

ONE VINCENT SQUARE LIMITED
FINANCIAL STATEMENTS
31 MARCH 2008



SLAVEN JEFFCOTE LLP
Chartered Certified Accountants & Registered Auditors
1 Lumley Street
Mayfair
London
W1K 6TT

ONE VINCENT SQUARE LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

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ONE VINCENT SQUARE LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	B Choudhrie C P Thomas D Choudhrie Lumley Management Limited
Company secretary	JD Secretariat Limited
Registered office	1 Lumley Street Mayfair London W1K 6TT
Auditor	Slaven Jeffcote LLP Chartered Certified Accountants & Registered Auditors 1 Lumley Street Mayfair London W1K 6TT
Bankers	HSBC Private Bank (UK) Limited 78 St James's Street London SW1A 1JB

ONE VINCENT SQUARE LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2008

The directors present their report and the financial statements of the company for the year ended 31 March 2008.

PRINCIPAL ACTIVITIES

The principal activity of the company during the period was that of property investment.

DIRECTORS

The directors who served the company during the year were as follows:

B Choudhrie
C P Thomas
D Choudhrie

C P Thomas retired as a director on 14 April 2008.

D Choudhrie retired as a director on 14 April 2008.

Lumley Management Limited was appointed as a director on 30 January 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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;
- 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 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

ONE VINCENT SQUARE LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2008

SMALL COMPANY PROVISIONS

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

Registered office:
1 Lumley Street
Mayfair
London
W1K 6TT

Signed by order of the directors



JD SECRETARIAT LIMITED
Company Secretary

Approved by the directors on 30/6/09

ONE VINCENT SQUARE LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
ONE VINCENT SQUARE LIMITED
YEAR ENDED 31 MARCH 2008

We have audited the financial statements of One Vincent Square Limited for the year ended 31 March 2008, which have been prepared on the basis of the accounting policies set out on pages 8 to 9.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

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 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.

ONE VINCENT SQUARE LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
ONE VINCENT SQUARE LIMITED *(continued)*
YEAR ENDED 31 MARCH 2008

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 2008 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.



SLAVEN JEFFCOTE LLP
Chartered Certified Accountants
& Registered Auditors

1 Lumley Street
Mayfair
London
W1K 6TT

30TH JANUARY 2009

ONE VINCENT SQUARE LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2008

		Year to 31 Mar 08 £	Period from 1 Jan 06 to 31 Mar 07 £
TURNOVER	Note	114,657	–
Cost of sales		45,240	–
GROSS PROFIT		69,417	–
Administrative expenses		111,619	77,535
OPERATING LOSS	2	(42,202)	(77,535)
Interest receivable and similar income		2,636	140,458
Interest payable and similar charges		(427,912)	(281,592)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(467,478)	(218,669)
Tax on loss on ordinary activities	3	107,653	–
LOSS FOR THE FINANCIAL YEAR		(575,131)	(218,669)

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 8 to 14 form part of these financial statements.

ONE VINCENT SQUARE LIMITED

BALANCE SHEET

31 MARCH 2008

	Note	2008 £	2007 £
FIXED ASSETS			
Tangible assets	4	<u>13,518,451</u>	<u>10,593,780</u>
CURRENT ASSETS			
Debtors	5	259,658	85,594
Cash at bank		<u>1,038</u>	<u>-</u>
		<u>260,696</u>	<u>85,594</u>
CREDITORS: Amounts falling due within one year	6	<u>399,494</u>	<u>84,620</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(138,798)</u>	<u>974</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>13,379,653</u>	<u>10,594,754</u>
CREDITORS: Amounts falling due after more than one year	7	<u>14,148,497</u>	<u>10,896,120</u>
		<u>(768,844)</u>	<u>(301,366)</u>
PROVISIONS FOR LIABILITIES			
Deferred taxation	8	<u>107,653</u>	<u>-</u>
		<u>(876,497)</u>	<u>(301,366)</u>
CAPITAL AND RESERVES			
Called-up equity share capital	10	100	100
Profit and loss account	11	<u>(876,597)</u>	<u>(301,466)</u>
DEFICIT	12	<u>(876,497)</u>	<u>(301,366)</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors and authorised for issue on 30-1-09 and are signed on their behalf by:

P. Lumsden

for LUMLEY MANAGEMENT LIMITED

The notes on pages 8 to 14 form part of these financial statements.

