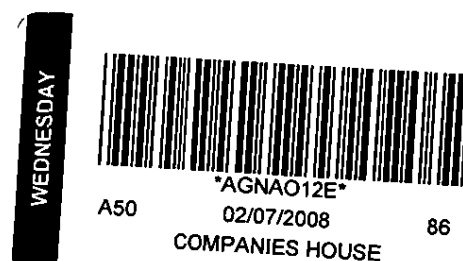


LSI Management LLP

Report and Financial Statements

Period Ended 31 March 2008



BDO Stoy Hayward
Chartered Accountants

LSI Management LLP

Report and financial statements for the period ended 31 March 2008

Contents

Page:

1	Report of the members
3	Report of the independent auditors
5	Profit and loss account
6	Balance sheet
7	Notes forming part of the financial statements

Limited Liability Partnership (“LLP”) information

Designated members

H R Mould
P L Vaughan
H J M Price
S Little
T J Bishop
J Duzniak
J Jessop
GEAM L&S Management Investor (Scotland)

Registered office

21 St James’s Square, London, SW1Y 4JZ

Partnership registration number

OC329452

Auditors

BDO Stoy Hayward LLP, Emerald House, East Street, Epsom, Surrey, KT17 1HS

LSI Management LLP

Report of the members for the period 31 March 2008

The members present their report together with the audited financial statements for the first period ended 31 March 2008

Date of incorporation

The limited liability partnership ("the LLP") was incorporated on 28 June 2007

Results and drawings

The profit and loss account is set out on page 5 and shows a profit for the period under review, before members' remuneration and profit shares, of £1,066,309 Total members drawings in the period were £591,991

Principal activities, business review and future developments

The principal activity of the LLP is to provide investment advisory and property management services to London and Stamford Property Ltd, a company incorporated and registered in Guernsey and listed on the AIM market of the London Stock Exchange The LLP is authorised by the Financial Services Authority to carry out such activities

Designated members

The following individuals were designated members (as defined in the Limited Liability Partnerships Act 2000) during the period

P L Vaughan	(appointed 28 June 2007)
H J M Price	(appointed 28 June 2007)
H R Mould	(appointed 10 September 2007)
S M Little	(appointed 10 September 2007)
T J Bishop	(appointed 10 September 2007)
J Z Duzniak	(appointed 10 September 2007)
J Jessop	(appointed 10 September 2007)
GEAM L&S Management Investor (Scotland)	(appointed 10 September 2007)

Policies for profit shares, distributions, subscription for and repayment of members' capital are set out in the LLP agreement and are summarised in note 10

Statement of members' responsibilities in respect of the financial statements

The members are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

The Limited Liability Partnerships Act 2000 requires the members to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that period In preparing those financial statements, the members are required to

LSI Management LLP

Report of the members for the period ended 31 March 2008 (*continued*)

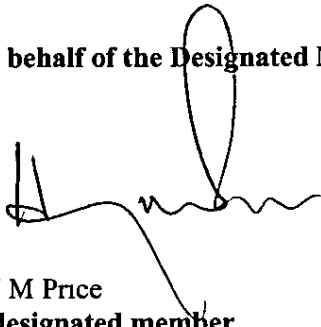
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business

The members are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the LLP and to enable them to ensure that the financial statements comply with the Limited Liability Partnerships Act 2000. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

BDO Stoy Hayward LLP were appointed as auditors of the LLP during the period and have expressed their willingness to continue in office.

On behalf of the Designated Members

A handwritten signature in black ink, appearing to be 'H J M Price', with a large loop at the end.

H J M Price
A designated member

26th June 2008

LSI Management LLP

Report of the independent auditors

To the members of LSI Management LLP

We have audited the financial statements of LSI Management LLP for the period ended 31 March 2008 on pages 5 to 12. These financial statements have been prepared under the accounting policies set out on page 7.

Respective responsibilities of members and auditors

As described in the Statement of Members' Responsibilities the members of the limited liability partnership 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 Limited Liability Partnerships Act 2000 and whether the information in the Members' Report is consistent with those financial statements. We also report to you if, in our opinion, the limited liability partnership has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read the Members' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Limited Liability Partnerships Act 2000, and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Limited Liability Partnerships Act 2000, or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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 members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the limited liability partnership'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.


