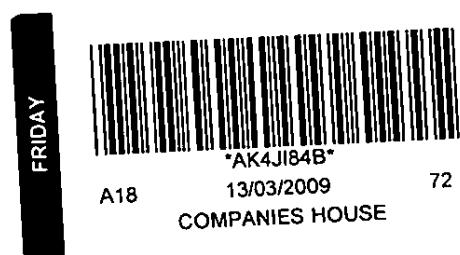


Simarc Property Management Limited

FINANCIAL STATEMENTS

for the year ended

30 September 2008



Company Registration No. 1961895

Simarc Property Management Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P J Goodkind
C B Wagman
M Platt

SECRETARY

G Levene

REGISTERED OFFICE

24 Queen Anne Street
London
W1G 9AX

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

Simarc Property Management Limited

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Simarc Property Management Limited

DIRECTORS' REPORT

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 September 2008.

PRINCIPAL ACTIVITIES

The principal activity of the company during the period under review is that of property management and there were no significant changes during the year.

FUTURE DEVELOPMENTS

Both the development of the business during the year and its year end financial position were satisfactory. The directors expect the present level of activity to be sustained.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors manage the risks of the group to which the company belongs at a group level, rather than at an individual business unit level. The directors believe that a discussion of the group's risks would not be appropriate for an understanding of the development, performance or position of this company. The principal risks and uncertainties of the ultimate parent undertaking, the Wallace Partnership, which include those of the company, are discussed in the Managing Partner's report contained within the Group's annual financial statements.

KEY PERFORMANCE INDICATORS

Given the straightforward nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

DIRECTORS

The directors who served the company during the year were as follows:

P J Goodkind
C B Wagman
M Platt (appointed 1 December 2007)

CHARITABLE DONATIONS

	2008 £	2007 £
During the year the company made the following payments:		
Charitable donations	27,945	12,470

AUDITOR

The auditor, Baker Tilly UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Simarc Property Management Limited

DIRECTORS' REPORT

SMALL COMPANY PROVISIONS

These financial statements have been prepared in accordance with special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

By order of the board



G Levene
Secretary

2 March 2009

Simarc Property Management Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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 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 requirements of 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIMARC PROPERTY MANAGEMENT LIMITED

We have audited the financial statements on pages 5 to 13.

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

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we 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 whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

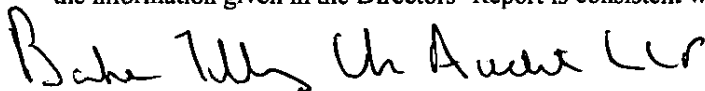
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 applicable to Smaller Entities, of the state of the company's affairs at 30 September 2008 and of its profit for the year then ended and 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.



BAKER TILLY UK AUDIT LLP

Registered Auditor

Chartered Accountants

2 Bloomsbury Street

London WC1B 3ST

2 March 2009

Simarc Property Management Limited
PROFIT AND LOSS ACCOUNT
for the year ended 30 September 2008

	<i>Notes</i>	2008 £	2007 £
TURNOVER		1,682,431	1,811,592
Administrative expenses		(2,227,579)	(1,737,169)
Other operating income		191,451	213,718
OPERATING (LOSS)/PROFIT	<i>1</i>	(353,697)	288,141
Investment income	<i>2</i>	409,595	410,000
Other interest receivable and similar income		85,935	17,286
Interest payable and similar charges		(83)	(511)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		141,750	714,916
Tax on profit on ordinary activities	<i>3</i>	(3,245)	(94,693)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	<i>10</i>	138,505	620,223

The operating (loss)/profit for the year arises from the company's continuing operations.

Simarc Property Management Limited

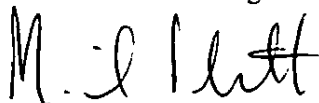
BALANCE SHEET

as at 30 September 2008

	Notes	£	2008 £	£	2007 £
FIXED ASSETS					
Tangible assets	4		214,092		97,615
Investments	5		8,850		8,850
			<u>222,942</u>		<u>106,465</u>
CURRENT ASSETS					
Debtors	6	895,043		322,210	
Cash at bank and in hand		1,368,903		1,819,055	
		<u>2,263,946</u>		<u>2,141,265</u>	
CREDITORS: Amounts falling due within one year	7	(2,105,419)		(2,002,939)	
				<u></u>	
NET CURRENT ASSETS			<u>158,527</u>		<u>138,326</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>381,469</u>		<u>244,791</u>
PROVISIONS FOR LIABILITIES	8		(6,198)		(8,025)
NET ASSETS			<u>375,271</u>		<u>236,766</u>
CAPITAL AND RESERVES					
Called up share capital	9		200		200
Profit and loss account	10		375,071		236,566
SHAREHOLDERS' FUNDS			<u>375,271</u>		<u>236,766</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements on pages 5 to 13 were approved by the board of directors and authorised for issue on 2 March 2009 and are signed on its behalf by:



M Platt
Director

Simarc Property Management Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Under the provisions of the Companies Act 1985, section 228, the company has not prepared consolidated financial statements because its ultimate parent undertaking, The Wallace Partnership Group, has prepared consolidated financial statements for the period which include the results of the company. The principal place of business of The Wallace Partnership Group is 32 Queen Anne Street, London, W1G 8HD.