ONE VINCENT SQUARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2008

1. ACCOUNTING POLICIES

Basis of accounting

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

The accounts have been prepared on a going concern basis which is dependent upon the continuing support of other company's within the C&C Alpha Group.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

Turnover represents the amounts receivable, excluding VAT, by the company for goods supplied and services provided during the year.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Building improvements - over 10 years

Air conditioning - over 7 years

Fixtures & Fittings - over 7 years

Security System - over 7 years

Electrical works - over 7 years

Investment properties

Investment properties are valued annually and shown in the accounts at open market value. Gains or losses in respect of revaluing properties are recognised in the Statement of Total Recognised Gains and Losses, except in the case where the loss is deemed to be a permanent diminution in value, in which case it is charged to the profit and loss account. No depreciation is charged on this class of fixed asset. This treatment follows the principles outlined in the Standard Statement of Accounting Practice 19 (Accounting for Investment Properties) and is a departure from Financial Reporting Standard 15 (Tangible Fixed Assets), which requires all tangible fixed assets to be depreciated. This departure is necessary in order to give a true and fair view.

Deferred taxation

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:

ONE VINCENT SQUARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2008

1. ACCOUNTING POLICIES *(continued)*

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 directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax 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.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. OPERATING LOSS

Operating loss is stated after charging:

	Year to 31 Mar 08 £	Period from 1 Jan 06 to 31 Mar 07 £
Directors' emoluments	—	—
Depreciation of owned fixed assets	59,794	—
Auditor's fees	<u>3,000</u>	<u>3,000</u>

3. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	Year to 31 Mar 08 £	Period from 1 Jan 06 to 31 Mar 07 £
Deferred tax:		
Origination and reversal of timing differences (note 8)		
Capital allowances	<u>107,653</u>	<u>—</u>

ONE VINCENT SQUARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2008

3. TAXATION ON ORDINARY ACTIVITIES *(continued)*

Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2007 - 30%).

	Year to 31 Mar 08 £	Period from 1 Jan 06 to 31 Mar 07 £
Loss on ordinary activities before taxation	<u>(467,478)</u>	<u>(218,669)</u>
Loss on ordinary activities by rate of tax	<u>(140,243)</u>	(65,601)
Expenses not deductible for tax purposes	30	-
Capital allowances for period in excess of depreciation	<u>(86,097)</u>	-
Tax Losses carried forward	<u>226,310</u>	65,601
Total current tax	<u>-</u>	<u>-</u>

4. TANGIBLE FIXED ASSETS

	Brought forward 1 Apr 07 £	Additions £	Transfers £	Carried forward 31 Mar 08 £
COST				
Freehold Property	10,593,780	-	(71,857)	10,521,923
Air conditioning system	-	725,236	-	725,236
Fixtures & Fittings	-	97,424	-	97,424
Security system	-	89,997	-	89,997
Electrical work	-	326,961	-	326,961
Building improvement	-	1,816,704	-	1,816,704
	<u>10,593,780</u>	<u>3,056,322</u>	<u>(71,857)</u>	<u>13,578,245</u>

	Charges £	Carried forward 31 Mar 08 £
DEPRECIATION		
Freehold Property	-	-
Air conditioning system	(17,268)	(17,268)
Fixtures & Fittings	(2,320)	(2,320)
Security system	(2,143)	(2,143)
Electrical work	(7,785)	(7,785)
Building improvement	(30,278)	(30,278)
	<u>(59,794)</u>	<u>(59,794)</u>

ONE VINCENT SQUARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2008

4. TANGIBLE FIXED ASSETS *(continued)*

	Brought forward 1 Apr 07 £	Carried forward 31 Mar 08 £
NET BOOK VALUE		
Freehold Property	10,593,780	10,521,923
Air conditioning system	-	707,968
Fixtures & Fittings	-	95,104
Security system	-	87,854
Electrical work	-	319,176
Building improvement	-	1,786,426
	<u>10,593,780</u>	<u>13,518,451</u>

The land and buildings element of the investment property is carried in the accounts at open market value which was deemed to be £10,521,923 as at the balance sheet date (2007 - £10,593,779). This valuation was carried out by the directors of the company.

