

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE PERIOD 28 APRIL 2005 TO 30 JUNE 2006
FOR
HULL PROPERTY INVESTMENTS LIMITED
(formerly East Sussex Property Investments Limited)
5438809**

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HULL PROPERTY INVESTMENTS LIMITED

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HULL PROPERTY INVESTMENTS LIMITED

COMPANY INFORMATION

for the period 28 April 2005 to 30 June 2006

DIRECTORS:

A C Gallagher
G H Gosling

SECRETARY:

S A Burnett

REGISTERED OFFICE:

15 Hockley Court
Stratford Road
Hockley Heath
Solihull
West Midlands
B94 6NW

REGISTERED NUMBER:

5438809 (England and Wales)

AUDITORS:

PricewaterhouseCoopers LLP
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

HULL PROPERTY INVESTMENTS LIMITED

REPORT OF THE DIRECTORS

for the period 28 April 2005 to 30 June 2006

The directors present their report with the audited financial statements of the company for the period 28 April 2005 to 30 June 2006.

INCORPORATION

The company was incorporated on 28 April 2005.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of property investment. The company holds a 50% investment in Worthing Retail LLP, a partnership engaged in letting retail units.

CHANGE OF NAME

The company passed a special resolution on 3 May 2006 changing its name from East Sussex Property Investments Limited to Hull Property Investments Limited.

REVIEW OF BUSINESS

The results for the period and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No dividends will be distributed for the period ended 30 June 2006.

DIRECTORS

The directors during the period under review were:

A C Gallagher	- appointed 28.4.05
G H Gosling	- appointed 28.4.05

The directors holding office at 30 June 2006 did not hold any direct beneficial interest in the issued share capital of the company at date of appointment or 30 June 2006.

The initial director Wildman & Battell Limited resigned on 28 April 2005.

The interests of the directors in the shares of the holding company can be seen in the Reports and Accounts of that company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 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 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.

HULL PROPERTY INVESTMENTS LIMITED

REPORT OF THE DIRECTORS

for the period 28 April 2005 to 30 June 2006

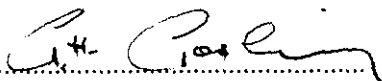
STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

So far as the directors are aware, there is no relevant information of which the company's auditors are unaware, and the directors have taken all the steps that ought to have been 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.

AUDITORS

The auditors, PricewaterhouseCoopers LLP, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



G H Gosling - Director

26 February 2007

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HULL PROPERTY INVESTMENTS LIMITED

We have audited the financial statements of Hull Property Investments Limited for the period ended 30 June 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.

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). 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

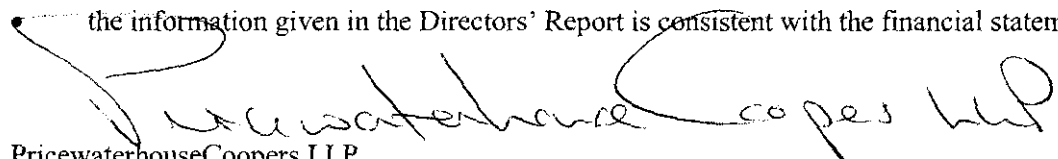
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 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 30 June 2006 and of its profit for the period 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
Birmingham
26 February 2007

HULL PROPERTY INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

for the period 28 April 2005 to 30 June 2006

	Notes	£
TURNOVER		-
OPERATING PROFIT	3	-
Share of profit of Limited Liability Partnership		<u>20,324</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		20,324
Tax on profit on ordinary activities	4	<u>(6,098)</u>
PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION		<u>14,226</u>
RETAINED PROFIT FOR THE PERIOD	9	<u>14,226</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current period.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the current period.

NOTE OF HISTORICAL COST PROFITS AND LOSSES

There is no difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis.

