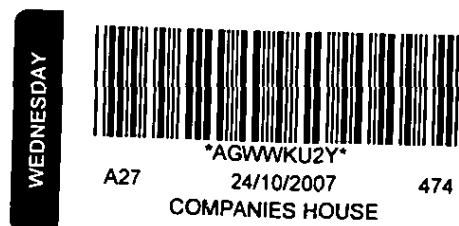


Metropolitan (Roebuck) Limited

**Directors' report and financial
statements**

Registered number 4926728

31 December 2006



Directors' report and financial statements

Contents

Directors' report	1
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	2
Report of the joint independent auditors, Cohen Arnold and KPMG LLP, to the members of Metropolitan (Roebuck) Limited	3
Profit and loss account	5
Balance sheet	6
Notes	7

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2006

Principal activity

The principal activity of the company is property development which is undertaken through a limited partnership. There has been no significant change in the nature of the company's business activity during the period under review nor is any envisaged in the immediate future.

Financial statements and dividend

The profit for the year ended 31 December 2006 is set out in the attached financial statements.

The directors do not recommend the payment of a dividend.

Directors and directors' interests

The directors who held office during the year are:

Mr BSE Freshwater
Mr D Davis

The Articles of Association of the company do not require the directors to retire by rotation.

The directors do not have service contracts and do not receive any emoluments from the company.

The whole of the issued share capital of the company is owned by Metropolitan Properties Co (FGC) Limited.

Mr BSE Freshwater and Mr D Davis are also directors of the company's intermediate parent undertaking, Metropolitan Properties Company Limited, and Mr BSE Freshwater's interest therein is set out in the directors' report of that company.

Apart from the aforementioned, at 31 December 2006, neither of the directors had any other interest in the share capital of the company, the company's parent undertaking or any subsidiary of the company's parent undertaking.

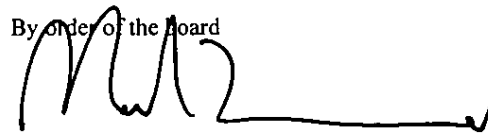
Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of Cohen Arnold and KPMG LLP as joint auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board



MRM Jenner
Secretary

Freshwater House
158/162 Shaftesbury Avenue
London WC2H 8HR

8th June 2007

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards.

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 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,
- state whether applicable UK 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 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 its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Report of the joint independent auditors, Cohen Arnold and KPMG LLP, to the members of Metropolitan (Roebuck) Limited

We have audited the financial statements of Metropolitan (Roebuck) Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

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 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 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.

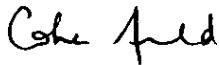
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Report of the joint independent auditors, Cohen Arnold and KPMG LLP, to the members of Metropolitan (Roebuck) Limited *(continued)*

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its 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



Cohen Arnold
Chartered Accountants
Registered Auditor
London

8th June 2007



KPMG LLP
Chartered Accountants
Registered Auditor
London

8th June 2007

Profit and loss account
for the year ended 31 December 2006

	<i>Note</i>	2006 £	2005 £
Rents and charges receivable		-	-
Property outgoings		-	-
		<hr/>	<hr/>
		-	-
Administrative expenses		(6,170)	(500)
Dividends from shares		412	335
		<hr/>	<hr/>
Operating loss		(5,758)	(165)
Share of limited partnership profit		5,050,636	2,027,402
		<hr/>	<hr/>
Profit before interest and taxation		5,044,878	2,027,237
Interest receivable		998,012	942,071
		<hr/>	<hr/>
Profit on ordinary activities before taxation	2	6,042,890	2,969,308
Tax on profit on ordinary activities	3	(1,813,000)	(891,000)
		<hr/>	<hr/>
Profit for the financial year	8	4,229,890	2,078,308
		<hr/>	<hr/>

There were no recognised gains or losses in the year or the previous year other than those disclosed above

There is no difference between the results as stated and the results on a historic cost basis in either the current year or the previous year

All the company's activities are continuing

Balance sheet
at 31 December 2006

	<i>Note</i>	2006	2005
		£	£
Fixed assets			
Investments	4	17,782,837	17,782,837
Current assets			
Stock of listed investments		15,867	15,443
Debtors	5	26,254,848	17,503,234
		<u>26,270,715</u>	<u>17,518,677</u>
Creditors amounts falling due within one year	6	(20,514,648)	(15,992,500)
Net current assets		<u>5,756,067</u>	<u>1,526,177</u>
Total assets		<u>23,538,904</u>	<u>19,309,014</u>
Net assets			
Capital and reserves			
Called up share capital	7	1,000	1,000
Share premium account	8	17,499,001	17,499,001
Profit and loss account	8	6,038,903	1,809,013
Equity shareholders' funds	9	<u>23,538,904</u>	<u>19,309,014</u>

These financial statements were approved by the board of directors on 8th June 2007 and were signed on its behalf by



BSE Freshwater
Director

Notes

(forming part of the financial statements)