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	2008 £	2007 £
Historical cost:		
At 1 Apr 07	10,593,780	-
Cost of additions to revalued assets brought forward	(71,837)	10,593,780
	<u>10,521,943</u>	<u>10,593,780</u>
At 31 Mar 08	<u>10,521,943</u>	<u>10,593,780</u>
Depreciation:		
At 1 Apr 07	211,876	-
Charge for year	210,438	211,876
	<u>422,314</u>	<u>211,876</u>
At 31 Mar 08	<u>422,314</u>	<u>211,876</u>
Net historical cost value:		
At 31 Mar 08	<u>10,099,629</u>	<u>10,381,904</u>
At 1 Apr 07	<u>10,381,904</u>	-

5. DEBTORS

	2008 £	2007 £
Trade debtors	55,925	-
VAT recoverable	68,926	52,265
Other debtors	134,807	33,329
	<u>259,658</u>	<u>85,594</u>

ONE VINCENT SQUARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2008

6. CREDITORS: Amounts falling due within one year

	2008	2007
	£	£
Overdrafts	–	11,142
Trade creditors	207,657	35,511
Other creditors	191,837	37,967
	<u>399,494</u>	<u>84,620</u>

SW1 Properties Limited, the company's immediate parent, have taken out a mortgage with HSBC Private Bank (UK) Limited to fund part of the loan they have made to One Vincent Square Limited. This amount totals £6,600,000 and is included in amounts due to group undertakings at the balance sheet date. As security for this debt HSBC Private Bank (UK) Limited have first legal charge over the property know as One Vincent Square.

7. CREDITORS: Amounts falling due after more than one year

	2008	2007
	£	£
Amounts owed to group undertakings	<u>14,148,497</u>	<u>10,896,120</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2008	2007
	£	£
Amounts owed to group undertakings	<u>–</u>	<u>6,600,000</u>

SW1 Properties Limited, the company's immediate parent, have taken out a mortgage with HSBC Private Bank (UK) Limited to fund part of the loan they have made to One Vincent Square Limited. This amount totals £6,600,000 and is included in amounts due to group undertakings at the balance sheet date. As security for this debt HSBC Private Bank (UK) Limited have first legal charge over the property know as One Vincent Square.

8. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	Year to	Period from
	31 Mar 08	1 Jan 06 to
	£	31 Mar 07
	£	£
Profit and loss account movement arising during the year	<u>107,653</u>	–
Provision carried forward	<u>107,653</u>	–

ONE VINCENT SQUARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2008

8. DEFERRED TAXATION *(continued)*

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2008	2007
	£	£
Excess of taxation allowances over depreciation on fixed assets	107,653	-
	<u>107,653</u>	<u>-</u>

9. RELATED PARTY TRANSACTIONS

There was no single controlling party at the balance sheet date.

The company has taken advantage of the exemption from reporting related party transactions between One Vincent Square Limited and other members of the C&C Alpha group of companies, conferred by Financial Reporting Standard No. 8, on the grounds that the company is a wholly owned subsidiary and the parent undertaking prepares consolidated financial statements which include the company.

During the period under review the company paid design consultancy fees of £78,400 (2007 - £10,100) to Bach Interiors Limited, a company under common control. These fees have been capitalised as part of the cost of building improvements.

All transactions took place under normal commercial terms.

10. SHARE CAPITAL

Authorised share capital:

	2008	2007
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2008		2007
	No	£	No
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>

11. PROFIT AND LOSS ACCOUNT

	Year to 31 Mar 08	Period from 1 Jan 06 to 31 Mar 07
	£	£
Balance brought forward	(301,466)	(82,797)
Loss for the financial year	(575,131)	(218,669)
Balance carried forward	<u>(876,597)</u>	<u>(301,466)</u>

ONE VINCENT SQUARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2008

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008	2007
	£	£
Loss for the financial year	(575,131)	(218,669)
Opening shareholders' deficit	(301,366)	(82,697)
Closing shareholders' deficit	<u>(876,497)</u>	<u>(301,366)</u>

13. POST BALANCE SHEET EVENTS

On 17 April 2008, One Vincent Square Limited borrowed £10,000,000 from Bank of Scotland Plc. This loan is for a term of 10 years and bears interest at 1.50% over three month LIBOR Rate plus Mandatory Liquid Asset Costs.

The funds will be used to repay the inter-company loan with SW1 Properties Limited who originally took out a loan with HSBC Private Banking to finance the property 1 Vincent Square, London, SW1 1PN. They will also be used to repay the costs of the property refurbishment to C&C Alpha Group Limited.

14. ULTIMATE PARENT COMPANY

The company's parent undertaking at the balance sheet date is SW1 Properties Limited, a company registered in England and Wales.

The company's ultimate parent undertaking at the balance sheet date is Harberry Investments Limited, a company incorporated in the British Virgin Islands.

The parent undertaking of the largest group for which group accounts including One Vincent Square Limited are drawn up is C&C Alpha Group Limited, a company registered in England and Wales.

Copies of these accounts can be obtained from the company's registered office:

1 Lumley Street
 Mayfair
 London
 W1K 6TT