

Property Holding & Investment Trust Limited

Financial Statements 31 December 2005
together with directors' and auditors' reports

Registered number: 439083

THURSDAY



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COMPANIES HOUSE

Directors' Report

The Directors present their report and the audited financial statements for the year ended 31 December 2005.

Principal activities and business review

The Company's principal activity is that of a holding company whose subsidiaries previously engaged in real estate activities. Those activities have ceased. Neither the Company nor its subsidiaries have operated or controlled any business activities during the year ended 31 December 2005. The Company acts as guarantor of a fellow subsidiary's lease obligations.

Financial statements and dividend

The financial statements of the Company appear on pages 3 to 9 inclusive.

The result for the year is set out in the profit and loss account on page 3.

No interim dividend was declared during the year and the Directors do not recommend the payment of a final dividend in respect of the year ended 31 December 2005 (2004 - £Nil).

The holder of the issued and outstanding 4½ per cent. Cumulative Preference Shares of £1 each in the capital of the Company has waived its right to the fixed cumulative preferential dividend on those shares in respect of the year ended 31 December 2005.

Directors

Shown below are the Directors who served during the year and continue in office at the date of this report.

Trafalgar House Developments Limited
Trafalgar House Property Limited

Directors' interests

No Director has, or during the year had, any interest in the shares of the Company or any other company within the same group to be disclosed in terms of the Companies Act 1985 except for Trafalgar House Property Limited which is interested solely by reason of being the holding company of certain other companies within the same group.

Annual general meeting

The Company has dispensed with the laying of accounts and reports before the Company in general meeting and the holding of annual general meetings.

Auditor

KPMG Audit Plc has signified its willingness to continue in office.

Pursuant to a shareholders' resolution, the Company is not obliged to re-appoint its auditor annually and KPMG Audit Plc is, therefore, deemed re-appointed as auditor for the succeeding year.

Change of ultimate parent company and ultimate controlling party

At 31 December 2004 and until 1 April 2005, the Company was a member of the Kvaerner ASA Group of companies. The Company's immediate parent company was, and still is, Chase Property Holdings Limited, which company is an indirect subsidiary of TH Global plc (formerly Kvaerner PLC). At 1 April 2005, a management buy-out of certain assets and liabilities of Kvaerner ASA, including the shares of TH Global plc, took place with consequential change in the ultimate parent company and ultimate controlling party of the Company.

By order of the Board,

Rufus Laycock
Rufus Laycock
Secretary

Registered Office:
68 Hammersmith Road
London W14 8YW

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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.

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 judgments 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.

R/L

Independent auditors' report to the members of Property Holding & Investment Trust Limited

We have audited the financial statements of Property Holding & Investment Trust Limited for the year ended 31 December 2005 which comprises 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 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 on page 1, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 judgments 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 UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its result for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc

Chartered Accountants

Registered Auditor

8 Salisbury Square

London

EC4Y 8BB

16 February 2007

Property Holding & Investment Trust Limited

Profit And Loss Account for the Year Ended 31 December 2005

	Note	Year ended 31 December 2005 £	Year ended 31 December 2004 £
Property outgoings	2	-	14,289
Operating profit		-	14,289
Interest receivable and similar income		-	7
Amounts written off investments		-	(998)
Income from shares in group undertakings		-	685,431
Profit on ordinary activities before taxation	3	-	698,729
Taxation - on profit on ordinary activities	4	-	-
Retained profit for the financial year		-	698,729

The notes on pages 5 to 9 inclusive form part of this profit and loss account.

The Company has no recognised gains or losses other than the profit for the prior financial year. Accordingly, a statement of total recognised gains and losses has not been prepared.

The only movement in shareholders' funds is the profit for the financial year. Accordingly, a statement reconciling the movements in shareholders' funds has not been prepared.

