

**PIM UK INVESTMENTS LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**31 December 2008**

**Registered number 4907649**

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# **PIM UK INVESTMENTS LIMITED**

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**PIM UK INVESTMENTS LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

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*Directors*

P. M. Barrett  
C. H. Pardoe, II  
K. M. Shah  
V. J. Vandewater  
B. S. Penaliggon

*Secretary*

S. J. Davies

*Registered Office*

Grand Buildings  
1-3 Strand  
Trafalgar Square  
London WC2N 5HR

*Auditors*

PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Hay's Galleria  
1 Hay's Lane  
London SE1 2RD

## PIM UK INVESTMENTS LIMITED

### REPORT OF THE DIRECTORS

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

#### 1. BUSINESS REVIEW

The company acts as an investment holding company holding investments in Real estate investment funds, both as a medium term investor and as a shorter-term warehouse facility for affiliated operations. The company's principal subsidiaries during the year are also investment holding companies principally holding investments in affiliated investment funds. Affiliated companies and third parties manage the investments held by the company.

The directors expect the group to continue to develop during 2009.

As an investment group, the group's principal risk is the underperformance of its investments. The directors seek to mitigate this by ensuring adequate communication exists with investment managers so that underperformance by individual investments within the investment funds is promptly identified and remedied. Performance of the group is not measured with reference to any particular indicator. Management seek to measure the performance of the investment portfolio as a whole by aggregating analysis of the individual investments therein.

The consolidated financial statements show results for the year as set out below:

	2008 US \$	2007 US \$
(Losses)/gains on disposal or write off of investments	(3,351,983)	(4,440,413)
Distributions receivable from limited partnerships	462,135	10,713,886
(Loss)/profit on ordinary activities before taxation	(4,544,738)	5,454,034
Tax on (loss)/profit on ordinary activities	<u>1,863,717</u>	<u>(3,402,004)</u>
(Loss)/profit on ordinary activities after taxation	(2,681,021)	2,052,030
Minority interest	<u>2,877</u>	<u>(3,889)</u>
Retained (loss)/profit transferred (from)/to reserves	\$ <u>(2,678,144)</u>	\$ <u>2,048,141</u>

The directors do not recommend the payment of a final dividend in respect of the year ended 31 December 2008 (2007 - \$nil).

## **PIM UK INVESTMENTS LIMITED**

### **REPORT OF THE DIRECTORS**

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#### **2. DIRECTORS**

The current directors are shown on page 1. There have been no changes to the list of Directors.

During the year, no director had any beneficial interest in the allotted share capital of the company or of its parent or fellow subsidiary companies.

#### **3. DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report and the financial statements for each financial year in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **4. POLICY ON PAYMENT OF CREDITORS**

The group agrees payment terms with suppliers when it enters into contracts for the purchase of goods or services and seeks to abide by those terms when it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms or conditions. At 31 December 2008 the group had direct external supplier creditors amounting to US \$142,137 (2007 US \$157,994). The group does not have a standard or code that deals specifically with the payment of suppliers. The company does not have any trade creditors.

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**PIM UK INVESTMENTS LIMITED**

**REPORT OF THE DIRECTORS**

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**5. STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS**

As so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware. The directors 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 the Company's auditors are aware of that information.

**6. ELECTIVE RESOLUTIONS**

In accordance with Section 379A of the Companies Act 1985, the company has passed elective resolutions to dispense with the requirements to lay accounts and reports before General Meetings and to hold Annual General Meetings.

**7. AUDITORS**

Pursuant to Section 386 of the Companies Act 1985, the company has passed an elective resolution to dispense with the obligation to appoint auditors annually.

