

Company Registration No. 5771148 (England and Wales)

QUINTAIN (SALFORD) LIMITED (FORMERLY VELOCITY 322 LIMITED)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2007



QUINTAIN (SALFORD) LIMITED (FORMERLY VELOCITY 322 LIMITED)

COMPANY INFORMATION

Directors	T Dwyer N S K Shattock R J Worthington A R Wyatt
Secretary	S Dixon
Company number	5771148
Registered office	16 Grosvenor Street London W1K 4QF
Auditors	KPMG Audit Plc 8 Salisbury Square London EC4Y 8BB

QUINTAIN (SALFORD) LIMITED (FORMERLY VELOCITY 322 LIMITED)

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 10

QUINTAIN (SALFORD) LIMITED (FORMERLY VELOCITY 322 LIMITED)

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 MARCH 2007

The directors present their first report and financial statements for the period from incorporation to 31 March 2007. The Company was incorporated as Velocity 322 Limited on 5 April 2006 and changed its name to Quintain (Salford) Limited on 5 May 2006.

Principal activities

The principal activity of the Company is property investment and development.

The results for the period and the financial position at the period end were considered satisfactory by the directors.

Results and dividends

The results for the period are set out on page 5.

The directors do not recommend payment of an ordinary dividend.

Directors

The following directors have held office since 5 April 2006:

T Dwyer	(Appointed 30 November 2006)
N S K Shattock	(Appointed 28 April 2006)
R J Worthington	(Appointed 28 April 2006)
A R Wyatt	(Appointed 28 April 2006)
Velocity Company (Holdings) Limited	(Appointed 5 April 2006 and resigned 28 April 2006)

Directors' interests

There are no directors' interests requiring disclosure under the Companies Act 1985. The directors listed above at 31 March 2006, are also directors of the ultimate parent company and, as such, their interests in the share and loan capital of that company are shown in its directors' report.

Auditors

KPMG Audit Plc were appointed auditors to the Company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

QUINTAIN (SALFORD) LIMITED (FORMERLY VELOCITY 322 LIMITED)

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2007

Directors' responsibilities

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 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

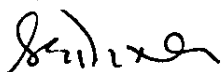
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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.

Statement of disclosure to auditor

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/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board



S Dixon

Secretary

15 January 2008

QUINTAIN (SALFORD) LIMITED (FORMERLY VELOCITY 322 LIMITED)

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF QUINTAIN (SALFORD) LIMITED (FORMERLY VELOCITY 322 LIMITED)

We have audited the financial statements of Quintain (Salford) Limited (formerly Velocity 322 Limited) for the period ended 31 March 2007 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 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 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.

QUINTAIN (SALFORD) LIMITED (FORMERLY VELOCITY 322 LIMITED)

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF QUINTAIN (SALFORD) LIMITED (FORMERLY VELOCITY 322 LIMITED)

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 March 2007 and of its profit for the period then ended,
- the information given in the directors' report is consistent with the financial statements, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985



KPMG Audit Plc

15 January 2008

Chartered Accountants

Registered Auditor

8 Salisbury Square
London
EC4Y 8BB

QUINTAIN (SALFORD) LIMITED (FORMERLY VELOCITY 322 LIMITED)

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 MARCH 2007

	Notes	Period ended 31 March 2007 £
Profit on sale of tangible assets		1,414,174
Profit on ordinary activities before interest		1,414,174
Other interest receivable and similar income	3	88,874
Profit on ordinary activities before taxation		1,503,048
Tax on profit on ordinary activities	4	-
Profit for the period	9	1,503,048

The profit and loss account 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

QUINTAIN (SALFORD) LIMITED (FORMERLY VELOCITY 322 LIMITED)

BALANCE SHEET

AS AT 31 MARCH 2007

	Notes	2007 £	£
Current assets			
Debtors	6	6,049,203	
Creditors: amounts falling due within one year	7	<u>(45,155)</u>	
Net assets			<u>6,004,048</u>
Capital and reserves			
Called up share capital	8	4,501,000	
Profit and loss account	9	<u>1,503,048</u>	
Shareholders' funds	10		<u>6,004,048</u>

Approved by the Board and authorised for issue on 15 January 2008



R J Worthington
Director

QUINTAIN (SALFORD) LIMITED (FORMERLY VELOCITY 322 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2007

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of investment properties and in accordance with all applicable United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice) and the requirements of the Companies Act 1985, except as explained below

Under the provision of FRS 1 (Revised), Cash Flow Statements, the Company has not prepared a cashflow statement because its ultimate parent company, Quintain Estates and Development PLC, which is incorporated in Great Britain, has prepared consolidated financial statements which include the financial statements of the Company for the year and which contain a cashflow statement

1.2 Tangible fixed assets and depreciation

In accordance with SSAP 19, Accounting for Investment Properties, no depreciation is provided in respect of the Company's freehold investment properties and leasehold investment properties with over 20 years to run. This represents a departure from the provisions of the Companies Act 1985 which requires all properties to be depreciated. Such properties are held not for consumption but for investment and the directors consider that to depreciate them would not give a true and fair view. Depreciation is only one of the many factors reflected in the annual valuation of properties and accordingly the amount of depreciation which might otherwise have been charged cannot be separately identified or quantified.

