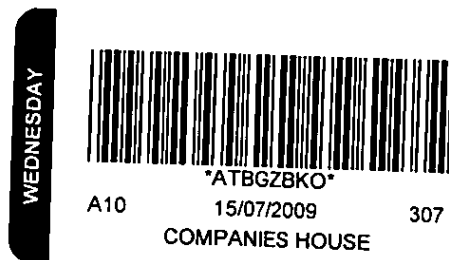


LSI Management LLP

Report and Financial Statements

Year Ended 31 March 2009



BDO Stoy Hayward
Chartered Accountants

LSI Management LLP

Report and financial statements for the year ended 31 March 2009

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Limited Liability Partnership (“LLP”) information

Designated members

H R Mould
P L Vaughan
H J M Price
S Little
T J Bishop
M F McGann
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 year ended 31 March 2009

The members present their report together with the audited financial statements for the year ended 31 March 2009.

Results and drawings

The profit and loss account is set out on page 5 and shows a profit for the year under review, before members' remuneration and profit shares, of £4,179,629 (2008: £1,066,309). Total members drawings in the year were £2,673,019 (2008: £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 and LSP Green Park Property Trust. 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 year:

H R Mould
P L Vaughan
H J M Price
S M Little
T J Bishop
M F McGann (appointed 1 October 2008)
J Z Duzniak
J Jessop
GEAM L&S Management Investor (Scotland)

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 Regulations 2001 requires the members to prepare financial statements for each financial year 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 year. In preparing those financial statements, the members are required to:

- 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.

LSI Management LLP

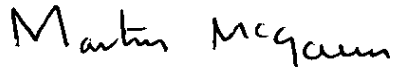
Report of the members for the year ended 31 March 2009 *(continued)*

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 Regulations 2001. 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 have expressed their willingness to continue in office.

On behalf of the Designated Members



M McGann

A designated member

26th June 2009

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 year ended 31 March 2009 on pages 5 to 13. These financial statements have been prepared under the accounting policies set out on pages 7 and 8.

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 Regulations 2001 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 Regulations 2001, 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 Regulations 2001, 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.

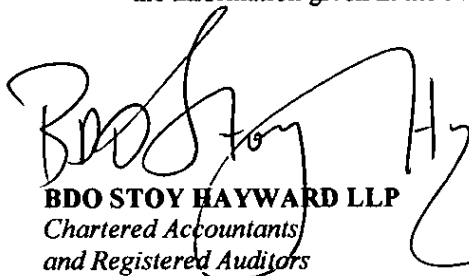
LSI Management LLP

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 2009 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Limited Liability Partnerships Regulations 2001
- 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 2009

LSI Management LLP**Profit and loss account for the year ended 31 March 2009**

	Note	Year ended 31 March 2009 £	Period ended 31 March 2008 £
Turnover	2	6,403,400	1,931,802
Administrative expenses		(2,245,563)	(842,191)
Operating profit	5	4,157,837	1,089,611
Net interest receivable/(payable)	6	21,792	(23,302)
Profit for the financial year/period before members' remuneration and profit shares	4,10	4,179,629	1,066,309
Members' remuneration charged as an expense	4	1,622,167	591,991
Profit for the financial year/period after members' remuneration available for discretionary division among members		2,557,462	474,318

All amounts relate to continuing activities.

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

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

The notes on pages 7 to 13 form part of these financial statements.

LSI Management LLP**Balance sheet at 31 March 2009**

	Note	31 March 2009 £	31 March 2009 £	31 March 2008 £	31 March 2008 £
Fixed assets					
Tangible assets	7		500,971		304,573
Current assets					
Debtors:					
amounts falling due within one year	8	2,941,761		1,593,048	
amounts falling due in more than one year		99,851		121,637	
Cash at bank and in hand		607,075		641,395	
		<u>3,648,687</u>		<u>2,356,080</u>	
Creditors: amounts falling due within one year	9	<u>(1,668,730)</u>		<u>(1,686,335)</u>	
Net current assets			<u>1,979,957</u>		<u>669,745</u>
Total assets less current liabilities			<u>2,480,928</u>		<u>974,318</u>
Creditors: amounts falling due after more than one year			<u>-</u>		<u>-</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS			<u><u>2,480,928</u></u>		<u><u>974,318</u></u>
REPRESENTED BY:					
Non Equity					
Loans and other debts due to members within one year	10		-		-
Equity					
Members' capital	10		500,000		500,000
Members' other reserves	10		1,980,928		474,318
TOTAL MEMBERS' INTERESTS			<u><u>2,480,928</u></u>		<u><u>974,318</u></u>

The financial statements were approved by the Members on 26th June 2009 and authorised for issue by

Martin McGann

M McGann
Designated member

The notes on pages 7 to 13 form part of these financial statements.