R/L

Property Holding & Investment Trust Limited

Balance Sheet at 31 December 2005

	Note	31 December 2005		31 December 2004	
		£	£	£	£
Fixed assets					
Investments	5		26,867,956		26,892,958
Current assets					
Debtors	6	61,345,037		61,345,037	
Creditors: Amounts falling due within one year:					
Amount owed to intermediate parent undertaking		(548,522)		(548,522)	
Amounts owed to subsidiary Undertakings		(38,773,807)		(38,798,809)	
Other creditors		(6,673)		(6,673)	
		<u>(39,329,002)</u>		<u>(39,354,004)</u>	
Net current assets			22,016,035		21,991,033
Total assets less current liabilities			<u>48,883,991</u>		<u>48,883,991</u>
Capital and reserves					
Equity share capital			20,456,923		20,456,923
Non-equity share capital			499,377		499,377
Called up share capital	7		20,956,300		20,956,300
Share premium account			1,028,949		1,028,949
Profit and loss account			26,898,742		26,898,742
Equity and non-equity shareholders' funds			<u>48,883,991</u>		<u>48,883,991</u>

The notes on pages 5 to 9 inclusive form part of this balance sheet.

The financial statements were approved by the Board of Directors on 22 January 2007 and signed on its behalf by:

SIGNED ON BEHALF OF
WILSON HOUSE PROPERTY LIMITED
Rufus Laycock

Director

Property Holding & Investment Trust Limited

Notes to accounts 31 December 2005

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

In these financial statements the following new standards have been adopted for the first time:

- FRS 21 'Events after the balance sheet date';
- the presentation requirements of FRS 25 'Financial instruments: presentation and disclosure';
- FRS 28 'Corresponding amounts'.

The accounting policies under these new standards are set out below, together with an indication of the effects of their adoption. FRS 28 'Corresponding amounts' has had no material effect as it imposes the same requirements for comparatives as hitherto required by the Companies Act 1985. The adoption of FRS 21 and FRS 25 has not had a material effect on the current year or prior year financial statements.

(a) Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules, modified for the revaluation of certain fixed assets.

The Company is exempt by virtue of section 228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the Company as an individual undertaking and not about its group.

(b) Cash flow statement

The Company is exempt under the terms of FRS 1 from the requirement to produce a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated accounts.

(c) Related parties

The Company is exempt under the terms of FRS 8 from the requirement to disclose transactions with entities that are part of the Group on the grounds that a parent undertaking includes the Company in its own published consolidated accounts.

(d) Taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Advance corporation tax recoverable by deduction from future corporation tax is carried forward within deferred taxation or as ACT recoverable within debtors as appropriate.

(e) Fixed asset investments

Shares in subsidiary undertakings are stated at the lower of cost and net asset value.

2. Property outgoings

	Year ended 31 December 2005 £	Year ended 31 December 2004 £
Prior year accruals no longer required	-	14,289

Property Holding & Investment Trust Limited

Notes to accounts (continued) 31 December 2005

3. Profit on ordinary activities before taxation

There were no employees of the Company during the year (2004 - None). Administration expenses and auditors' remuneration were borne by Trafalgar House Property Limited, a fellow subsidiary undertaking.

Neither of the Directors received any emoluments from the Company during the year (2004 - £Nil).

4. Taxation - on profit on ordinary activities

Factors affecting the current tax charge

The tax assessed for the year is at (2004 - lower) the standard rate of corporation tax in the UK. The differences are as follows:-

	Year ended 31 December 2005 £	Year ended 31 December 2004 £
Profit on ordinary activities before taxation	-	698,729
Taxation charge at UK Corporation Tax rate of 30% (2004:30%)	-	209,619
Effects of		
Group relief for which no payment is made	-	(4,289)
Expenditure not deductible for tax purposes	-	299
Non-taxable income	-	(205,629)
Actual tax charge per accounts	-	-

Factors affecting future tax charges

It is anticipated that any future taxable income in this company will be sheltered from tax by utilisation of group relief from other Group companies, and, where possible, the use of the Group's tax losses arising in prior years.

The TH Global plc UK tax group has brought forward tax losses estimated at £215M and surplus ACT of approximately £192M.

There is no potential liability to deferred taxation (2004 - £Nil).

Property Holding & Investment Trust Limited

Notes to accounts (continued) 31 December 2005

5. Fixed assets - investments

£

Shares in subsidiary undertakings

At 1 January 2005 (cost £66,430,749)	26,892,958
Liquidation of subsidiary	(25,002)
At 31 December 2005 (cost £66,404,749)	<u>26,867,956</u>

Investments in subsidiary undertakings are stated at the lower of cost and net asset value.

