

Company Registration No. 5170929 (England and Wales)

DV3 CENTROS UK LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009

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DV3 CENTROS UK LIMITED

COMPANY INFORMATION

Directors DV3 Administration UK 1 Limited
DV3 Administration UK 2 Limited

Secretary DV3 Administration UK 1 Limited

Company number 5170929

Registered office Lansdowne House
Berkeley Square
London
W1J 6ER

Auditors Ernst & Young LLP
1 More London Place
London
SE1 2AF

DV3 CENTROS UK LIMITED

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DV3 CENTROS UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2009

The directors present their report and financial statements for the year ended 31 March 2009.

Principal activities

The principal activity of the company continued to be that of investment in property companies.

Results and dividends

The results for the year are set out on page 4.

Principal risks and uncertainties and key performance indicators

In the opinion of the directors, the major risks faced by the business relate to fluctuations in property rental levels and demand and movements in interest rates. The directors believe that the quality of the investment largely protects it from movements in the property market and exposure to interest rate movements is controlled and managed through the use of interest rate derivatives.

The company's key performance indicators are:

	2009 £	2008 £
Loss for the financial year	(23)	(1,371,279)
Net liabilities	(1,375,690)	(1,375,667)

Directors

The following directors have held office since 1 April 2008:

DV3 Administration UK 1 Limited

DV3 Administration UK 2 Limited

Disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed above. Having made enquiries of the company's auditors, the directors confirm that:

- to the best of each directors' knowledge and belief, there is no information relevant to the preparation of their report of which the auditors are not aware; and
- each director has taken all the steps a director may reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of this information.

Auditors

A resolution proposing that Ernst & Young LLP be reappointed as auditors will be put to the Annual General Meeting.

On behalf of the board

 10/4/09

DV3 Administration UK 1 Limited

Director

DV3 CENTROS UK LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR THE YEAR ENDED 31 MARCH 2009

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 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 the 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.

DV3 CENTROS UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DV3 CENTROS UK LIMITED

We have audited the company's financial statements for the year ended 31 March 2009 which comprise the Profit and Loss Statement, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and Notes to the Cash Flow Statement, and the related notes 1 to 13. These financial statements have been prepared in accordance with 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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the director and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and 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 Companies Act 1985. We will 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 of 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.

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 March 2009 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.

Grant & Young LLP
Ernst & Young LLP
Registered Auditor

London

14 September 2009

DV3 CENTROS UK LIMITED

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31 MARCH 2009

	Notes	2009 £	2008 £
Operating profit/(loss)	2	-	-
Interest receivable, net		-	96,236
Interest payable and similar charges		(23)	-
Amounts written off investments in joint ventures	3	-	(46,629)
Provision against advances to joint ventures		-	(1,420,886)
Loss on ordinary activities before taxation		(23)	(1,371,279)
Tax on loss on ordinary activities	4	-	-
Loss on ordinary activities after taxation		(23)	(1,371,279)

The profit and loss has been prepared on the basis that all operations are continuing operations.

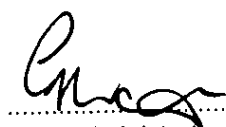
There are no recognised gains and losses other than those passing through the profit and loss account.

DV3 CENTROS UK LIMITED

BALANCE SHEET AT 31 MARCH 2009

	Notes	2009 £	2008 £
Fixed assets			
Investments	5	-	-
Current assets			
Debtors	6	27,644	-
		<u>27,644</u>	<u>-</u>
Creditors: amounts falling due within one year	7	(1,403,334)	-
Net current liabilities		<u>(1,375,690)</u>	<u>-</u>
Total assets less current liabilities		<u>(1,375,690)</u>	<u>-</u>
Creditors: amounts falling due after more than one year	8	-	(1,375,667)
		<u>(1,375,690)</u>	<u>(1,375,667)</u>
Capital and reserves			
Called up share capital	9	1	1
Profit and loss account	10	(1,375,691)	(1,375,668)
Shareholder's funds - equity interests		<u>(1,375,690)</u>	<u>(1,375,667)</u>

The financial statements were approved by the Board on 10/4/09



DV3 Administration UK 1 Limited
Director

DV3 CENTROS UK LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2009

	2009		2008	
	£	£	£	£
Net cash inflow/(outflow) from operating activities		23		(624,750)
Returns on investments and servicing of finance				
Interest paid	(23)		-	
	<u> </u>		<u> </u>	
Net cash outflow for returns on investments and servicing of finance		(23)		-
Net cash inflow before management of liquid resources and financing		-		(624,750)
Financing				
Other new long term loans		-		624,750
		<u> </u>		<u> </u>
Increase in cash in the year		-		-
		<u> </u>		<u> </u>

DV3 CENTROS UK LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2009

1 Reconciliation of operating profit/(loss) to net cash inflow from operating activities

	2009 £	2008 £
Operating profit/(loss)	-	-
(Increase)/decrease in debtors	(27,644)	700,000
Increase/(decrease) in amounts owed to parent company	27,667	(100)
Increase in provision against advance to joint venture	-	(1,324,650)
Net cash inflow/(outflow) from operating activities	23	(624,750)

2 Analysis of net debt	1 April 2008 £	Non-cash changes £	Cash flow £	31 March 2009 £
Debt:				
Debt falling due within one year	-	(1,375,667)	(27,667)	(1,403,334)
Debt falling due after one year	(1,375,667)	1,375,667	-	-
Net debt	(1,375,667)	-	(27,667)	(1,403,334)

3 Reconciliation of net cash flow to movement in net debt

	2009 £	2008 £
Increase in cash in the year	-	-
Cash inflow from increase in debt	(27,667)	(624,750)
Movement in net debt in the year	(27,667)	(624,750)
Opening net debt	(1,375,667)	(750,917)
Closing net debt	(1,403,334)	(1,375,667)

DV3 CENTROS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The financial statements are prepared in accordance with applicable accounting standards in the United Kingdom.