LSI Management LLP

Notes forming part of the financial statements for the year ended 31 March 2009

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 and LSP Green Park Property Trust.

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 year 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

LSI Management LLP

Notes forming part of the financial statements for the year ended 31 March 2009 (Continued)

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.

2 Turnover

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

3 Employees

	Year ended 31 March 2009 £	Period ended 31 March 2008 £
Staff costs consist of:		
Wages and salaries	667,600	153,722
Social security costs	67,736	12,210
Other pension costs	71,155	14,105
	<u>806,491</u>	<u>180,037</u>

The average number of employees of the Partnership, excluding members, during the year was 12 (2008: 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' fixed remuneration for the year/period is disclosed below:

	Year ended 31 March 2009 £	Period ended 31 March 2008 £
Members' remuneration consists of:		
Fees and emoluments paid for management services	1,519,642	559,304
Pension contributions to members' personal pension schemes	102,525	32,687
	<u>1,622,167</u>	<u>591,991</u>

The average number of members during the year was 8 (2008: 7). The LLP made pension contributions

LSI Management LLP

Notes forming part of the financial statements for the year ended 31 March 2009 (Continued)

on behalf of five designated members in the year. The emoluments of the highest paid member were £307,581 (2008: £118,922). No pension contributions were made by the LLP on his behalf.

5 Operating profit

	Year ended 31 March 2009 £	Period ended 31 March 2008 £
This has been arrived at after charging:		
Depreciation on tangible fixed assets	85,973	34,262
Hire of land and buildings – operating leases	484,747	65,960
Hire of land and buildings – operating leases UITF 28	12,110	120,669
Hire of other assets– operating leases	9,098	1,662
Auditors' remuneration - audit services	10,000	7,500
Auditors' remuneration - non-audit services	10,000	7,500
	<u> </u>	<u> </u>

6 Net Interest payable and similar charges

	Year ended 31 March 2009 £	Period ended 31 March 2008 £
Payable on share capital issued to members but unpaid	-	(38,632)
Bank interest receivable	21,792	15,330
	<u> </u>	<u> </u>
	21,792	(23,302)
	<u> </u>	<u> </u>

LSI Management LLP

Notes forming part of the financial statements for the year ended 31 March 2009 (Continued)

7 Tangible fixed assets

	Computer equipment £	Fixtures and fittings £	Leasehold improvements £	Total £
<i>Cost</i>				
At 1 April 2008	32,458	57,380	225,896	315,734
Additions	16,426	48,282	217,928	282,636
Disposals	-	(330)	-	(330)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2009	48,884	105,332	443,824	598,040
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 April 2008	5,573	2,092	3,496	11,161
Charge in the period	16,986	10,414	58,536	85,936
Disposals	-	(28)	-	(28)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2009	22,559	12,478	62,032	97,069
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 March 2009	26,325	92,854	381,792	500,971
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 April 2008	26,885	55,288	222,400	304,573
	<hr/>	<hr/>	<hr/>	<hr/>

8 Debtors

	31 March 2009 £	31 March 2008 £
<i>Amounts receivable within one year:</i>		
Trade debtors	2,653,549	1,410,793
Prepayments and accrued income	266,426	160,469
Unamortised formation costs	21,786	21,786
	<hr/>	<hr/>
	2,941,761	1,593,048
<i>Amounts receivable in more than one year:</i>		
Unamortised formation costs	99,851	121,637
	<hr/>	<hr/>
	3,041,612	1,714,685
	<hr/>	<hr/>

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.

