

PWCR Finance Limited

Report and Financial Statements

Year ended

31 December 2007

Registered number 4807872

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PWCR FINANCE LIMITED

Annual report and financial statements for the year ended 31 December 2007

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Directors

N M Leslau
S L Gumm
T J Evans

Secretary and registered office

S L Gumm, Cavendish House, 18 Cavendish Square, London W1G 0PJ

Company number

4807872

Auditors

BDO Stoy Hayward LLP, Emerald House, East Street, Epsom, Surrey KT17 1HS

PWCR FINANCE LIMITED

Report of the directors for the year ended 31 December 2007

The directors present their report together with the audited financial statements for the year ended 31 December 2007

Results

The results of the company are set out in the profit and loss account on page 6 and show a loss after tax for the year of £15,921,128 (2006 loss of £15,714,175)

Principal activities and review of business

The principal activity of the company is that of the provision of finance to fellow group companies which are involved in property investment activities. All operations are within the United Kingdom.

The directors are satisfied with the performance of the company during the year.

Post balance sheet events

There have been no events since the balance sheet date that materially affect the position of the company.

Directors

The directors who held office during the year were

N M Leslau

J C McMahon (resigned 21 August 2007)

S L Gumm

T J Evans

PWCR FINANCE LIMITED

Report of the directors for the year ended 31 December 2007 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accountancy Practice

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 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 judgments and estimates that are reasonable and prudent, 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

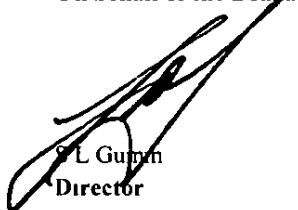
Auditors

The current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information which has not been brought to the attention of the auditors.

BDO Stoy Hayward LLP have expressed their willingness to continue in office.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the Board



S L Guynn
Director

10 October 2008

PWCR FINANCE LIMITED

Report of the independent auditors

To the shareholders of PWCR Finance Limited

We have audited the financial statements of PWCR Finance Limited for the year ended 31 December 2007 on pages 6 to 11. These financial statements have been prepared under the accounting policies set out on page 9.

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 have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with those financial statements. We also 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 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.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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.

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 2007 and of its loss for the year then ended,

the financial statements 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.


BDO STOY HAYWARD LLP

Chartered Accountants and Registered Auditors

Epsom

15 October 2008

PWCR FINANCE LIMITED

Profit and loss account for the year ended 31 December 2007

	Note	2007 £	2006 £
Administrative expenses		(15)	(175)
Operating loss	2	(15)	(175)
Interest receivable and similar income	4	-	132,249
Interest payable and similar charges	5	(15,921,115)	(15,957,938)
Loss on ordinary activities before taxation		(15,921,130)	(15,825,864)
Taxation on loss from ordinary activities	6	2	111,689
Loss on ordinary activities after taxation	11	(15,921,128)	(15,714,175)

All amounts relate to continuing activities

There were no differences between historical cost loss and reported loss on ordinary activities for either year

There were also no differences between the recognised gains and losses and reported loss on ordinary activities for either year

The notes on pages 9 to 11 form part of the financial statements

PWCR FINANCE LIMITED

Reconciliation of movements in shareholders' deficit for the year ended 31 December 2007

	Note	2007 £	2006 £
Reconciliation of movements in shareholders' deficit			
Loss for the year	11	(15,921,128)	(15,714,175)
Increase in shareholders' deficit		(15,921,128)	(15,714,175)
Opening shareholders' deficit		(28,571,435)	(12,857,260)
Closing shareholders' deficit		(44,492,563)	(28,571,435)

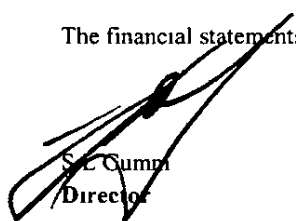
The notes on pages 9 to 11 form part of the financial statements

PWCR FINANCE LIMITED

Balance sheet at 31 December 2007

	Note	2007 £	2007 £	2006 £	2006 £
Fixed assets					
Investment in subsidiary undertaking	7		220,531,016		220,531,016
Current assets					
Debtors - due within one year	8	-		136,050	
Cash at bank and in hand		1		26	
			1		136,076
Total assets			220,531,017		220,667,092
Creditors' amounts falling due after more than one year	9		(265,023,580)		(249,238,527)
Net liabilities			(44,492,563)		(28,571,435)
Capital and reserves					
Called up share capital	10		1		1
Profit and loss account	11		(44,492,564)		(28,571,436)
Shareholders' deficit			(44,492,563)		(28,571,435)

The financial statements were approved by the Board and authorised for issue on 10 October 2008


S.E. Gurney
Director

The notes on pages 9 to 11 form part of the financial statements

PWCR FINANCE LIMITED

Notes forming part of the financial statements for the year ended 31 December 2007

1 Accounting policies

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

Basis of preparation

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

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group. The consolidated financial statements of Prestbury West Coast Holdings Limited, within which this company is included, can be obtained from the address given in note 14.

