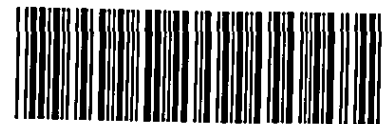


MONET REAL ESTATE (HIGH WYCOMBE) LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE PERIOD
10 FEBRUARY 2006 TO 31 DECEMBER 2006

Bessler Hendrie
Chartered Accountants
Registered Auditor
Albury Mill, Mill Lane
Chilworth
Guildford
Surrey
GU4 8RU

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COMPANIES HOUSE

MONET REAL ESTATE (HIGH WYCOMBE) LIMITED

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for the period 10 February 2006 to 31 December 2006**

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MONET REAL ESTATE (HIGH WYCOMBE) LIMITED

COMPANY INFORMATION

for the period 10 February 2006 to 31 December 2006

DIRECTORS:

C P Oliver
S C Loggie
B Porter
J Jakeman

SECRETARY:

C P Oliver

REGISTERED OFFICE:

17 Savile Row
London
W1S 3PN

REGISTERED NUMBER:

5704535

AUDITORS:

Bessler Hendrie
Chartered Accountants
Registered Auditor
Albury Mill, Mill Lane
Chilworth
Guildford
Surrey
GU4 8RU

MONET REAL ESTATE (HIGH WYCOMBE) LIMITED

REPORT OF THE DIRECTORS

for the period 10 February 2006 to 31 December 2006

The directors present their report with the financial statements of the company for the period 10 February 2006 to 31 December 2006

INCORPORATION

The company was incorporated on 10 February 2006 and commenced trading on 13 April 2006

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of property investment

DIRECTORS

The directors shown below have held office during the whole of the period from 10 February 2006 to the date of this report

Other changes in directors holding office are as follows

C P Oliver - appointed 28 February 2006

S C Loggie - appointed 28 February 2006

B Porter - appointed 28 February 2006

J Jakeman - appointed 28 February 2006

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) 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 in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

MONET REAL ESTATE (HIGH WYCOMBE) LIMITED

REPORT OF THE DIRECTORS

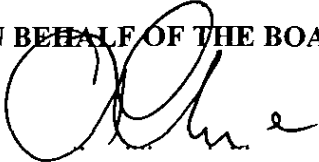
for the period 10 February 2006 to 31 December 2006

AUDITORS

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

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'C P Oliver', is written over the text 'ON BEHALF OF THE BOARD:'.

C P Oliver - Director

Date 12 June 2007

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF MONET REAL ESTATE (HIGH WYCOMBE) LIMITED

We have audited the financial statements of Monet Real Estate (High Wycombe) Limited for the period ended 31 December 2006 on pages six to eleven. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

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 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 on page two.

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 Report of the Directors 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 Report of the Directors 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 INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
MONET REAL ESTATE (HIGH WYCOMBE) LIMITED**

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2006 and of its loss 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 Report of the Directors is consistent with the financial statements

Bessler Hendrie

Bessler Hendrie
Chartered Accountants
Registered Auditor
Albury Mill, Mill Lane
Chilworth
Guildford
Surrey
GU4 8RU

Date *14 June 2007*

MONET REAL ESTATE (HIGH WYCOMBE) LIMITED

PROFIT AND LOSS ACCOUNT

for the period 10 February 2006 to 31 December 2006

	Notes	£
TURNOVER		402,630
Administrative expenses		<u>(85,308)</u>
OPERATING PROFIT	2	317,322
Interest receivable and similar income		<u>5,028</u>
		322,350
Interest payable and similar charges		<u>(372,140)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(49,790)
Tax on loss on ordinary activities	3	<u>-</u>
LOSS FOR THE FINANCIAL PERIOD AFTER TAXATION		<u><u>(49,790)</u></u>

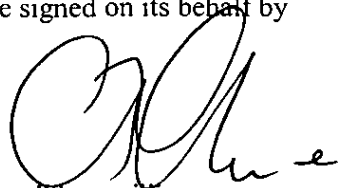
The notes form part of these financial statements

MONET REAL ESTATE (HIGH WYCOMBE) LIMITED**BALANCE SHEET****31 December 2006**

	Notes	£
FIXED ASSETS		
Investment property	4	8,195,924
CURRENT ASSETS		
Debtors	5	424,643
Cash at bank		71,308
		<u>495,951</u>
CREDITORS		
Amounts falling due within one year	6	<u>(506,837)</u>
NET CURRENT LIABILITIES		<u>(10,886)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,185,038
CREDITORS		
Amounts falling due after more than one year	7	<u>(8,234,728)</u>
NET LIABILITIES		<u><u>(49,690)</u></u>
CAPITAL AND RESERVES		
Called up share capital	9	100
Profit and loss account	10	<u>(49,790)</u>
SHAREHOLDERS' FUNDS		<u><u>(49,690)</u></u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The financial statements were approved by the Board of Directors on 12 June 2007 and were signed on its behalf by



C P Oliver - Director

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the period 10 February 2006 to 31 December 2006

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

Investment properties are accounted for in accordance with SSAP 19 "Accounting for Investment Properties", which provides that these should not be subject to periodic depreciation charges (unless held on lease), but should be shown at open market value. This is contrary to the Companies Act 1985, which states that, subject to any provision for depreciation or diminution in value, fixed assets are normally to be stated at purchase price or production cost. Current cost accounting or the revaluation of specific assets to market value, as determined at the date of their last valuation, is also permitted.