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

Approved by the board of directors  
and signed on its behalf by:



S. J. Davies  
Company Secretary

30 October 2009

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
PIM UK INVESTMENTS LIMITED**

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We have audited the group and parent company financial statements (the “financial statements”) of PIM UK Investments Limited for the year ended 31 December 2008 which comprise the Group Profit and Loss Account, the Group and Company Balance Sheets, the Group Statement of Total Recognised Gains and Losses, the Group Reconciliation of Movements in Shareholder’s Funds and the related notes. These financial statements have been prepared under the accounting policies set out therein.

**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). This report, including the opinion, has been prepared for and only for the company’s members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 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 group’s and 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
PIM UK INVESTMENTS LIMITED**

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**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 group's and the parent company's affairs as at 31 December 2008 and of the group's profit 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.



PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
London  
30 October 2009



**PIM UK INVESTMENTS LIMITED**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**for the year ended 31 December 2008**

	Note	2008 US \$	2007 US \$
(Losses)/gains on disposal or write off of investments	2	(3,351,983)	(4,440,413)
Distributions receivable from limited partnerships	2	462,135	10,713,886
Administrative expenses	3	(152,010)	(226,023)
Other operating (expenses)/income	4	<u>(1,794,770)</u>	<u>39,069</u>
<b>(Loss)/profit on ordinary activities before interest</b>		<b>(4,836,628)</b>	<b>6,086,519</b>
Interest receivable and similar income	6	443,722	627,376
Interest payable and similar charges	7	<u>(151,832)</u>	<u>(1,259,861)</u>
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(4,544,738)</b>	<b>5,454,034</b>
Tax on profit on ordinary activities	8	<u>1,863,717</u>	<u>(3,402,004)</u>
<b>(Loss)/profit on ordinary activities after taxation</b>		<b>(2,681,021)</b>	<b>2,052,030</b>
Minority interest		<u>2,877</u>	<u>(3,889)</u>
<b>Net (loss)/profit for the period</b>		<b>(2,678,144)</b>	<b>2,048,141</b>
Dividend paid in the year		<u>-</u>	<u>-</u>
<b>Retained (loss)/profit for the period transferred (from)/to reserves</b>	15	<b>\$ <u>(2,678,144)</u></b>	<b>\$ <u>2,048,141</u></b>

All results arise from continuing activities. There is no difference between the profit on ordinary activities before taxation and the profit for the period as stated above and their historical cost equivalents.

The notes on pages 11 to 24 form part of the financial statements.

**PIM UK INVESTMENTS LIMITED**

**STATEMENTS OF GROUP TOTAL RECOGNISED GAINS AND LOSSES  
for the year ended 31 December 2008**

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	Note	2008 US \$	2007 US \$
Retained (loss)/profit for the year transferred (from)/to reserves	15	(2,678,144)	2,048,141
Unrealised (deficit)/surplus on revaluation of investments	16	(4,990,687)	2,070,752
Currency translation differences on foreign currency net investments		<u>729,669</u>	<u>671,941</u>
<b>Total recognised gains for the period</b>		<b>\$ (6,939,162)</b>	<b>\$ 4,790,834</b>

**PIM UK INVESTMENTS LIMITED**

**RECONCILIATION OF MOVEMENTS IN GROUP SHAREHOLDER'S FUNDS  
for the year ended 31 December 2008**

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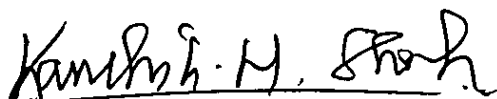
	Note	2008 US \$	2007 US \$
(Loss)/profit for the period	15	(2,678,144)	2,048,141
Unrealised (deficit)/surplus on revaluation of investments	16	(4,990,687)	2,070,752
Reversal of prior year dividend		-	4,000,000
Distribution to Minority Interests		-	(599,339)
Unrealised foreign exchange gain		<u>729,669</u>	<u>671,941</u>
<b>Net (decrease)/increase in shareholder's funds</b>		<b>(6,939,162)</b>	<b>8,191,495</b>
Opening shareholder's funds		<u>46,890,037</u>	<u>38,698,542</u>
<b>Closing shareholder's funds</b>		<b>\$ 39,950,875</b>	<b>\$ 46,890,037</b>

