement Benefits

During the year to 31 December 2007, a provision of £375,060 was made in respect of retirement benefits of a former director. This amount was paid in full during the current year.

Other

Other provisions relate to an onerous development contract entered into by a subsidiary undertaking. A provision for future losses on the contract of £778,372 was made in the year, increasing to £927,272 at the year end due to related exchange rate loss arising on consolidation.

14. DEFERRED TAXATION

Pension contributions paid in 2007 were subject to a spreading adjustment for corporation tax purposes, such that the corporation tax deduction is apportioned over two years. At 31 December 2007 a deferred tax asset of £133,731 existed in respect of the pension contribution. At 31 December 2008 the deferred tax asset reduced to £nil due to the spreading adjustment concluding in that year.

15. SHARE CAPITAL

	<u>2008</u>	<u>2007</u>
	<u>£</u>	<u>£</u>
Authorised		
500,000 Ordinary Shares of £1 each	<u>£ 500,000</u>	<u>£ 500,000</u>
Allotted, Called Up and Fully Paid		
41,000 Ordinary Shares of £1 each	<u>£ 41,000</u>	<u>£ 41,000</u>

SOHO ESTATES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

16. RESERVES

<u>GROUP</u>	<u>PROFIT & LOSS</u> <u>ACCOUNT</u> <u>2008</u> <u>£</u>	<u>REVALUATION</u> <u>RESERVE</u> <u>2008</u> <u>£</u>	<u>CONSOLIDATION</u> <u>RESERVE</u> <u>2008</u> <u>£</u>
Balance Brought Forward	43,178,953	-	268,969,399
Profit for the Year	11,111,284	-	-
Currency translation gain arising on consolidation	64,260	-	-
Unrealised net gain on revaluation of investment properties	-	50,813,324	-
Equity Dividends Paid	(1,353,000)	-	-
Balance Carried Forward	<u>£ 53,001,497</u>	<u>£ 50,813,324</u>	<u>£ 268,969,399</u>

<u>PARENT</u>	<u>PROFIT & LOSS</u> <u>ACCOUNT</u> <u>2008</u> <u>£</u>	<u>PROFIT & LOSS</u> <u>ACCOUNT</u> <u>2007</u> <u>£</u>
Balance Brought Forward	8,548,366	8,563,493
Profit for the Year	1,310,028	1,337,873
Equity Dividends Paid	(1,353,000)	(1,353,000)
Balance Carried Forward	<u>£ 8,505,394</u>	<u>£ 8,548,366</u>

The parent company has taken advantage of the exemptions conferred under the Companies Act 1985 not to prepare its own profit and loss account. The profit for the year attributable to the parent was £1,310,028 (2007: £1,337,873).

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>GROUP</u> <u>2008</u> <u>£</u>	<u>PARENT</u> <u>2008</u> <u>£</u>	<u>GROUP</u> <u>2007</u> <u>£</u>	<u>PARENT</u> <u>2007</u> <u>£</u>
Profit for the Financial Year	11,111,284	1,310,028	11,871,735	1,337,873
Currency Translation Gain arising on Consolidation	64,260	-	-	-
Unrealised gain on revaluation of investment properties	50,813,324	-	-	-
Dividends Paid	(1,353,000)	(1,353,000)	(1,353,000)	(1,353,000)
Net Addition/(Reduction) to Shareholders' Funds	60,635,868	(42,972)	10,518,735	(15,127)
Opening Shareholders' Funds	312,189,352	8,589,366	301,670,617	8,604,493
Closing Shareholders' Funds	<u>£ 372,825,220</u>	<u>£ 8,546,394</u>	<u>£ 312,189,352</u>	<u>£ 8,589,366</u>

SOHO ESTATES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

18. RELATED PARTY TRANSACTIONS

In accordance with the requirements of Financial Reporting Standard 8, the group has the following related party disclosures.

During the year management fees of £106,955 (2007: £101,810) were charged to Ilona House Securities Limited, a company under common control, by Soho Estates Limited, a subsidiary of Soho Estates Holdings Limited. At 31 December 2008 Ilona House Securities Limited owed £27,981 (2007: £26,793) to Soho Estates Limited.

A management charge of £2,723,585 (2007: £1,290,000) was charged to Paul Raymond Publications Limited, a company under common control, by Soho Estates Limited for administration services provided in the year. Rent of £nil (2007: £31,728) was paid in the year by Soho Estates Limited to Paul Raymond Publications Holdings Limited. Insurance of £nil (2007: £28,380) was recharged during the year to Paul Raymond Publications Limited by Paul Raymond Organisation Limited.

At the year end the company had an outstanding loan of £nil (2007: £5,000,000) to Fawn James and £3,000,000 (2007: £5,000,000) to India James, beneficiaries of certain trusts with an interest in the share capital of the ultimate parent company. The loan is interest free and repayable on demand.

19. COMMITMENTS

2008
£

Capital expenditure commitments;
Estimated capital expenditure commitments contracted for at
the balance sheet date but not provided

Land and Buildings

£ 3,114,850

The above commitment comprises a commitment of AED 16,356,083, translated into sterling at the year-end exchange rate.

20. POST BALANCE SHEET EVENTS

At 31 December 2008 the group had made loans of £543,393 to assist with the funding for a tenant's fit out of a rental property. Further loans of £968,594 have been made to the tenant since the year end.

21. CONTROL

Throughout the year, the group and the company were under the control of Paul Raymond's family trusts.

SOHO ESTATES HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

22. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	<u>2008</u>	<u>2007</u>
	<u>£</u>	<u>£</u>
Operating Profit	14,480,796	16,470,657
Increase in Debtors	(338,862)	(993,436)
Decrease in Creditors	(7,527,077)	(38,854)
Increase in Provisions	552,212	-
Impairment loss	333,117	-
Exchange differences	128,016	-
Net Cash Inflow from Operating Activities	<u>£ 7,628,202</u>	<u>£ 15,438,367</u>

23. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	<u>2008</u>	<u>2007</u>
	<u>£</u>	<u>£</u>
Returns on Investments and Servicing of Finance		
Interest Received	2,347,666	1,582,209
Interest Paid	-	(7,192)
Net Cash Inflow from Returns on Investments and Servicing of Finance	<u>£ 2,347,666</u>	<u>£ 1,575,017</u>

	<u>2008</u>	<u>2007</u>
	<u>£</u>	<u>£</u>
Capital Expenditure and Financial Investment		
Purchase of Investment Properties	(14,164,139)	(1,998,914)
Net Cash Outflow from Capital Expenditure	<u>£ (14,164,139)</u>	<u>£ (1,998,914)</u>

24. CHANGES IN CASH

	<u>2008</u>	<u>2007</u>
	<u>£</u>	<u>£</u>
At 1 January	34,867,544	27,148,196
Net Cash (Outflow)/Inflow	(12,495,636)	7,719,348
At 31 December	<u>£ 22,371,908</u>	<u>£ 34,867,544</u>

25. ANALYSIS OF CHANGES IN NET FUNDS

	<u>AT 1</u>	<u>CASHFLOW</u>	<u>AT 31</u>
	<u>JANUARY</u>	<u>2008</u>	<u>DECEMBER</u>
	<u>2008</u>	<u>2008</u>	<u>2008</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Cash at Bank and in Hand	<u>£ 34,867,544</u>	<u>£ (12,495,636)</u>	<u>£ 22,371,908</u>