The financial statements have been prepared on a going concern basis. The parent undertaking has indicated its willingness to support the company so as to enable it to meet its liabilities as they fall due. It has further indicated that it will not seek repayment of its loan until the company is in a position to make such a repayment without jeopardising the continued operational existence of the company. The loan is repayable by the company on the earlier of a disposal of its investment properties, a refinancing of its loans, or such other date as agreed with the parent undertaking.

1.2 Investments

Fixed asset investments are stated at cost less provision for diminution in value. The carrying value of fixed asset investments is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

1.3 Taxation

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

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

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

- deferred tax assets are recognised only to the extent that the director considers that it is more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted.

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

DV3 CENTROS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

2 Operating profit/(loss)

The auditors' remuneration has been borne by the ultimate parent undertaking.

There were no employees during the year.

None of the directors received emoluments or fees during the year.

3	Amounts written off investments in joint venture	2009 £	2008 £
	Amounts written off investments in joint ventures	-	46,629
		<u>-</u>	<u>46,629</u>
		<u>-</u>	<u>46,629</u>

4	Taxation	2009 £	2008 £
	Current tax charge	-	-
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(23)	(1,371,279)
	Loss on ordinary activities before taxation multiplied by standard UK corporation tax of 28% (2008: 30%)	(7)	(411,384)
	Effects of:		
	Non deductible expenses	-	(30)
	Unutilised tax losses carried forward	7	411,414
		<u>7</u>	<u>411,384</u>
	Current tax charge	-	-

The company has unrecognised assets of approximately £370,000 (2008: £400,000) in respect of tax losses, calculated using the standard rate of UK corporation tax of 28% (2008: 30%). The assets are not recognised since the directors do not consider that it is likely that suitable taxable profits will arise against which the losses could be offset.

DV3 CENTROS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

5 Investment in joint ventures

The company has an investment in Centros UK Limited, incorporated in England and Wales, of which it owns 50% of the ordinary share capital. The principal activity of the company is property investment and management. The investment in Centros UK Ltd has been written down to nil value as the directors believe the amount invested is not recoverable.

The company has an investment in Centros Miller Dumfries Limited, incorporated in Scotland, of which it owns 50% of the ordinary share capital. The principal activity of the company is property investment. The investment in Centros Miller Dumfries Ltd has been written down to nil value as the directors believe the amount invested is not recoverable.

6 Debtors	2009 £	2008 £
Corporation tax	27,644	-
	<u>27,644</u>	<u>-</u>

The company has advanced loans to the joint venture investments of £1,415,072 (2008: £1,420,886). This amount has been fully provided for as the directors believe the amount loaned may not be recoverable.

7 Creditors: amounts falling due within one year	2009 £	2008 £
Amounts owed to parent company	1,403,334	-
	<u>1,403,334</u>	<u>-</u>

Under the terms of the agreement dated 31 March 2004, the loan from the company's parent undertaking is unsecured, repayable by the company on the earlier of a disposal of its investments, a refinancing of its loans, January 2010 or such other date as agreed with the parent undertaking and is interest free. The parent undertaking has subordinated its loan to all other creditors and has confirmed it will not seek repayment of the amount owed until such time as the company has sufficient funds.

8 Creditors: amounts falling due after more than one year	2009 £	2008 £
Amounts owed to parent company	-	1,375,667
	<u>-</u>	<u>1,375,667</u>

DV3 CENTROS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

9	Share capital	2009 £	2008 £
	Authorised		
	1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	Allotted, called up and fully paid		
	1 ordinary share of £1	<u>1</u>	<u>1</u>

10 Statement of movements on profit and loss account

Profit and loss account

	£
Balance at 1 April 2008	(1,375,668)
Retained loss for the year	<u>(23)</u>
Balance at 31 March 2009	<u>(1,375,691)</u>

11 Reconciliation of movements in shareholders' funds

2009
£

2008
£

Loss for the financial year	<u>(23)</u>	<u>(1,371,279)</u>
Depletion in shareholders' funds	(23)	(1,371,279)
Opening shareholders funds	<u>(1,375,667)</u>	<u>(4,388)</u>
Closing shareholders funds	<u>(1,375,690)</u>	<u>(1,375,667)</u>

12 Control

The company's immediate parent undertaking, ultimate parent undertaking and controlling party is DV3 Limited, a company incorporated and registered in the British Virgin Islands. DV3 Limited is the parent undertaking of the largest group and the smallest group of which the company is a member and for which group financial statements are prepared.

13 Related party transactions

During the year, the company had amounts owing to DV3 Limited, the ultimate parent undertaking. The balance outstanding at 31 March 2009 was £1,403,334 (2008: £1,375,667).