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**PIM UK INVESTMENTS LIMITED**  
**CONSOLIDATED BALANCE SHEET**  
**as at 31 December 2008**

	Note	2008 US \$	2007 US \$
<b>Fixed asset investments</b>	10	<b>6,983,809</b>	<b>11,662,698</b>
<b>Current assets</b>			
Debtors	11	<b>8,250,951</b>	<b>5,147,413</b>
Cash at bank and in hand		<b><u>28,481,518</u></b>	<b><u>35,045,728</u></b>
		<b>36,732,469</b>	<b>40,193,141</b>
<b>Creditors: amounts falling due within one year</b>	12	<b><u>(3,752,207)</u></b>	<b><u>(4,340,843)</u></b>
<b>Net current assets</b>		<b><u>32,980,262</u></b>	<b><u>35,852,298</u></b>
<b>Total assets less current assets</b>		<b><u>39,964,071</u></b>	<b><u>47,514,996</u></b>
<b>Net assets</b>		<b>\$ <u>39,964,071</u></b>	<b>\$ <u>47,514,996</u></b>
<b>Capital and reserves</b>			
Called up share capital	14	<b>26,800,000</b>	<b>26,800,000</b>
Profit and loss reserve	15	<b>14,952,795</b>	<b>17,630,939</b>
Revaluation reserve	16	<b>(1,261,208)</b>	<b>3,729,480</b>
Foreign exchange reserve		<b><u>(540,712)</u></b>	<b><u>(1,270,382)</u></b>
<b>Total shareholder's funds</b>		<b>39,950,875</b>	<b>46,890,037</b>
Equity minority interests		<b><u>13,196</u></b>	<b><u>624,959</u></b>
<b>Capital employed</b>		<b>\$ <u>39,964,071</u></b>	<b>\$ <u>47,514,996</u></b>

The financial statements on pages 7 to 24 were approved by the board of directors on 30 October 2009 and were signed on its behalf by:

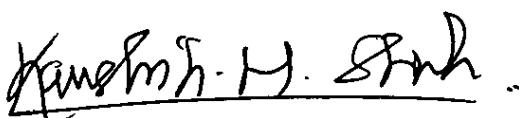


K.M. Shah  
Director

**PIM UK INVESTMENTS LIMITED**  
**PARENT COMPANY BALANCE SHEET**  
as at 31 December 2008

	Note	2008 US \$	2007 US \$
<b>Fixed asset investments</b>			
Investment in subsidiaries		29,149,507	29,149,507
Investments		<u>3,603,921</u>	<u>3,373,476</u>
Total investments	10	32,753,428	32,522,983
Debtors	11	8,250,879	4,029,947
Cash at bank and in hand		<u>15,758,547</u>	<u>27,106,721</u>
		24,009,426	31,136,668
<b>Creditors: amounts falling due</b>			
<b>Within one year</b>	12	(21,599,730)	(25,298,216)
<b>Total assets less current liabilities</b>		<u>35,163,124</u>	<u>38,361,435</u>
<b>Net assets</b>		<b>\$ <u>35,163,124</u></b>	<b>\$ <u>38,361,435</u></b>
<b>Capital and reserves</b>			
Called up share capital	14	26,800,000	26,800,000
Profit and loss account	15	8,363,105	10,797,578
Revaluation reserve	16	<u>19</u>	<u>763,857</u>
<b>Capital employed</b>		<b>\$ <u>35,163,124</u></b>	<b>\$ <u>38,361,435</u></b>

The financial statements on pages 7 to 24 were approved by the board of directors on 30 October 2009 and were signed on its behalf by:



K. M. Shah  
Director

**PIM UK INVESTMENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2008**

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**1. ACCOUNTING POLICIES**

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by revaluation of investments, in accordance with the Companies Act 1985 and conform with applicable United Kingdom accounting standards. The directors consider that the accounting policies set out below are suitable, have been consistently applied and are supported by reasonable and prudent judgements and estimates.

