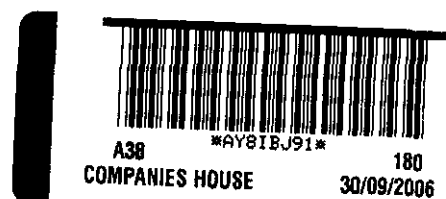


Registration number 806646

Love Lane Investments Limited
Directors' report and financial statements
for the year ended 31 December 2005



Love Lane Investments Limited

Company information

Directors	Jamie Borwick J A Craymer J Pawsey
Secretary	J A Craymer
Company number	806646
Registered office	1 Love Lane London EC2V 7HJ
Auditors	RSM Robson Rhodes LLP 30 Finsbury Square London EC2P 2YU
Business address	1 Love Lane London EC2V 7JN
Bankers	C Hoare & Co 37 Fleet Street London EC4P 4DQ

Love Lane Investments Limited

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Love Lane Investments Limited
Directors' report
for the year ended 31 December 2005

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

Principal activity

The principal activity of the company is property and investment holding.

Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

	Class of share	31/12/05	01/01/05
Jamie Borwick	Ordinary shares	-	-
J A Craymer	Ordinary shares	-	-
J Pawsey	Ordinary shares	-	-

Charitable and political contributions

During the year the company contributed £5,000 to charities (2004 : Nil).

Directors' responsibilities

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

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and 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 confirm that the financial statements comply with these requirements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

The directors of a company must, in determining how amounts are presented within items in the profit and loss account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles and practice.

Auditors

RSM Robson Rhodes LLP were appointed auditors to the company and in accordance with Section 385 of the Companies Act 1985, a resolution proposing their reappointment will be put to the Annual General Meeting.

Love Lane Investments Limited

**Directors' report
for the year ended 31 December 2005**

..... continued

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on 18 September 2006 and signed on its behalf by



J A Craymer
Secretary
Director

Love Lane Investments Limited

**Independent auditors' report to the shareholders of
Love Lane Investments Limited**

We have audited the financial statements of Love Lane Investments Limited for the year ended 31 December 2005 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

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 auditors' 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 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. 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 transactions with the company 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 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.

Love Lane Investments Limited

Independent auditors' report to the shareholders of Love Lane Investments Limited continued

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



RSM Robson Rhodes LLP
Chartered Accountants and
Registered Auditors
18 September 2006

30 Finsbury Square
London
EC2P 2YU

Love Lane Investments Limited

**Profit and loss account
for the year ended 31 December 2005**

		2005	2004
	Notes	£	£
Turnover	2	222,600	240,946
Administrative expenses		(719,182)	(692,707)
Other operating income		250	-
Operating loss	3	(496,332)	(451,761)
Investment income	4	28,000	(706,044)
Other interest receivable and similar income		45,684	48,744
Amount written off investments	5	-	2,558,626
Interest payable and similar charges		(43)	(954)
(Loss)/profit on ordinary activities before taxation		(422,691)	1,448,611
Tax on (loss)/profit on ordinary activities		-	-
(Loss)/profit on ordinary activities after taxation		(422,691)	1,448,611
(Loss)/retained profit for the year	14	(422,691)	1,448,611
Retained profit/(loss) brought forward		583,599	(865,012)
Retained profit carried forward		160,908	583,599

The notes on pages 7 to 10 form an integral part of these financial statements.

Love Lane Investments Limited

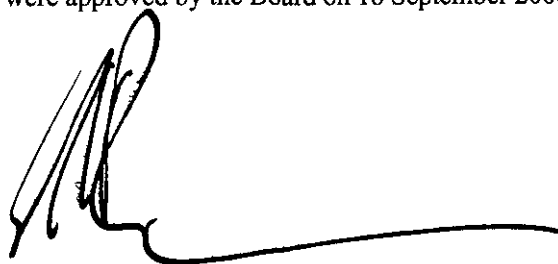
**Balance sheet
as at 31 December 2005**

		2005		2004	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	8		2,694,657		2,834,381
Investments	9		11,623		2
			<u>2,706,280</u>		<u>2,834,383</u>
Current assets					
Debtors	10	131,890		64,528	
Cash at bank and in hand		945,140		1,265,821	
		<u>1,077,030</u>		<u>1,330,349</u>	
Creditors: amounts falling due within one year	11	<u>(217,171)</u>		<u>(175,822)</u>	
Net current assets			<u>859,859</u>		<u>1,154,527</u>
Total assets less current liabilities			3,566,139		3,988,910
Creditors: amounts falling due after more than one year	12		<u>(3,382,737)</u>		<u>(3,382,817)</u>
Net assets			<u>183,402</u>		<u>606,093</u>
Capital and reserves					
Called up share capital	13		6,250		6,250
Share premium account	14		16,244		16,244
Profit and loss account	14		160,908		583,599
Shareholders' funds			<u>183,402</u>		<u>606,093</u>

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 18 September 2006 and signed on its behalf by

Jamie Borwick
Director



The notes on pages 7 to 10 form an integral part of these financial statements.