LSI Management LLP

Report of the independent auditors (*Continued*)

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 affairs of the limited liability partnership as at 31 March 2008 and of its profit for the period then ended,
- the financial statements have been properly prepared in accordance with the Limited Liability Partnerships Act 2000
- the information given in the Member's Report is consistent with the financial statements



BDO STOY HAYWARD LLP
*Chartered Accountants
and Registered Auditors*
Epsom

26th June 2008

LSI Management LLP

Profit and loss account for the period ended 31 March 2008

	Note	Period ended 31 March 2008 £
Turnover	2	1,931,802
Administrative expenses		(842,191)
		<hr/>
Operating profit	5	1,089,611
Net interest payable and similar charges	6	(23,302)
		<hr/>
Profit for the financial period before members' remuneration and profit shares, available for discretionary division among members	4,10	1,066,309
Members' remuneration and profit shares	4	591,991
		<hr/>
Profit for the financial period after members' remuneration and profit shares		474,318
		<hr/> <hr/>

All amounts relate to continuing activities

There were no differences between historical cost profit and reported profit for the period

All recognised gains and losses are included in the profit and loss account

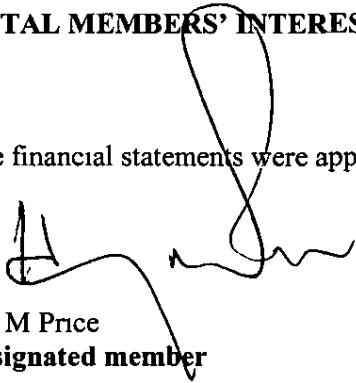
The notes on pages 7 to 12 form part of these financial statements

LSI Management LLP

Balance sheet at 31 March 2008

	Note	31 March 2008 £	31 March 2008 £
Fixed assets			
Tangible assets	7		304,573
Current assets			
Debtors			
amounts falling due within one year	8	1,593,048	
amounts falling due in more than one year	8	121,637	
Cash at bank and in hand		641,395	
		<hr/>	
		2,356,080	
Creditors: amounts falling due within one year	9	(1,686,335)	
Net current assets		<hr/>	669,745
Total assets less current liabilities			<hr/> 974,318
Creditors: amounts falling due after more than one year			<hr/> -
NET ASSETS ATTRIBUTABLE TO MEMBERS			<hr/> <hr/> 974,318
REPRESENTED BY:			
Non Equity			
Loans and other debts due to members within one year	10		-
Equity			
Members' capital	10		500,000
Members' other reserves	10		474,318
			<hr/>
TOTAL MEMBERS' INTERESTS			<hr/> <hr/> 974,318

The financial statements were approved by the Members on 26th June 2008 and authorised for issue by



H J M Price
Designated member

The notes on pages 7 to 12 form part of these financial statements

LSI Management LLP

Notes forming part of the financial statements for the period ended 31 March 2008

1 Accounting policies

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards and the Statement of Recommended Practice "Accounting by Limited Liability Partnerships (March 2006)"

The following principal accounting policies have been applied

Turnover

Turnover represents management and performance fees received for investment advisory and property management services to London and Stamford Property Ltd

Taxation

The financial statements do not incorporate any charge or liability for taxation on the results of the LLP, as the relevant income tax is the responsibility of the individual members

Pensions

The LLP makes contributions to the personal pension schemes of certain members and employees on a fixed contribution basis. The contributions are charged to the profit and loss account in the period in which they become payable.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets, where applicable, is charged to the profit and loss account over the shorter of estimated useful economic life and the period of the lease.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets on a straight line basis over their expected useful lives as follows

Fixtures, fittings and office equipment	-	10 years
Computer equipment	-	4 years
Leasehold improvements	-	7 years

Impairment of fixed assets

The need for any fixed asset impairment write-down is assessed by comparison of the carrying value of the asset against the higher of realisable value and value in use.

LSI Management LLP

Notes forming part of the financial statements for the period ended 31 March 2008 *(Continued)*

2 Turnover

Turnover is wholly attributable to the principal activities undertaken by the LLP and arises solely from operations within the United Kingdom

3 Employees

	Period ended 31 March 2008 £
Staff costs consist of	
Wages and salaries	153,722
Social security costs	12,210
Other pension costs	14,105
	<hr/> 180,037 <hr/>

The average number of employees of the Partnership, excluding members, during the period was 7 All of the employees were involved in management or administration

4 Members' profit shares

Profits (and losses) are shared among the members in accordance with the agreed profit sharing arrangements within the LLP partnership agreement as summarised in note 10 Members are required to make their own provisions for taxation from their remuneration and profit shares

Members' salaried remuneration for the period is disclosed below

	Period ended 31 March 2008 £
Members' remuneration consists of:	
Fees and emoluments paid for management services (inclusive of benefits in kind)	559,304
Pension contributions to members' personal pension schemes	32,687
	<hr/> 591,991 <hr/>

The average number of members during the period was 7 The LLP made pension contributions on behalf of four designated members in the period The emoluments of the highest paid member were £118,922 No pension contributions were made by the LLP on his behalf

LSI Management LLP

Notes forming part of the financial statements for the period ended 31 March 2008 (Continued)

5 Operating profit

Period ended
31 March
2008
£

This has been arrived at after charging

Depreciation on tangible fixed assets	34,262
Hire of land and buildings – operating leases	65,960
Hire of land and buildings – operating leases UITF 28	120,669
Hire of other assets– operating leases	1,662
Auditors' remuneration - audit services	7,500
Auditors' remuneration - non-audit services	7,500