**(a) Consolidation**

The group financial statements consolidate the financial statements of the company and all its subsidiaries up to 31 December 2008. All inter-company balances are eliminated on consolidation, as are transactions and profits between group companies.

The results of subsidiaries acquired in the period are incorporated from the date control is acquired using the acquisition method of accounting.

**(b) Valuation policy**

The Company's investments in unconsolidated investee companies and investment vehicles are stated in the accounts and valued in accordance with the valuation policies set out below:

- (i) Publicly-listed shares & securities are valued, subject to any discounts appropriate in light of marketability, liquidity, block size or other matters (details of which will be described), at the respective average mid-market sales prices for such securities for the five (5) trading days prior to the valuation date, as published in The Financial Times (London) or one or more similar publications or electronic financial data services that are generally known to and used by the investment community in the Region and are of good repute;
- (ii) All other investments shall be valued on a quarterly basis by the Portfolio Manager or the Asset Manager and on an annual basis by third party valuers for the directors, taking into account whichever of the methods set out under (1) to (4) below is appropriate, on the basis of known third party valuations of comparable assets, placements of securities determined to be substantially similar for such purposes, and other customary methods of valuing private or illiquid securities, as applicable:
  - 1. The valuation of an investment is on a net asset value basis if this is considered to be materially greater than cost and takes into account, if appropriate, discounts for the effects of taxation, market value of debt, sector discount and size of holding;

**PIM UK INVESTMENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2008**

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**1. ACCOUNTING POLICIES (continued)**

**(b) Valuation policy (continued)**

2. The valuation of an investment is to be based on a comparable investment, if this is considered to be materially greater than cost, that is generating maintainable earnings and profits to which it is appropriate to apply a price earnings ratio that is local to the Investment's market, is appropriate for the sector, reflects gearing assumptions and is discounted for marketability, liquidity, dilution and conversion;
3. The valuation of an investment is to be based on any other third party valuation appropriate for the investment such as an arm's length transaction that generates a price on a syndication or sell down; and
4. The valuation of an investment is to be based on such other methodologies deemed appropriate by the Portfolio Manager in its good faith determination.

**(c) Cash flow statement**

The group is exempt from the requirement to prepare a cash flow statement under Financial Reporting Standard No.1 (Revised 1996) - Cash Flow Statements, as the cash flows of the group are included in the consolidated cash flow statement of the ultimate parent company, Prudential Financial, Inc., which are publicly available.

**(d) Related party transactions**

In accordance with the exemption afforded by Financial Reporting Standard No. 8 – Related Party Disclosures, certain details of transactions with parent and fellow subsidiary companies are not disclosed, as the company is a wholly owned subsidiary of a group whose consolidated financial statements are publicly available.

**(e) Revenue**

Revenue comprises income from investments. Income from investments comprises dividends, distributions from limited partnerships and interest received. Interest income is accounted for on an accruals basis.

**PIM UK INVESTMENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2008**

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**1. ACCOUNTING POLICIES (continued)**

**(f) Foreign currency**

**Monetary assets and liabilities**

Monetary assets and liabilities denominated in foreign currencies, outstanding at the balance sheet date, are translated at the rates ruling at that date. Foreign currency transactions undertaken by the UK operations are translated into U.S. dollars at the exchange rates ruling at the time of the transactions and foreign exchange profits and losses arising are treated as part of the group's profit on ordinary activities.

**Non-monetary assets and liabilities**

The group has subsidiaries that prepare their accounts in foreign currencies. These operations are translated into U.S. dollars using the closing rate method. The foreign currency gain or loss arising on translation is recorded in the foreign exchange reserve.

The year end exchange rate used to translate any sterling denominated balance was 1.95715.