1.3 Deferred taxation

Deferred tax is recognised on all timing differences that have originated but not reversed at the balance sheet date, except that as permitted by FRS 19, Deferred Tax, no provision is made for the tax on unrealised property revaluation surpluses. Deferred tax assets are recognised to the extent that they are considered recoverable.

1.4 Disposals

Sales of properties are recognised in the accounts if an unconditional contract is exchanged by the balance sheet date and the sale is completed before the accounts are approved by the Board. Profits or losses arising from the sale of investment properties are calculated by reference to book value and treated as exceptional items while those arising from the sale of trading properties are included in the profit and loss account as part of the operating profit of the Company.

2 Operating result

Fees of £700 paid to the Company's auditor, KPMG Audit Plc, for the audit of the Company have been wholly borne by the ultimate parent company, Quintain Estates and Development PLC.

Fees paid to the Company's auditor and its associates for services other than the statutory audit of the Company are not disclosed since the consolidated accounts of the ultimate parent are required to disclose non-audit fees on a consolidated basis.

All of the directors who served during the period, with the exception of Velocity Company (Holdings) Limited, are also directors of the ultimate parent company. Their remuneration for services as directors to the group is wholly borne by and disclosed in the accounts of that company in the current period. Velocity Company (Holdings) Limited received no remuneration during the period.

There were no employees other than the directors during the year.

QUINTAIN (SALFORD) LIMITED (FORMERLY VELOCITY 322 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2007

3	Interest receivable	Period ended 31 March 2007 £
----------	----------------------------	---

Interest from group companies	88,874
-------------------------------	--------

4	Taxation	Period ended 31 March 2007 £
----------	-----------------	---

Current tax charge	-
--------------------	---

Factors affecting the tax charge for the period

Profit on ordinary activities before taxation	1,503,048
---	-----------

Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00%	450,914
---	---------

Effects of	
Profit on sale of tangible assets	(424,252)
Tax losses utilised	(26,662)
	(450,914)

Current tax charge	-
--------------------	---

Group relief has been (claimed)/surrendered for nil consideration

5	Tangible fixed assets	Investment properties £
----------	------------------------------	--

Cost

At 5 April 2006	-
-----------------	---

Additions	4,260,166
-----------	-----------

Disposals	(4,260,166)
-----------	-------------

At 31 March 2007	-
------------------	---

QUINTAIN (SALFORD) LIMITED (FORMERLY VELOCITY 322 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2007

6	Debtors	2007 £
	Amounts owed by group undertakings	<u>6,049,203</u>
7	Creditors' amounts falling due within one year	2007 £
	Trade creditors	4,113
	Taxation and social security	41,042
		<u>45,155</u>
8	Share capital	2007 £
	Authorised	
	10,000,000 ordinary shares of £1 each	<u>10,000,000</u>
	Allotted, called up and fully paid	
	4,501,000 ordinary shares of £1 each	<u>4,501,000</u>
<p>1 of these shares was allotted on 5 April 2006. A further 999 shares were then allotted on 28 April 2006 with the remaining 4,500,000 allotted on 5 June 2006. All shares were issued at par.</p>		
9	Statement of movements on profit and loss account	Profit and loss account £
	Balance at 5 April 2006	-
	Profit for the period	<u>1,503,048</u>
	Balance at 31 March 2007	<u>1,503,048</u>

QUINTAIN (SALFORD) LIMITED (FORMERLY VELOCITY 322 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2007

10 Reconciliation of movements in shareholders' funds	2007
	£
Profit for the financial period	1,503,048
Proceeds from issue of shares	4,501,000
	<hr/>
Net addition to shareholders' funds	6,004,048
Opening shareholders' funds	-
	<hr/>
Closing shareholders' funds	6,004,048
	<hr/>

11 Control

The Company's immediate and ultimate parent company is Quintain Estates and Development PLC. The only group in which results of the Company are consolidated is that headed by Quintain Estates and Development PLC. Group financial statements are available on request from 16 Grosvenor Street, London W1K 4QF.

12 Related party transactions

The Company has taken advantage of the exemption in FRS 8, Related Party Disclosures, from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company, Quintain Estates and Development PLC.