

COMPANIES REGISTRY COPY

**Consolidated Equity Funding (No.2)
Limited
Financial Statements
31 December 2007**

Company Registration Number 5833668

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Consolidated Equity Funding (No.2) Limited

Financial Statements

Year ended 31 December 2007

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Consolidated Equity Funding (No.2) Limited

Officers and Professional Advisers

The Board of Directors

Mr P Shalson
Mr S J Pollins

Company Secretary

Mr R M Lipman

Registered Office

Lanmor House
370/386 High road
Wembley
Middlesex
HA9 6AX

Auditor

Landau Morley LLP
Chartered Accountants
& Registered Auditors
Lanmor House
370/386 High Road
Wembley
Middlesex
HA9 6AX

Consolidated Equity Funding (No.2) Limited

The Directors' Report *(continued)*

Year ended 31 December 2007

The directors present their report and the financial statements of the company for the year ended 31 December 2007

Principal Activities and Business Review

The company commenced to trade on 17 April 2007 as providers of finance

Future Developments

In the years ahead the directors believe that there is considerable scope for the development of the existing activities of the company. There are no current plans for the diversification of activities.

Results and Dividends

The loss for the year amounted to £11,582. The directors have not recommended a dividend.

Directors

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

Mr P Shalson

Mr S J Pollins

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.

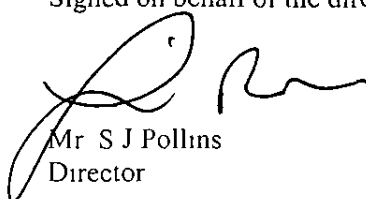
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets 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.

Signed on behalf of the directors



Mr S J Pollins
Director

Approved by the directors on 31 October 2008

Consolidated Equity Funding (No.2) Limited

Independent Auditor's Report to the Shareholders of Consolidated Equity Funding (No.2) Limited

Year ended 31 December 2007

We have audited the financial statements of Consolidated Equity Funding (No 2) Limited for the year ended 31 December 2007 on pages 5 to 8, which have been prepared on the basis of the accounting policies set out on page 7

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an auditor's 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

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.

Consolidated Equity Funding (No.2) Limited

Independent Auditor's Report to the Shareholders of Consolidated Equity Funding (No.2) Limited *(continued)*

Year ended 31 December 2007

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 December 2007 and of its result 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



Lanmor House
370/386 High Road
Wembley
Middlesex
HA9 6AX

LANDAU MORLEY LLP
Chartered Accountants
& Registered Auditors

31 October 2008

Consolidated Equity Funding (No.2) Limited

Profit and Loss Account

Year ended 31 December 2007

	Note	2007 £	2006 £
Turnover		–	–
Administrative expenses		32,595	–
Operating Loss	2	(32,595)	–
Interest receivable		92,205	–
Interest payable and similar charges	4	(71,192)	–
Loss on Ordinary Activities Before Taxation		(11,582)	–
Tax on loss on ordinary activities		–	–
Loss for the Financial Year		(11,582)	–

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 7 to 8 form part of these financial statements

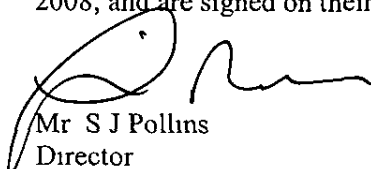
Consolidated Equity Funding (No.2) Limited

Balance Sheet

31 December 2007

	Note	2007 £	£	2006 £	£
Current Assets					
Debtors	5	2,797,205		100	
Creditors: Amounts Falling due Within One Year	6	<u>2,808,687</u>		<u>—</u>	
Net Current (Liabilities)/Assets			(11,482)		<u>100</u>
Total Assets Less Current Liabilities			<u>(11,482)</u>		<u>100</u>
Capital and Reserves					
Called-up equity share capital	8		100		100
Profit and loss account			<u>(11,582)</u>		<u>—</u>
(Deficit)/Shareholders' Funds	9		<u>(11,482)</u>		<u>100</u>

These financial statements were approved by the directors and authorised for issue on 31 October 2008, and are signed on their behalf by



Mr S J Pollins
Director

The notes on pages 7 to 8 form part of these financial statements

Consolidated Equity Funding (No.2) Limited

Notes to the Financial Statements

Year ended 31 December 2007

1. Accounting Policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention

Going Concern

The Financial Statements have been prepared on a going concern basis as support has been arranged which will enable the company to pay its debts as they fall due

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

Financial Instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

2. Operating Loss

Operating loss is stated after charging

	2007 £	2006 £
Auditor's remuneration		
- as auditor	<u>1,500</u>	<u>-</u>

3. Particulars of Employees

No salaries or wages have been paid to employees, including the directors, during the year

4. Interest Payable and Similar Charges

	2007 £	2006 £
Interest payable on bank borrowing	<u>71,192</u>	<u>-</u>

5 Debtors

	2007 £	2006 £
Amounts owed by group undertakings	-	100
Amounts owed by related undertakings	2,705,000	-
Prepayments and accrued income	<u>92,205</u>	<u>-</u>
	<u>2,797,205</u>	<u>100</u>

Amounts owed by related undertakings comprise loans to joint venture projects in which another group company has an interest

Amounts owed by group undertakings in 2006 comprised amounts owed by SGI Limited, the parent undertaking

Consolidated Equity Funding (No.2) Limited

Notes to the Financial Statements

Year ended 31 December 2007

6. Creditors: Amounts Falling due Within One Year

	2007	2006
	£	£
Bank loans and overdrafts	2,705,000	—
Amounts owed to group undertakings	102,187	—
Accruals and deferred income	1,500	—
	<u>2,808,687</u>	<u>—</u>

Amounts owed to group undertakings comprises amounts owed to SGI Limited, the parent undertaking

7. Related Party Transactions

The company was under the control of Mr P Shalson throughout the current year

Interest receivable of £92,205 on loans to joint venture projects in which another group company has an interest is included in the profit and loss account and also in prepayments and accrued income at the year end

8. Share Capital

Authorised share capital:

	2007	2006
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2007		2006	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

9. Reconciliation of Movements in Shareholders' Funds

	2007	2006
	£	£
Loss for the financial year	(11,582)	—
New ordinary share capital subscribed	—	100
Net (reduction)/addition to shareholders' funds	(11,582)	100
Opening shareholders' funds	100	—
Closing shareholders' (deficit)/funds	<u>(11,482)</u>	<u>100</u>

10. Ultimate Parent Company

The ultimate parent undertaking, SGI Limited, owns 100% of the company, being 100 ordinary shares of £1 each. SGI Limited is registered in England, is an investment holding company and trades as management consultants.