**Functional currency**

The company has adopted *FRS 23 The effects of changes in foreign exchange rates*. The company's *functional currency*, as determined under the requirements of FRS 23, is United States Dollars, being the functional currency of the majority of the company's subsidiaries, as well as the currency in which the company's cash and major liabilities are denominated. The company therefore also presents its accounts in United States Dollars.

**(g) Investment in subsidiaries**

Investments in subsidiaries and other participating interests are stated at cost less provision for any permanent diminution in value.

**(h) Other investments**

Other investments are held as part of an investment portfolio if their value to the group is through their marketable value as part of a basket of investments rather than as media through which the group carries out its business.

**PIM UK INVESTMENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 2008**

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**1. ACCOUNTING POLICIES (continued)**

**(i) Taxation**

Deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in future, or a right to pay less taxation in the future. Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date. An asset is not recognised to the extent that the transfer of economic benefits in future is uncertain. Deferred tax assets and liabilities have only been discounted where the underlying revenue or expense upon which the deferred tax is based has also been discounted.

**(j) Revaluation reserve**

The changes in value of publicly traded equity securities and the unrealised gains/(losses) on investments are recorded to the revaluation reserve account.

**2. REVENUE**

*Group*

	2008 US \$	2007 US \$
Losses/gains on disposal or write off of investments	(3,351,983)	(4,440,413)
Distributions receivable from limited partnerships	<u>462,135</u>	<u>10,713,886</u>
<b>Total revenue</b>	<b>\$ <u>(2,889,848)</u></b>	<b>\$ <u>6,273,473</u></b>

**3. ADMINISTRATIVE EXPENSES**

At 31 December 2008 and 2007, administrative expenses included fees payable to auditors for audit work of US \$47,856 and US \$68,114, respectively. There were no fees paid or payable to the auditors for non-audit work performed.

The company had no employees during the year.



**PIM UK INVESTMENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2008

**4. OTHER OPERATING INCOME**

	2008 US \$	2007 US \$
Foreign currency (losses)/gains on monetary assets and liabilities	\$ <u>(1,794,770)</u>	\$ <u>39,069</u>

**5. DIRECTORS' EMOLUMENTS**

The directors received no emoluments for their services in relation to being a director of the company. The directors of the company are directors of and are paid by other affiliated companies and it is not possible to make an accurate apportionment of their emoluments in respect of each of the companies. Accordingly no emoluments are disclosed within this company.

No directors were granted share options in the period. In addition no directors received shares under long-term incentive schemes during the period or had shares under long-term incentive schemes receivable at the end of the period.

**6. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2008 US \$	2007 US \$
Bank interest received	443,722	619,619
Sundry interest received	<u>-</u>	<u>7,757</u>
Interest receivable and similar income	\$ <u>443,722</u>	\$ <u>627,376</u>

**7. INTEREST PAYABLE AND SIMILAR CHARGES**

	2008 US \$	2007 US \$
Payable to affiliates	151,832	1,167,477
Sundry interest paid	<u>-</u>	<u>92,384</u>
Interest receivable and similar income	\$ <u>151,832</u>	\$ <u>1,259,861</u>

**PIM UK INVESTMENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2008**

**8. TAX ON PROFIT ON ORDINARY ACTIVITIES**

*Group*

	2008 US \$	2007 US \$
Corporation tax at 30%	-	3,250,761
Adjustment in respect of prior years	<u>(2,166,004)</u>	<u>151,243</u>
Total Current Tax	<u>(2,166,004)</u>	3,402,004
Deferred taxation on controlled foreign companies	<u>302,287</u>	-
Tax on profit on ordinary activities	<u>\$ (1,863,717)</u>	<u>\$ 3,402,004</u>

*Group*

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (28.5% (2007: 30%)). The differences are explained below.