The treatment of investment properties under the Companies Act does not give a true and fair view as these assets are not held for consumption in the business but as investments, the disposal of which would not materially affect any manufacturing or trading operations of the enterprise. In such a case it is the current value of these investments, and changes in that current value, which are of prime importance. Consequently, for the proper appreciation of the financial position, the accounting treatment required by SSAP 19 is considered appropriate for investment properties.

Details of the current value and historical cost information for investment properties are given in Note 4.

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

The financial statements have been prepared on a going concern basis. This basis is considered appropriate by the directors, as the shareholders have confirmed that they will continue to financially support the company for the foreseeable future and enable the company to meet its liabilities as they fall due.

Turnover

Turnover represents net invoiced rental income, excluding value added tax.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve.

Fixed assets include investment properties stated at open market value in accordance with SSAP 19 "Accounting for Investment Properties". No depreciation is provided as required by the Companies Act 1985 as directors consider that the valuation results in the accounts give a true and fair view.

MONET REAL ESTATE (HIGH WYCOMBE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the period 10 February 2006 to 31 December 2006

2 OPERATING PROFIT

The operating profit is stated after charging

Auditors' remuneration	£ 4,300
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Directors' emoluments and other benefits etc	-
----------------------------------------------	---

3 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the period

Factors that may affect future tax charges

There are tax losses to carry forward at 31 December 2006 of £48,690

4 INVESTMENT PROPERTY

	Total £
COST	
Additions	8,195,924
At 31 December 2006	8,195,924
NET BOOK VALUE	
At 31 December 2006	8,195,924

5 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Trade debtors	145,962
Other debtors	278,681
	424,643

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Bank loans and overdrafts	107,000
Trade creditors	6,059
Amounts owed to group undertakings	10,000
Other creditors	383,778
	506,837

MONET REAL ESTATE (HIGH WYCOMBE) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued**
for the period 10 February 2006 to 31 December 2006**7 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	£
Bank loans	7,420,000
Amounts owed to group undertakings	611,046
Amounts owed to participating interests	203,682
	<u>8,234,728</u>

8 SECURED DEBTS

The following secured debts are included within creditors

	£
Bank loans	<u>7,527,000</u>

The bank loans consist of three loans from the Lehman Commercial Paper Inc, London Branch as set out below. The loans are repayable on 15th April 2011, 5 years after the drawdown date. Repayment of the senior facility will commence on 15th April 2008 using instalments coinciding with the interest payment dates. The amount of each instalment will be the rent collected in the quarter less certain costs identified in the agreement. Rates applicable are detailed below.

Negotiated rates

Facility	Loan value (£)	Date negotiated	Rate of interest
Senior	6,720,000	13 April 2006	LIBOR plus 1.4%
Mezzanine	707,000	13 April 2006	LIBOR plus 5%
Capex loan	100,000	13 April 2006	LIBOR plus 2%

The bank loans are secured by way of fixed and floating charges over the freehold properties and other assets held by the company. There is also a debenture over the assets of the company and an assignment of income.

The bank loans are to be repaid in part/ full should part of the property be sold.

9 CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid

Number	Class	Nominal value	£
100	Ordinary	£1	<u>100</u>

100 Ordinary shares of £1 each were allotted and fully paid for cash at par during the period.

MONET REAL ESTATE (HIGH WYCOMBE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the period 10 February 2006 to 31 December 2006

10 RESERVES

	Profit and loss account £
Deficit for the period	(49,790)
At 31 December 2006	<u>(49,790)</u>

11 ULTIMATE PARENT COMPANY

Monet Real Estate (High Wycombe) Limited is a wholly owned subsidiary of Monet Real Estate Limited, a company registered in the United Kingdom. The ultimate parent company is Lehman Brothers Holdings Inc, a company registered in the United States of America.

12 RELATED PARTY DISCLOSURES

During the year the company was charged £15,195 for management fees by Cube Consulting Limited. Included in trade creditors at the year end is £6,059 owed to Cube Consulting Limited, a company of which CP Oliver & SC Loggie are directors.

The bank loans totalling £7,527,000 as at 31 December 2006 are due to Lehman Commercial Paper Inc (a company related to LB UK RE Holdings Limited, the majority shareholder in the company). During the year interest totalling £355,872 and arrangement fees totalling £40,600 were charged on these loans. The arrangement fees are being amortised over the life of the loan.

In accordance with the joint venture agreement dated 14 August 2006 both shareholders have advanced loans to the company. These are disclosed as creditors due in more than one year and the balance of each loan as at 31 December 2006 was £611,046 due to LB UK RE Holdings Limited and £203,682 due to Brindle Limited.

Within other creditors due within one year as at 31 December 2006 is a balance of £76,484 due to Strummer Investments (Tubbs Hill) LLP which is a loan advanced to the company during the period. This loan is on an arms length basis and interest has been charged on it at 6% per annum amounting to £3,158 in the period. CP Oliver, SC Loggie and LB UK RE Holdings Limited are partners in Strummer Investments (Tubbs Hill) LLP.