TURNOVER

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of VAT.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Fixed assets are stated at cost.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold improvements	20% per annum straight line
Computer equipment	25% per annum reducing balance
Fixtures & fittings	25% per annum reducing balance
Motor vehicles	25% per annum reducing balance

LEASING AND HIRE PURCHASE COMMITMENTS

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis. The costs of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

PENSIONS

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Simarc Property Management Limited

ACCOUNTING POLICIES

INVESTMENTS

Long term investments representing investments in subsidiary undertakings are stated at cost less any provisions for impairment in the value of the fixed asset investment.

ASSET IMPAIRMENTS

Intangible and tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is assessed by reference to the net present value of expected future cash flows of the relevant income generating unit or disposal value, if higher. If an asset is impaired, a provision is made to reduce the carrying amount to its estimated recoverable amount.

Simarc Property Management Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2008

1 OPERATING (LOSS)/PROFIT

The company's turnover and profit before taxation were all derived from its principal activity.

	2008 £	2007 £
Operating (loss)/profit is stated after charging:		
Auditor's remuneration – statutory audit	15,000	42,000
Depreciation of tangible assets – owned	55,687	27,042
Depreciation of tangible assets – held under hire purchase	-	5,910
Operating lease rentals – land and buildings	224,881	50,325
Operating lease rentals – other	14,632	10,974

Directors' emoluments paid in the year amounted to £308,321 (2007: £208,007). Estimated benefits in kind provided to the directors in the year amounted to £46,654 (2007: £33,007).

In 2008 all auditor's remuneration relating to group entities was borne by the entities concerned. In 2007 all auditor's remuneration relating to group entities was borne by the company.

2 INVESTMENT INCOME

	2008 £	2007 £
Income from shares in group undertakings	409,595	410,000

3 TAXATION

	2008 £	2007 £
UK corporation tax has been charged at 28% (2007: 30%). The tax charge is analysed as follows:		
UK corporation tax on profits of the period	5,125	90,906
Adjustment in respect of prior years	(53)	(1,937)
Total current tax	5,072	88,969
Deferred tax	(1,827)	5,724
	3,245	94,693

Simarc Property Management Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2008

4	TANGIBLE FIXED ASSETS	Leasehold improvements £	Computer equipment £	Fixtures & fittings £	Motor vehicles £	Total £
	Cost					
	At 1 October 2007	-	122,079	148,881	24,730	295,690
	Additions	116,890	38,516	16,758	-	172,164
	At 30 September 2008	116,890	160,595	165,639	24,730	467,854
	Depreciation					
	At 1 October 2007	-	74,666	121,348	2,061	198,075
	Charge for the year	17,465	21,482	11,073	5,667	55,687
	Disposals					
	At 30 September 2008	17,465	96,148	132,421	7,728	253,762
	Net book value					
	At 30 September 2008	99,425	64,447	33,218	17,002	214,092
	At 30 September 2007	-	47,413	27,533	22,669	97,615

5	FIXED ASSET INVESTMENTS	Shares in group undertakings and participating interests £
	Cost	
	At 1 October 2007 and at 30 September 2008	8,850

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings:			
Spent Limited	England & Wales	Ordinary	100
Tablespice Limited	England & Wales	Ordinary	100
General & Professional Insurance Brokers Limited *	England & Wales	Ordinary	100
Cox Braithwaite and Partners Limited *	England & Wales	Ordinary	100

*held by a subsidiary undertaking

Simarc Property Management Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2008

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Principal activity	Capital and reserves 2008 £	Profit/(loss) for the year 2008 £
Sprenrent Limited	Property Management	14,192	4,735
Tablespice Limited	Investment holding company	1,000	-
General & Professional Insurance Brokers Limited*	General Insurance brokers	188,993	(54,094)
Cox Braithwaite and Partners Limited*	Dormant	507	-

* Held by a subsidiary undertaking.

In the opinion of the directors, the aggregate value of the investments in subsidiary undertakings is not less than the amount at which it is stated in the balance sheet.