	2008 US \$	2007 US \$
(Loss)/profit on ordinary activities before tax	<u>\$ (4,544,738)</u>	<u>\$ 5,454,034</u>
Corporation tax (credit)/charge on profit	(1,295,251)	1,636,210
Revaluation/other income not taxable	127,412	(1,725,416)
Amounts disallowed for tax purposes	-	39,967
Taxable overseas dividends from subsidiaries	-	3,300,000
Losses carried back	56,169	-
UK group relief surrendered for no payment	1,111,670	-
Prior year adjustment	<u>(2,166,004)</u>	<u>151,243</u>
Current tax charge for the period	<u>\$ (2,166,004)</u>	<u>\$ 3,402,004</u>

**9. LOSS/GAIN OF PARENT COMPANY**

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's loss after tax for the period ending 31 December 2008 was US \$2,434,473 and profit after tax for the period ending 31 December 2007 was US \$7,525,673.

**PIM UK INVESTMENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2008**

**10. INVESTMENTS**

*Group*

**Fixed asset investments:  
Cost**

	<b>As at 1 January 2008</b>	<b>Additional investment</b>	<b>Disposal, repayment or write off of investment</b>	<b>As at 31 December 2008</b>
Investment in Senior Housing UK Investment, LP	5,323,599	1,402,880	(2,085,364)	4,641,115
Investment in EURX Properties SCA	2,609,499	4,446,598	(3,452,315)	3,603,782
Investment in EuroPRISA Sub- Fund A Feeder	<u>120</u>	<u>-</u>	<u>-</u>	<u>120</u>
<b>Total fixed asset investments</b>	<b>\$ <u>7,933,218</u></b>	<b>\$ <u>5,849,478</u></b>	<b>\$ <u>(5,537,679)</u></b>	<b>\$ <u>8,245,017</u></b>

<b>Revaluations</b>	<b>As at 1 January 2008</b>	<b>Increase / (decrease) in revaluation</b>	<b>Disposal, repayment or write off of investment</b>	<b>As at 31 December 2008</b>
Investment in Senior Housing UK Investment, LP	2,965,623	(4,226,850)	-	(1,261,227)
Investment in EURX Properties SCA	763,831	(763,831)	-	-
Investment in EuroPRISA Sub-Fund A Feeder	<u>26</u>	<u>(7)</u>	<u>-</u>	<u>19</u>
<b>Total fixed asset investments</b>	<b>\$ <u>3,729,480</u></b>	<b>\$ <u>(4,990,688)</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>(1,261,208)</u></b>

**PIM UK INVESTMENTS LIMITED**  
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**10. INVESTMENTS (continued)**

*Group*

**Fixed asset investments:**

Net book value	As at 31 December 2007	As at 31 December 2008
Investment in Senior Housing UK Investment, LP	8,289,222	3,379,888
Investment in EURX Properties, SCA	3,373,330	3,603,782
Investment in EuroPRISA Sub-Fund A Feeder	<u>146</u>	<u>139</u>
<b>Total fixed asset investments</b>	<b>\$ <u>11,662,698</u></b>	<b>\$ <u>6,983,809</u></b>

During the period the group held a 1.9176% holding in EURX Properties SCA, and PGA European Limited, a wholly owned subsidiary, held Pramerica Real Estate Investment Clubs, LP with a 10.00% holding in Senior Housing UK Investment LP.

*Company*

Investments in subsidiaries:	Capital issued in the year	Capital Redeemed in the year	Total Investments at cost  31 December 2008 US \$	Total Investments at cost  31 December 2007 US \$
Investment in PGA European Limited	\$ <u>-</u>	\$ <u>-</u>	\$ <u>29,149,507</u>	\$ <u>29,149,507</u>

**PIM UK INVESTMENTS LIMITED**  
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**10. INVESTMENTS (continued)**

*Company*

**Investments:**

<b>Cost</b>	<b>As at 1 January 2008</b>	<b>Additional investment</b>	<b>Disposal or repayment of investment</b>	<b>As at 31 December 2008</b>
Investment in EURX Properties, SCA	2,609,499	4,446,598	(3,452,315)	3,603,782
Investment in EuroPRISA Sub- Fund A Feeder	<u>120</u>	<u>-</u>	<u>-</u>	<u>120</u>
<b>Total investments</b>	<b>\$ <u>2,609,619</u></b>	<b>\$ <u>4,446,598</u></b>	<b>\$ <u>(3,452,315)</u></b>	<b>\$ <u>3,603,902</u></b>