HULL PROPERTY INVESTMENTS LIMITED

BALANCE SHEET

30 June 2006

	Notes	£
FIXED ASSETS		
Investments	5	20,324
CURRENT ASSETS		
Debtors	6	800,000
CREDITORS		
Amounts falling due within one year	7	(806,096)
NET CURRENT LIABILITIES		<u>(6,096)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>14,228</u>
CAPITAL AND RESERVES		
Called up share capital	8	2
Profit and loss account	9	<u>14,226</u>
SHAREHOLDERS' FUNDS	10	<u>14,228</u>

ON BEHALF OF THE BOARD:


.....
G H Gosling - Director

Approved by the Board on 26 February 2007

HULL PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the period 28 April 2005 to 30 June 2006

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Limited Liability Partnerships

Where the company has an interest in a limited liability partnership, the company's share of the limited liability partnership's income is accounted for using the equity method. Its share of profit following acquisition is taken to the profit and loss account with a corresponding increase in the investment. This profit is not considered to be a distributable reserve until cash is received from the limited liability partnership. Tax arising on the share of the limited liability partnership's profits is borne directly by the members and is therefore accounted for in the company.

Cash flow statement

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Deferred tax

Full provision is made on a non-discounted basis for deferred tax assets and liabilities arising due to timing differences between the recognition of gains and losses in the financial statements and their recognition in the tax computation at the current rate of tax. Deferred tax assets are only recognised when it is considered more likely than not that they will be realised.

2. STAFF COSTS

There were no staff costs for the period ended 30 June 2006.

The average monthly number of employees during the period was as follows:

Directors	<u>2</u>
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3. OPERATING PROFIT

The operating profit is stated after charging:

	£
Directors' emoluments	<u>-</u>

The Auditors' remuneration is borne by another group company.

HULL PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the period 28 April 2005 to 30 June 2006

4. TAXATION

Analysis of the tax charge

The tax charge, which directly equates to the UK corporation tax rate of 30% applied to the profit on ordinary activities for the period, was as follows:

	£
Current tax:	
UK corporation tax	<u>6,098</u>
Tax on profit on ordinary activities	<u>6,098</u>

5. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
Additions	<u>20,324</u>
At 30 June 2006	<u>20,324</u>
NET BOOK VALUE	
At 30 June 2006	<u>20,324</u>

The £20,324 reflects the increase in the net asset value of Hull Property Investment Limited's 50% interest in the Worthing Retail LLP.

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Amounts owed by joint venture LLP	<u>800,000</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Corporation tax	6,098
Amounts owed to group undertakings	<u>799,998</u>
	<u>806,096</u>

HULL PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the period 28 April 2005 to 30 June 2006

8. CALLED UP SHARE CAPITAL

Authorised:		Nominal value:	£
Number:	Class:		
1,000	Ordinary	£1	<u>1,000</u>

Allotted, issued and fully paid:		Nominal value:	£
Number:	Class:		
2	Ordinary	£1	<u>2</u>

The following shares were allotted and fully paid for cash at par during the period:

2 Ordinary shares of £1 each

9. RESERVES

	Profit and loss account £
Retained profit for the period	<u>14,226</u>
At 30 June 2006	<u>14,226</u>

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	£
Profit for the financial period	14,226
Issue of shares	<u>2</u>
Net addition to shareholders' funds	14,228
Opening shareholders' funds	<u>-</u>
Closing shareholders' funds	<u>14,228</u>
Equity interests	<u>14,228</u>

HULL PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the period 28 April 2005 to 30 June 2006

11. CONTROLLING PARTY

Hull Property Investments Limited is a wholly owned subsidiary of Ashflame Properties Limited, (incorporated in England and Wales), its ultimate parent undertaking.

The ultimate controlling party of the company is Mr A C Gallagher by virtue of his ownership of the issued share capital of the ultimate parent undertaking.

Until 30 June 2006 (when it was sold to Ashflame Properties Limited), the company was a wholly owned subsidiary of J J Gallagher Limited, which is also controlled by Mr A C Gallagher.