Love Lane Investments Limited

Notes to the financial statements for the year ended 31 December 2005

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Leasehold properties	-	Straight line over the life of the lease
Fixtures, fittings and equipment	-	25% straight line

1.4. Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value.

1.5. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3. Operating loss

Operating loss is stated after charging:

	2005 £	2004 £
Depreciation and other amounts written off tangible assets	143,436	142,508
Auditors' remuneration	5,875	1,750

4. Income from investments

	2005 £	2004 £
Profit / (Loss) on disposal of investments	-	(706,044)
Income from subsidiary undertakings	28,000	-
	<u>28,000</u>	<u>(706,044)</u>

Love Lane Investments Limited

**Notes to the financial statements
for the year ended 31 December 2005**

..... continued

5. Amounts written off investments	2005	2004
	£	£

Amounts written off investments in
prior years written back:
- fixed assets

-	(2,558,626)
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6. Directors' emoluments

2005	2004
£	£
219,425	184,922

Remuneration and other benefits

7. Pension costs

The company contributes to a defined contribution pension scheme in respect of one of the directors. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £3,200 (2004 - £3,200).

8. Tangible fixed assets

	Short leasehold property £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 January 2005	4,898,425	24,862	4,923,287
Additions	-	3,712	3,712
At 31 December 2005	4,898,425	28,574	4,926,999
Depreciation			
At 1 January 2005	2,075,596	13,310	2,088,906
Charge for the year	137,700	5,736	143,436
At 31 December 2005	2,213,296	19,046	2,232,342
Net book values			
At 31 December 2005	2,685,129	9,528	2,694,657
At 31 December 2004	2,822,829	11,552	2,834,381

Love Lane Investments Limited
Notes to the financial statements
for the year ended 31 December 2005

..... continued

9. Fixed asset investments	Other unlisted investments £	Total £
Cost		
At 1 January 2005	2	2
Additions	11,621	11,621
At 31 December 2005	<u>11,623</u>	<u>11,623</u>
Net book values		
At 31 December 2005	<u>11,623</u>	<u>11,623</u>
At 31 December 2004	<u>2</u>	<u>2</u>

During the year the company purchased two "fine and rare mascotts" for the sum of £11,621.

10. Debtors	2005 £	2004 £
Trade debtors	79,515	-
Amounts owed by group undertakings	1,562	1,562
Amount owed by participating interest	14,688	-
Other debtors	1,067	574
Prepayments and accrued income	35,058	62,392
	<u>131,890</u>	<u>64,528</u>

11. Creditors: amounts falling due within one year	2005 £	2004 £
Bank overdraft	-	10,966
Other taxes and social security costs	6,469	-
Accruals and deferred income	81,155	35,309
	<u>217,171</u>	<u>175,822</u>

Love Lane Investments Limited

**Notes to the financial statements
for the year ended 31 December 2005**

..... continued

12. Creditors: amounts falling due after more than one year	2005 £	2004 £
Amounts owed to group undertakings	3,382,737	3,382,817

13. Share capital	2005 £	2004 £
Authorised		
6,250 Ordinary shares of 1 each	6,250	6,250
Allotted, called up and fully paid		
6,250 Ordinary shares of 1 each	6,250	6,250

14. Reserves	Share premium account £	Profit and loss account £	Total £
At 1 January 2005	16,244	583,599	599,843
(Loss)/retained profit for the year		(422,691)	(422,691)
At 31 December 2005	16,244	160,908	177,152

15. Transactions with directors

The following directors had interest free loans during the year. The movements on these loans are as follows:

	Amount owing 2005 £	2004 £	Maximum in year £
Jamie Borwick	684	574	684
J A Craymer	383	-	4,600

16. Ultimate parent undertaking

The ultimate parent undertaking is regarded by the directors as being Federated Investments LLP.