<b>Revaluations</b>	<b>As at 1 January 2008</b>	<b>Additional investment</b>	<b>Disposal or repayment of investment</b>	<b>As at 31 December 2008</b>
Investment in EURX Properties, SCA	763,831	(763,831)	-	-
Investment in EuroPRISA Sub- Fund A Feeder	<u>26</u>	<u>(7)</u>	<u>-</u>	<u>19</u>
<b>Total investments</b>	<b>\$ <u>763,857</u></b>	<b>\$ <u>(763,838)</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>19</u></b>

<b>Net book value</b>	<b>As at 31 December 2007</b>	<b>As at 31 December 2008</b>
Investment in EURX Properties, SCA	3,373,330	3,603,782
Investment in EuroPRISA Sub- Fund A Feeder	<u>146</u>	<u>139</u>
<b>Total investments</b>	<b>\$ <u>3,373,476</u></b>	<b>\$ <u>3,603,921</u></b>

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**11. DEBTORS**

*Group*

	2008 US \$	2007 US \$
Amounts owed by parent and fellow subsidiary companies	4,000,000	4,000,000
Dividends declared by investments	-	-
Other debtors	4,250,879	1,117,466
Amounts owed by affiliated companies	<u>72</u>	<u>29,947</u>
	<b><u>\$ 8,250,951</u></b>	<b><u>\$ 5,147,413</u></b>

Amounts owed by parent and fellow subsidiary companies are unsecured, interest free and repayable on demand.

*Company*

	2008 US \$	2007 US \$
Amounts owed by parent and fellow subsidiary companies	4,000,000	4,000,000
Other debtors	4,250,879	-
Amounts owed by affiliated companies	<u>-</u>	<u>29,947</u>
	<b><u>\$ 8,250,879</u></b>	<b><u>\$ 4,029,947</u></b>

Amounts owed by parent and fellow subsidiary companies are unsecured, interest free and repayable on demand.

During a prior year the company paid dividends of \$35,000,000 to the shareholder. Subsequently, it was established that, \$4,000,000 of the dividends paid during the year exceeded the company's distributable profits as computed in accordance with section 263(3) Companies Act 1985 and, therefore such dividends are to be deemed unlawful under section 263(1) Companies Act 1985. The directors, on 30 October 2007 received an undertaking from the shareholder to remit the sum of \$4,000,000 to the company, on demand, which is included in amounts owed by parent and fellow subsidiary companies on both a group and company basis.

**PIM UK INVESTMENTS LIMITED**

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**12. CREDITORS:**

***AMOUNTS FALLING DUE WITHIN ONE YEAR***

***Group***

	<b>2008</b>	<b>2007</b>
	<b>US \$</b>	<b>US \$</b>
Amounts owed to parent and fellow subsidiary companies	<b>481,838</b>	941,386
Other creditors	<b>2,968,082</b>	157,994
Creditors relating to taxation	<b><u>302,287</u></b>	<u>3,241,463</u>
Total falling due within one year	<b>\$ <u>3,752,207</u></b>	\$ <u>4,340,843</u>

Included in Creditors relating to taxation is an amount of £302,287 (2007: £nil) representing the deferred tax liability on income in PGA European Limited, taxable as a controlled foreign company.