Investment in subsidiary undertaking

The investment in the subsidiary undertaking is stated at cost.

2 Operating loss

All losses relate to the company's activities as a finance company and are derived wholly within the United Kingdom.

The auditors' remuneration is borne by a fellow group company. Fees for the audit of the company were £1,200 (2006: £1,500).

3 Employees and directors

The average number of employees of the company during the year, excluding directors, was nil (2006: nil).

No director received any emoluments from the company during the year (2006: £nil).

4 Interest receivable and similar income

2007	2006
£	£

Interest receivable on bank balances	-	19,249
Hedging break gains	-	113,000
	<u>-</u>	<u>132,249</u>

5 Interest payable and similar charges

2007	2006
£	£

On bank loans	-	313,149
Amortisation of finance costs	-	113,630
LIBOR break costs	-	1,316
On amounts due to fellow group undertakings	15,921,115	15,529,843
	<u>15,921,115</u>	<u>15,957,938</u>

PWCR FINANCE LIMITED

Notes forming part of the financial statements for the year ended 31 December 2007

(continued)

6 Taxation on loss from ordinary activities	2007 £	2006 £
<i>Current tax</i>		
UK corporation tax on loss	-	(111,689)
Adjustments in respect of prior year	(2)	-
	<u>(2)</u>	<u>(111,689)</u>
Taxation on loss on ordinary activities	<u>(2)</u>	<u>(111,689)</u>

The tax assessed for the year varies from than the standard rate of corporation tax in the UK. The differences are explained below

	2007 £	2006 £
Loss on ordinary activities before tax	<u>(15,921,130)</u>	<u>(15,825,864)</u>
Loss on ordinary activities at the standard rate of corporation tax in the UK of 30%	(4,776,339)	(4,747,759)
Effects of		
Group relief surrendered to fellow group companies and not paid for	4,776,339	4,747,707
Permanently disallowable expenses	-	30
Non-trade financial losses carried forward	-	22
Brought forward losses surrendered to fellow group company (paid)	-	(111,689)
Adjustments in respect of prior year	(2)	-
	<u>(2)</u>	<u>(111,689)</u>
Current tax credit	<u>(2)</u>	<u>(111,689)</u>

7 Investment in subsidiary undertaking	2007 £	2006 £
<i>At cost</i>		
At 31 December 2007 and 31 December 2006	<u>220,531,016</u>	<u>220,531,016</u>

Subsidiary undertaking

The following company was a subsidiary undertaking at the end of the year

Name	Country of incorporation	Proportion of voting rights and ordinary share capital held	Nature of business
PWCR No 1 Limited	England	98.07%	Intermediate holding company

PWCR FINANCE LIMITED

Notes forming part of the financial statements for the year ended 31 December 2007

(continued)

8 Debtors	2007	2006
	£	£
<i>Due within one year</i>		
Taxation and social security	-	193
Amounts owed by fellow group undertaking	-	135,857
Amounts owed by immediate parent company	-	136,050

9 Creditors amounts falling due after more than one year	2007	2006
	£	£
Amounts owed to immediate parent company	<u>265,023,580</u>	<u>249,238,527</u>

The amounts owed to the immediate parent company are unsecured, bear interest at a rate of 7.21% and have no fixed repayment date. Accrued interest of £44,301,182 (2006: £28,380,067) is included in the above figures.

10 Share capital	2007	2006
	£	£
<i>Authorised</i>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called up and fully paid</i>		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

11 Reserves	Profit and loss account
	£
At 1 January 2007	(28,571,436)
Loss for the year	(15,921,128)
At 31 December 2007	<u>(44,492,564)</u>

12 Related party transactions

The company has taken advantage of the exemption available to wholly owned subsidiary undertakings under Financial Reporting Standard 8, 'Related Party Transactions', not to disclose any transactions with entities that are included in the consolidated financial statements of Prestbury West Coast Holdings Limited.

13 Cash flow statement

The company has used the exemption under Financial Reporting Standard 1, 'Cash Flow Statements', not to prepare a cash flow statement, as a consolidated cash flow statement is included in the financial statements of its ultimate parent company.

14 Controlling party information

The company's immediate parent company is Prestbury West Coast Rice Limited. The company's ultimate parent company is Prestbury West Coast Holdings Limited. Prestbury West Coast Holdings Limited is a joint venture company incorporated in England and Wales and is not controlled by any one entity or individual. The consolidated accounts of Prestbury West Coast Holdings Limited are available to the public and may be obtained from the company secretary, Cavendish House, 18 Cavendish Square, London W1G 0PJ.