6 Net Interest payable and similar charges

Period ended
31 March
2008
£

Payable on conditional shares	(38,632)
Bank interest receivable	15,330
	23,302

7 Tangible fixed assets

	Computer equipment £	Fixtures and fittings £	Leasehold improvements £	Total £
<i>Cost</i>				
Additions	32,458	80,481	225,896	338,835
Disposals	-	(23,101)	-	(23,101)
At 31 March 2008	32,458	57,380	225,896	315,734
<i>Depreciation</i>				
Charge in the period	5,573	3,218	3,496	12,287
Disposals	-	(1,126)	-	(1,126)
At 31 March 2008	5,573	2,092	3,496	11,161
<i>Net book value</i>				
At 31 March 2008	26,885	55,288	222,400	304,573

LSI Management LLP

Notes forming part of the financial statements for the period ended 31 March 2008 (*Continued*)

8 Debtors

	31 March 2008 £
<i>Amounts receivable within one year</i>	
Trade debtors	1,410,793
Prepayments and accrued income	160,469
Unamortised formation costs	21,786
	<u>1,593,048</u>
<i>Amounts receivable in more than one year</i>	
Unamortised formation costs	121,637
	<u>1,714,685</u>

The partnership incurred formation costs of £152,500. This cost is being amortised on a straight line basis over 7 years, being the expected life of the partnership.

9 Creditors: amounts falling due within one year

	31 March 2008 £
Trade creditors	143,292
Tax and social security costs	7,714
VAT payable	108,967
Deferred income	1,205,313
Other accruals	221,049
	<u>1,686,335</u>

LSI Management LLP

Notes forming part of the financial statements for the period ended 31 March 2008 (Continued)

10 Total members' interests

	<u>Equity</u>			<u>Non Equity</u>	
	<u>Members'</u>	<u>Other</u>	<u>Total</u>	<u>Loans and</u>	<u>Total</u>
	<u>capital</u>	<u>reserves</u>		<u>other debts</u>	<u>interests</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>due to/(from)</u>	<u>£</u>
				<u>members</u>	
				<u>£</u>	
Members' interests					
Capital introduced by members on incorporation	500,000	-	500,000	-	500,000
Profit for the period available for discretionary division among members	-	1,066,309	1,066,309	-	1,066,309
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Members' interests after profit for the period	500,000	1,066,309	1,566,309	-	1,566,309
Allocation of profits	-	(591,991)	(591,991)	591,991	-
Distributions to members					
Current period drawings	-	-	-	(591,991)	(591,991)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2008	500,000	474,318	974,318	-	974,318
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Capital

The interests of the members in the LLP comprise A units and B units. The initial partnership capital of £500,000 was paid by the members in proportion to the number of A units held. Members may be invited by written notice to make further capital contributions as required from time to time pro rata to their respective holdings of A units at the date of the written notice. If any member elects not to make an additional capital contribution, the shortfall can be funded by the other members and additional A units allocated accordingly. Interest is not paid on the capital invested.

A member does not have the right to withdraw or receive back any capital contribution made to the LLP, except with the consent of all the other members, or upon the termination or liquidation of the LLP.

Profit shares and distributions

Profits and losses are shared between the members, first in accordance with each member's Fixed Distribution as specified in the partnership agreement, and then the balance is allocated in proportion to the number of A and B units held by each member. The Fixed Distribution is distributed in equal monthly instalments. Members may agree to retain profits required by the LLP for business. Any remaining profits are taken to 'other reserves' within members' interests on the balance sheet and ultimately distributed. At 31 March 2008 profit available for distribution and not distributed to members amounted to £474,318. This was distributed in May 2008.

Any loans and other debts due to members outstanding at the period end would rank alongside other creditors in the event of a winding up.

LSI Management LLP

Notes forming part of the financial statements for the period ended 31 March 2008 (*Continued*)

11 Commitments under operating leases

Annual commitments under non-cancellable operating leases at the balance sheet date were as follows:

	Land and buildings 31 March 2008	Other 31 March 2008
	£	£
Operating leases which expire or have break options		
Within one year	-	-
In two to five years	-	9,387
Over five years	668,977	-

12 Related party transactions

On 30 October 2007, the LLP entered into an agreement to provide investment advisory and property management services to London and Stamford Property Ltd. Turnover includes a management fee recognised for the period of £1,931,802. London and Stamford Property Ltd had prepaid management fees of £1,205,313 to the LLP at 31 March 2008, which is included in creditors.

Mr H J M Price, Mr H R Mould and Mr P L Vaughan are all non-executive directors and shareholders in London and Stamford Property Ltd. All other members of the LLP are also shareholders in London and Stamford Property Ltd.

13 Post balance sheet events

On 22 April 2008 the LLP entered into an agreement to provide property advisory services to the LSP Cavendish Property Trust, a unit trust established in Guernsey to invest in commercial property.

14 Cash flow statement

The LLP has used the exemption under Financial Reporting Standard 1, "Cash Flow Statements", not to prepare a cash flow statement as the limited liability partnership meets the definition of a small entity based on the small entities exemption in limited liability partnerships' legislation.

15 Ultimate controlling party

There is no one individual member with a controlling voting interest in the LLP.