The value of the investment in subsidiary undertakings based on the equity method of valuation is £44,942,301 (2004 - £44,967,303).

Listed below are the Company's subsidiary undertakings. These subsidiary undertakings are wholly-owned, incorporated in Great Britain, registered in England and Wales and carry on their activities in the country of incorporation.

Subsidiary undertaking	Activity
G.M. Properties Limited	In liquidation
Property Selection & Investment Trust Limited	Dormant
Redhill Properties Limited	Application to strike off submitted

6. Debtors

	31 December 2005 £	31 December 2004 £
Amounts falling due within one year:		
Amount owed by parent undertaking	46,630,252	46,630,252
Amounts owed by fellow subsidiary undertakings	14,714,785	14,714,785
	<u>61,345,037</u>	<u>61,345,037</u>

7. Share capital

	31 December 2005 £	31 December 2004 £
Authorised:		
Equity share capital		
100,000,000 Ordinary Shares of 25p each	25,000,000	25,000,000
Non-equity share capital		
750,000 4½ per cent. Cumulative Preference Shares of £1 each	<u>750,000</u>	<u>750,000</u>

Property Holding & Investment Trust Limited

Notes to accounts (continued) 31 December 2005

7. Share capital - (continued)

	31 December 2005 £	31 December 2004 £
Allotted and fully paid:		
Equity share capital		
81,827,690 Ordinary Shares of 25p each	20,456,923	20,456,923
Non-equity share capital		
499,377 4½ per cent. Cumulative Preference Shares of £1 each	499,377	499,377
	<u>20,956,300</u>	<u>20,956,300</u>

The holders of the non-equity share capital are entitled to:

- (1) be paid out of profits which the directors shall determine to distribute by way of dividend in any year a fixed cumulative dividend at the rate of 4½% per annum;
- (2) on the winding up of the Company to receive:
 - a) all arrears of preferential dividend whether earned or declared or not; and
 - b) the amount of the capital paid up or credited as paid up on the Preference Shares together with a premium of either 10p per share or the difference between the nominal value of the shares and the market value thereof, whichever is the greater;

in priority to any payment in respect of Ordinary Shares but shall not be entitled to any other rights in the profits or assets of the Company.

The holders of the non-equity share capital shall have no right to receive notice of or to be present or to vote at any General Meeting of the Company unless:

- a) the preferential dividend shall remain unpaid for six calendar months for which purpose the dividend shall be deemed to be payable half yearly on 31 March and 31 December or;
- b) a resolution shall be submitted:
 - (i) for the reduction of the capital of the Company;
 - (ii) for winding up the Company;
 - (iii) directly affecting the rights and privileges attached to the shares, or
 - (iv) for effecting any alteration in the borrowing powers of the directors.

As to voting: subject to the special rights as to voting described above on a show of hands at a general meeting of the Company each member present shall have one vote, and in case of a poll every member present or by proxy shall have four votes in respect of each Preference Share and one vote in respect of each Ordinary Share held.

The holder of the issued and outstanding 4½ per cent. Cumulative Preference Shares of £1 each has waived its right to the fixed cumulative preferential dividend on those shares in respect of the year ended 31 December 2005.

Property Holding & Investment Trust Limited

Notes to accounts (continued)

31 December 2005

8. Ultimate parent company and parent undertaking of larger group of which the Company is a member

The Company's immediate parent company is Chase Property Holdings Limited.

At 31 December 2005, the largest group in which the results of the Company were consolidated was that headed by Medaura BV, a private company incorporated in The Netherlands. The consolidated financial statements of Medaura BV are available to the public and may be obtained from the Chamber of Commerce at Kamer van Koophandel, De Ruterkade 5, 1013 AA Amsterdam or from the Company at 68 Hammersmith Road, London W14 8YW.

The smallest group in which they are consolidated is that headed by TH Global plc, incorporated in England and Wales. The consolidated financial statements of TH Global plc are available to the public and may be obtained from Companies House and/or TH Global plc at 68 Hammersmith Road, London W14 8YW.

The Glacier Trust, established under the laws of Guernsey, is to be regarded as the ultimate controlling party of the Company.