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 as adjusted by the policy of accounting for investment properties referred to below, and in accordance with applicable Accounting Standards

Taxation

Current

Provision is made for consideration payable to or receivable from other group undertakings for the surrender of losses under group relief provisions

Deferred

Deferred tax is provided in accordance with Financial Reporting Standard No 19 (FRS 19). Under FRS 19 full provision is made in respect of all timing differences that have originated but not reversed by the balance sheet date where an event has occurred that results in an obligation to pay more or less tax in future, except that

- i no provision is made in respect of unrealised property revaluation surpluses, and
- ii deferred tax assets are recognised to the extent that they are considered recoverable

Deferred tax is measured on a non-discounted basis at the tax rates which apply at the balance sheet date

Investments

The Investment in Limited Partnership is stated at cost less provisions for diminution in value

Trading shares

Shares held for trading purposes are shown at the lower of cost and net realisable value

Notes (continued)

1 Accounting policies (continued)

Cash flow statement

The company is exempt from the requirement to prepare a cash flow statement (in accordance with Financial Reporting Standard No 1 (revised 1996)) on the grounds that it is a wholly owned subsidiary undertaking of an intermediary undertaking registered in England and Wales which prepares consolidated financial statements that include a consolidated cash flow statement

Related party transactions

The company has taken advantage of the exemption in FRS 8 Related Party Disclosures in order to dispense with the requirements to disclose transactions with other Metropolitan Properties Company Limited group companies

2 Profit on ordinary activities before taxation

	2006 £	2005 £
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration for audit services	500	500
Auditors' remuneration for non-audit services	5,640	-
	<u>5,640</u>	<u>-</u>

The directors of the company did not receive any emoluments from the company during the year (2005 £nil)

Apart from the directors, there were no other employees of the company during the year (2005 £nil)

3 Taxation

	2006 £	2005 £
<i>a) Analysis of charge for the year</i>		
Corporation tax payable	1,813,000	-
Consideration payable for consortium relief	-	891,000
	<u>1,813,000</u>	<u>891,000</u>
<i>b) Factors affecting the tax charge for the year</i>		
Profit on ordinary activities before taxation	6,042,890	2,969,308
Profit on ordinary activities at the standard rate of 30% (2005 30%)	1,812,867	890,792
Other difference	133	208
Current tax charge	<u>1,813,000</u>	<u>891,000</u>

Notes (continued)

4 Investments

	2006 £	2005 £
At 1 January 2006	17,782,837	16,495,651
Write back of permanent diminution in value	-	1,287,186
	<hr/>	<hr/>
At 31 December 2006	17,782,837	17,782,837
	<hr/>	<hr/>

The company has a 50% interest in Roebuck House Limited Partnership, an English Limited Partnership involved in property development

5 Debtors

	2006 £	2005 £
Amounts due from immediate parent undertaking	26,254,848	16,639,018
Consideration receivable for group relief	-	124,000
Accrued income	-	740,216
	<hr/>	<hr/>
	26,254,848	17,503,234
	<hr/>	<hr/>

6 Creditors amounts falling due within one year

	2006 £	2005 £
Amount due to limited partnership	17,601,000	15,101,000
Corporation tax payable	1,813,000	-
Consideration payable for consortium relief	891,000	891,000
Deferred income	209,148	-
Other creditors and accruals	500	500
	<hr/>	<hr/>
	20,514,648	15,992,500
	<hr/>	<hr/>

The amount due to limited partnership is interest free

Notes (continued)

7 Called up share capital

	2006 £	2005 £
<i>Authorised</i>		
1,000 ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
1,000 ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>

8 Reserves

	£	£
Share premium account		
At 31 December 2006 and 2005		17,499,001
Profit and loss account		
At 1 January 2006	1,809,013	
Retained profit for the financial year	4,229,890	
	<hr/>	
At 31 December 2006		6,038,903
		<hr/>
<i>Total reserves and retained earnings at 31 December 2006</i>		23,537,904
		<hr/>

9 Reconciliation of movements in shareholders' funds

	2006 £	2005 £
Profit for the financial year	4,229,890	2,078,308
	<hr/>	<hr/>
Net additions to shareholders' funds	4,229,890	2,078,308
Opening shareholders' funds	19,309,014	17,230,706
	<hr/>	<hr/>
Closing shareholders' funds	23,538,904	19,309,014
	<hr/>	<hr/>

Notes *(continued)*

10 Ultimate parent undertaking

The parent undertaking of the largest group of undertakings for which group financial statements are drawn up is Centremanor Limited, a company registered in England and Wales

The parent undertaking of the smallest group of undertakings for which group financial statements are drawn up is Metropolitan Properties Company Limited, a company registered in England and Wales

Copies of these financial statements can be obtained from the following address

Freshwater House, 158/162 Shaftesbury Avenue, London WC2H 8HR

The ultimate parent undertaking is Linnet Limited, a company incorporated in the Isle of Man and controlled by trusts