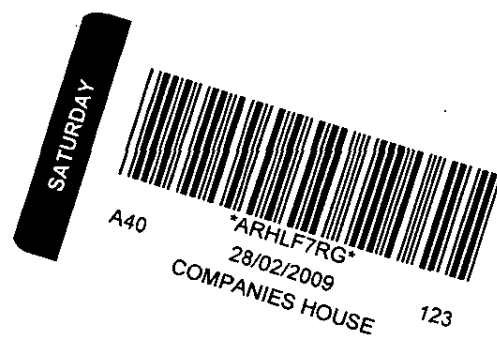


FRENSON 2 LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 MARCH 2008

Company number 6008235



FRENSON 2 LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2008

CONTENTS	Page
Directors' Report	1 - 2
Auditors' Report	3
Balance Sheet	4
Notes to Financial Statements	5

FRENSON 2 LIMITED

DIRECTORS' REPORT

PERIOD ENDED 31 MARCH 2008

The directors present their annual report together with the audited financial statements for the period ended 31 March 2008.

INCORPORATION

The company was incorporated on 23 November 2006.

PRINCIPAL ACTIVITY

The company acts as a nominee for its shareholders in respect of their joint ownership and letting of various properties. It has entered into a Declaration of Trust under which it acknowledges that it holds the properties in trust for its shareholders: as to 75% for a company controlled by City & General Securities Limited and as to 25% for ML Stone. At the direction of its shareholders the company has entered into a loan agreement for £4,887,500 under which it has assumed an obligation to repay all secured amounts and has charged its bare legal interest in the properties to the bank as security, such charge being made with the consent of the shareholders. The shareholders have given the bank a third party charge over their respective beneficial interests in the properties to secure the company's obligation to repay the secured amounts.

RESULTS FOR THE YEAR

No income or expenditure arose during the period. The company has elected not to present a profit and loss account.

DIVIDENDS

The directors do not recommend the payment of a dividend.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the period were as follows:

haysmacintyre Company Directors Limited (resigned 23 November 2006)
W J Dixon (appointed 23 November 2006)
M L Stone (appointed 23 November 2006)
T S Cole (appointed 23 November 2006)
S R Collins (appointed 23 November 2006)
M N Steinberg (appointed 23 November 2006)

None of the directors at 31 March 2008 held any interest in the shares of the company, except for M L Stone who holds 25 Ordinary Shares of £1.

Details of the directors' interests in the shares of the holding company City & General Securities Limited are given in the directors' report 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 year. 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

FRENSON 2 LIMITED

DIRECTORS' REPORT (continued)

PERIOD ENDED 31 MARCH 2008

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

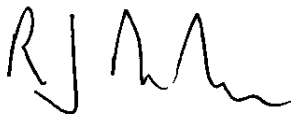
STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company in order to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention of fraud and other irregularities.

So far as each of the directors is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are 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 auditors are aware of that information.

BY ORDER OF THE BOARD ON 6th November 2008



R J De Barr
Secretary

Registered office:
10 Upper Berkeley Street
London, W1H 7PE

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FRENSEN 2 LIMITED

We have audited the financial statements of Frensen 2 Limited for the period ended 31 March 2008 which comprise 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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 and whether the information given in the Directors' Report is consistent with the financial statements. We also 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

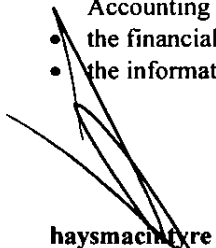
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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.

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;
- 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.



haysmacintyre
Chartered Accountants
Registered Auditors

Fairfax House
15 Fulwood Place
London
WC1V 6AY

6th November 2008

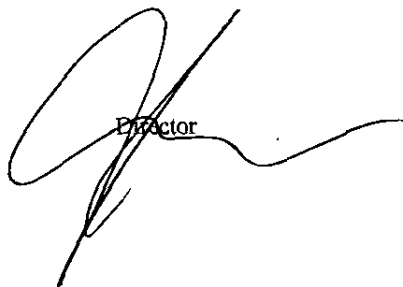
FRENSON 2 LIMITED

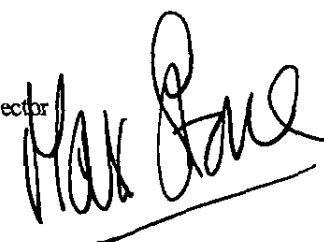
BALANCE SHEET

AT 31 MARCH 2008

	Notes	2008 £
CURRENT ASSETS		
Debtors	2	100
NET CURRENT ASSETS		<u>£100</u>
CAPITAL AND RESERVES		
Called up share capital	3	100
SHAREHOLDERS' FUNDS		<u>£100</u>

The financial statements were approved and authorised for issue by the board of directors on 6th November 2008 and signed below on its behalf by:


Director


Director

FRENSON 2 LIMITED**NOTES TO THE FINANCIAL STATEMENTS****PERIOD ENDED 31 MARCH 2008**

1. ACCOUNTING POLICIES**Basis of preparation**

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

2. DEBTORS**2008**
£

Other debtors £100

All amounts due for payment within one year

3. SHARE CAPITAL**Authorised:**

100 Ordinary shares of £1 each £100

Issued, allotted and unpaid

100 Ordinary shares of £1 each £100

4. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**2008**
£

Issue of share capital 100

Net movement in shareholders' funds 100

Opening shareholders funds -

Closing shareholders' funds £100

1 ordinary subscriber share of £1 was issued on incorporation, with a further 99 ordinary shares of £1 each allotted on the same day.

5. ULTIMATE CONTROLLING PARTIES

The largest and smallest group into which the company is consolidated is City & General Securities Limited which is registered in England and Wales.

Group financial statements for City & General Securities Limited are available to the public on payment of the appropriate fee, from Companies House, Crown Way, Cardiff, CF14 3UZ. The company is ultimately controlled by the directors.