6	DEBTORS	2008 £	2007 £
	Trade debtors	101,802	1,692
	Amounts owed by group undertakings	573,232	81,973
	Corporation tax	63,413	88,060
	Other debtors	156,596	150,485
		<u>895,043</u>	<u>322,210</u>
7	CREDITORS: Amounts falling due within one year	2008 £	2007 £
	Amounts owed to group undertakings	1,742,990	1,816,449
	Taxation and social security	59,553	65,580
	Other creditors	6,608	21,064
	Accruals and deferred income	296,268	99,846
		<u>2,105,419</u>	<u>2,002,939</u>
8	PROVISIONS FOR LIABILITIES		Deferred taxation £
	Balance at 1 October 2007		8,025
	Profit and loss account		(1,827)
	Balance at 30 September 2008		<u>6,198</u>
	Deferred taxation recognised in the financial statements is as follows:	2008 £	2007 £
	Accelerated capital allowances	<u>6,198</u>	<u>8,025</u>

Simarc Property Management Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2008

9	SHARE CAPITAL	2008 £	2007 £
	Authorised 1,000 Ordinary shares of £1 each	1,000	1,000
	Allotted, called up and fully paid 200 Ordinary shares of £1 each	200	200
10	STATEMENT OF MOVEMENTS ON PROFIT AND LOSS ACCOUNT		Profit and loss account £
	Balance at 1 October 2007		236,566
	Profit for the year		138,505
	Balance at 30 September 2008		375,071
11	FINANCIAL COMMITMENTS		
	At 30 September 2008 the company had annual commitments under non-cancellable operating leases as follows:		
		2008 £	2007 £
	Land and buildings		
	Expiry date: In over five years	133,840	50,325
	Other		
	Expiry date: Within one year	14,632	-
	In two – five years	-	14,632
12	CONTROL		
	The company was under the control of Wentworth Choices Limited, a British Virgin Islands registered company. The immediate parent undertaking of the company is Wallace Estates Limited, which is registered in England and Wales. The ultimate parent undertaking is The Wallace Partnership, a UK partnership.		

Simarc Property Management Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2008

13 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in Financial Reporting Standard 8 from the requirement to disclose transactions with group companies on the grounds that consolidated accounts are prepared by the ultimate parent. Copies of the accounts for the Wallace Partnership Group can be obtained from Michael Conn Goldsobel, 24 Queen Anne Street, London W1G 9AX.

During the year the company entered into a lease on a property owned by Unovilla Limited. Unovilla Limited is a related party as it is owned by relatives of one of the directors of the company. £60,000 has been charged to the profit and loss account in respect of payments made to Unovilla Limited (2007: £nil) and the balance included in creditors due within one year in respect of Unovilla Limited was £20,000 (2007: £nil).

14 CONTINGENT LIABILITIES

The company has entered into a bank cross guarantee with fellow group undertakings. The assets of the company are pledged as security, by way of a fixed and floating charge. The total group liability as at 30 September 2008 was £81,283,923 (2007: £56,746,846).

Simarc Property Management Limited
FOR MANAGEMENT PURPOSES ONLY
NON-STATUTORY SCHEDULE OF ADMINISTRATIVE EXPENSES
for the year ended 30 September 2008

	2008 £	2007 £
ADMINISTRATIVE EXPENSES		
Wages and salaries	700,043	662,813
Directors' remuneration	319,386	175,000
Employer's NI contributions	125,011	98,416
Staff training	40,644	21,662
Rent and rates	315,998	75,265
Insurance	62,230	33,464
Light and heat	378	-
Recruitment	4,305	41,147
Repairs and maintenance	5,451	3,485
Printing, postage and stationery	82,604	68,511
Advertising	7,675	12,565
Telephone	10,925	7,585
Computer running costs	23,716	22,995
Equipment leasing	5,597	4,829
Motor running expenses	21,746	17,303
Travelling expenses	14,259	5,873
Entertaining	30,557	13,539
Legal and professional fees	170,598	238,266
Consultancy fees	35,392	79,898
Accountancy	12,500	18,000
Audit fees	15,000	42,000
Bank charges	18,712	15,007
Sundry expenses	65,903	35,213
Relocation costs	55,317	-
Charitable donations	27,945	12,470
Depreciation on computer equipment	21,482	15,802
Depreciation on fixtures and fittings	28,538	9,178
Depreciation on motor vehicles	5,667	7,971
Profit on disposal of fixed assets	-	(1,088)
	<u>2,227,579</u>	<u>1,737,169</u>

This page does not form part of the statutory financial statements.