LSI Management LLP

Notes forming part of the financial statements for the year ended 31 March 2009 (Continued)

9 Creditors: amounts falling due within one year

	31 March 2009 £	31 March 2008 £
Trade creditors	29,198	143,292
Tax and social security costs	21,045	7,714
VAT payable	122,019	108,967
Deferred income	1,215,804	1,205,313
Other accruals	280,664	221,049
	<u>1,668,730</u>	<u>1,686,335</u>

10 Total members' interests

	<u>Equity</u>			<u>Non Equity</u> Loans and other debts due to/(from) members	Total interests
	Members' capital £	Other reserves £	Total £	£	£
Members' interests:					
At 1 April 2008	500,000	474,318	974,318	-	974,318
Profit for the financial year available for discretionary division among members	-	4,179,629	4,179,629	-	4,179,629
Members' interests after profit for the year	500,000	4,653,947	5,153,947	-	5,153,947
Allocated profits	-	(2,673,019)	(2,673,019)	2,673,019	-
Emoluments paid to members	-	-	-	(1,622,167)	(1,622,167)
Profit share paid to members	-	-	-	(1,050,852)	(1,050,852)
At 31 March 2009	<u>500,000</u>	<u>1,980,928</u>	<u>2,480,928</u>	<u>-</u>	<u>2,480,928</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

LSI Management LLP

Notes forming part of the financial statements for the year ended 31 March 2009 (Continued)

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 2009 profit available for distribution and not distributed to members amounted to £1,980,928 (2008: £474,318) which was fully distributed in July 2009.

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

11 Commitments under operating leases

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

	Land and buildings 2009 £	Other 2009 £	Land and buildings 2008 £	Other 2008 £
<i>Operating leases which expire or have break options:</i>				
Within one year	-	-	-	-
In two to five years	-	9,007	-	9,387
Over five years	664,877	-	668,977	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

12 Related party transactions

The Partnership receives management and performance fees from London and Stamford Property Limited ("LSP"). Mr H R Mould, Mr P L Vaughan and Mr M F McGann are all non-executive directors and shareholders in LSP.

Turnover includes management fees for the year of £4,754,051 (2008: £1,931,802) and performance fees of £399,529 (2008: £nil) from LSP. At 31 March 2009 £1,751,407 (2008: £1,410,793) remained outstanding and is reflected in debtors. Of this £1,215,804 (2008: £1,205,313) related to future periods and is reflected as deferred income in creditors.

On 22 April 2008, the LLP entered into an agreement to provide investment advisory and property management services to LSP Green Park Property Trust (previously known as LSP Cavendish Property Trust), a unit trust established in Guernsey to invest in commercial property. LSP has a 31.4% interest in LSP Green Park Property Trust. Mr H R Mould and MR P L Vaughan are directors of LSP Green Park Management Limited, the Manager of the Trust.

Turnover includes management fees for the year of £347,678 (2008: £nil) and performance fees of

LSI Management LLP

Notes forming part of the financial statements for the year ended 31 March 2009 *(Continued)*

£902,142 (2008: £nil) from LSPG. At 31 March 2009 £902,142 (2008: £nil) remained outstanding and is reflected in debtors.

All other members of the LLP are also shareholders in London and Stamford Property Ltd.

13 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.

The page which follows does not
form part of the statutory
financial statements of the limited liability partnership

LSI Management LLP**Detailed profit and loss account for the year ended 31 March 2009**

	Year ended 31 March 2009 £	Year ended 31 March 2009 £	Period ended 31 March 2008 £	Period ended 31 March 2008 £
Turnover		6,403,400		1,931,802
Administrative expenses				
Personnel costs	871,148		276,486	
Office rent, SC and rates	673,920		224,151	
Other office costs	214,346		80,519	
Travel and entertainment	108,055		34,620	
Audit and accountancy costs	19,900		15,000	
Legal and professional fees	89,708		68,481	
Depreciation	85,936		12,287	
Loss on disposal of fixed assets	37		21,975	
Formation costs	21,786		9,077	
Relocation costs	-		93,298	
Bank charges	12,751		5,719	
Other costs	147,976		578	
		(2,245,563)		(842,191)
Profit on ordinary activities before interest		4,157,837		1,089,611
Bank interest receivable		21,792		15,330
Interest payable and similar charges		-		(38,632)
Profit for the financial period before members' remuneration and profit shares		4,179,629		1,066,309