***Company***

	<b>2008</b>	<b>2007</b>
	<b>US \$</b>	<b>US \$</b>
Amounts owed to parent and fellow subsidiary companies	<b>21,481,838</b>	21,921,976
Other creditors	<b>117,892</b>	134,777
Creditors relating to taxation	<b><u>-</u></b>	<u>3,241,463</u>
Total falling due within one year	<b>\$ <u>21,599,730</u></b>	\$ <u>25,298,216</u>

Amounts owed to parent and fellow subsidiary companies are secured and are not interest bearing. Included in amounts owed to parent and fellow subsidiary companies at 31 December 2007 was an amount of US \$451,976 which was interest bearing and repaid in the year.

**PIM UK INVESTMENTS LIMITED**

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**14. CALLED UP SHARE CAPITAL**

*Group & Company*

	2008 US \$	2007 US \$
Authorised:		
100,000,000 Ordinary shares of \$1 each	<u>100,000,000</u>	<u>100,000,000</u>
Allotted, issued and fully paid:		
26,800,000 Ordinary shares of \$1 each	<u>\$ 26,800,000</u>	<u>\$ 26,800,000</u>

**15. PROFIT AND LOSS ACCOUNT**

*Group*

	2008 US \$
At 1 January 2008	17,630,939
Loss transferred to reserves for the period	<u>(2,678,144)</u>
<b>At 31 December 2008</b>	<b>\$ <u>14,952,795</u></b>

*Company*

	2008 US \$
At 1 January 2008	10,797,578
Loss transferred to reserves for the period	<u>(2,434,473)</u>
<b>At 31 December 2008</b>	<b>\$ <u>8,363,105</u></b>



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**16. REVALUATION RESERVE**

*Group*

	<b>2008</b>
Realised profits and losses on disposal of investments	US \$
At 1 January 2008	3,729,480
Unrealised losses on revaluations of investments	<u>(4,990,688)</u>
<b>At 31 December 2008</b>	<b>\$ <u>(1,261,208)</u></b>

*Company*

	<b>2008</b>
	US \$
At 1 January 2008	763,857
Impairments written off to the Profit and loss account	<u>(763,838)</u>
<b>At 31 December 2008</b>	<b>\$ <u>19</u></b>

The changes in value of publicly traded equity securities and the unrealised gains and losses on investments are recorded in the revaluation reserve account.

**17. IMMEDIATE AND ULTIMATE PARENT COMPANY**

The company's immediate parent company is PIM Foreign Investments, Inc., a company incorporated in the United States of America. The company's ultimate parent company is Prudential Financial, Inc. a company incorporated in the United States of America. It is also the parent undertaking of the only group which includes the company and for which financial statements are prepared. The registered address of Prudential Financial, Inc. is 751 Broad Street, Newark, New Jersey, 07102 from where copies of its financial statements are available. Copies of the latter's financial statements are also available from the U.S. Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549.

**PIM UK INVESTMENTS LIMITED**

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**18. SUBSIDIARY COMPANY INFORMATION**

<b>Company</b>	<b>Holding %</b>	<b>Class of shares</b>	<b>Activity</b>
PGA European Limited	100	US \$1 Ordinary	Holding company
Pramerica Real Estate Investment Clubs L.P.	50	£1 Partners shares	Investment fund

Big Yellow Investment (Bermuda) Limited and PGA European Limited are registered in Bermuda. Pramerica Real Estate Investment Clubs L.P. is registered as a limited partnership in England and Wales.

**19. COMMITMENTS**

At 31 December 2008, commitments contracted but not provided for in the accounts were as follows:

<b>Investments:</b>	<b>Total Authorised Commitment</b>	<b>Total Outstanding Commitment 31 December 2008</b>	<b>Total Outstanding Commitment 31 December 2007</b>
	US \$	US \$	US \$
Pramerica Real Estate Investment Clubs, LP	21,025,957	2,390,914	9,459,698
EURX Properties, SCA	<u>6,950,000</u>	<u>-</u>	<u>3,953,814</u>
<b>Total Commitment</b>	<b>\$ <u>27,975,957</u></b>	<b>\$ <u>2,390,914</u></b>	<b>\$ <u>13,413,512</u></b>