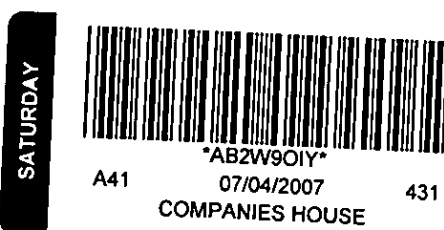

SELLAR PROPERTIES (LONDON 4) LTD

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2006



SELLAR PROPERTIES (LONDON 4) LTD

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SELLAR PROPERTIES (LONDON 4) LTD

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2006

The director presents his report and the financial statements for the year ended 31 March 2006

Results

The profit and loss account is set out on page 4 and shows the result for the year

Principal activities and future developments

The company's principal activity is that of a holding company. There have been no significant changes in the company's activities since the year end.

Director

The director who served during the year and his beneficial interest in the company's issued share capital was

	<u>Ordinary shares of 10p each</u>	
	<u>31/3/06</u>	<u>31/3/05</u>
I G Sellar	15	15
J Sellar was appointed director 31 December 2006		

Statement of director's responsibilities

Company law requires the director to prepare financial statements for each financial year which 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 director is required to

- select suitable accounting policies and then 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

Auditors

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to reappoint them as auditors will be proposed at the next annual general meeting.

This report has been prepared in accordance with the special provision of Part VII of the Companies Act 1985 relating to small companies.

By order of the board


P H Turpin
Secretary

Date 27 FEB 2007

SELLAR PROPERTIES (LONDON 4) LTD

INDEPENDENT AUDITORS' REPORT

To the shareholders of Sellar Properties (London 4) Limited

We have audited the financial statements of Sellar Properties (London 4) Limited for the year ended 31 March 2006 which comprise 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.

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 Director's 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 if, in our opinion, the Director's 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 director's remuneration and transactions with the company is not disclosed.

We read the Director's 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 Companies Act 1985 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 Companies Act 1985 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 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.

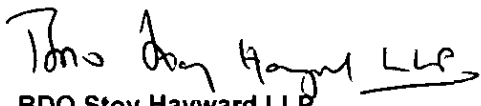
SELLAR PROPERTIES (LONDON 4) LTD

INDEPENDENT AUDITORS' REPORT

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 company's affairs as at 31 March 2006 and of its result for the year then ended,
- the financial statements 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



BDO Stoy Hayward LLP

Chartered Accountants and Registered Auditors

Reading

Date

30 April 2007.

SELLAR PROPERTIES (LONDON 4) LTD

PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2006

	Note	2006 £	2005 £
Turnover	2	-	-
Cost of services		<u>-</u>	<u>-</u>
Net Property Income		-	-
Administrative expenses		(2,457)	(85,425)
Operating loss	3	(2,457)	(85,425)
Interest receivable		217	39,716
Interest payable	4	<u>(15,008)</u>	<u>(80,714)</u>
Loss on ordinary activities before taxation		(17,248)	(126,423)
Tax on profit on ordinary activities		(22,446)	-
Loss on ordinary activities		<u>(39,694)</u>	<u>(126,423)</u>
Retained profit brought forward		<u>305,762</u>	<u>432,185</u>
Retained profit carried forward	9	<u><u>266,068</u></u>	<u><u>305,762</u></u>

All amounts relate to continuing activities

There are no movements in shareholder's funds apart from the profit for the year

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

The notes on pages 6 to 9 form part of these financial statements

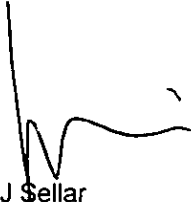
SELLAR PROPERTIES (LONDON 4) LTD

BALANCE SHEET As at 31 March 2006

	Note	2006 £	2006 £	2005 £	2005 £
Fixed assets					
Investments	5		<u>2</u>		<u>2</u>
			2		2
Current assets					
Debtors	6	2,056,811		2,108,218	
Cash at bank and in hand		<u>-</u>		<u>444</u>	
		2,056,811		2,108,662	
Creditors: amounts falling due within one year	7	<u>(1,790,743)</u>		<u>(1,802,900)</u>	
Net current assets			<u>266,068</u>		<u>305,762</u>
Total assets less current liabilities			266,070		305,764
Creditors: amounts falling due after more than one year			<u>-</u>		<u>-</u>
Net assets			<u>266,070</u>		<u>305,764</u>
Capital and reserves					
Called up share capital	8		2		2
Profit and loss account			<u>266,068</u>		<u>305,762</u>
Equity shareholders' funds			<u>266,070</u>		<u>305,764</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

The financial statements were approved by the board on 27 FEB 2007 and signed on its behalf


J Sellar
Director

The notes on pages 6 to 9 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2006

1 Accounting Policies

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties and include the results of the company's operations which are described in the Director's Report

The following principal accounting policies have been applied

Group accounts

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Cash Flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1.

Turnover

Turnover comprises rental income and service costs rechargeable.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date. Deferred tax balances are not discounted.

2. Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

3 Operating loss

The operating loss is stated after charging

	2006 £	2005 £
Auditors' remuneration	2,750	2,750
Directors' remuneration	-	-

4 Interest payable

	2006 £	2005 £
Mortgage interest	-	57,860
Bank interest	-	2
Interest on late tax	15,008	22,852
	<u>15,008</u>	<u>80,714</u>

SELLAR PROPERTIES (LONDON 4) LTD

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2006

5 Fixed Asset Investments

**Shares
in group
undertakings
£**

Cost and net book value

At 31 March 2005 and 31 March 2006

2

Investments include an investment in a subsidiary, Wickpick Limited, comprising a holding of 100% of its issued ordinary capital

During its latest financial year Wickpick Limited made a loss after tax of £1,808 and at the end of that year the aggregate of its capital and reserves was £ 65,525

Investments include an investment in a subsidiary, Arnldodge Limited, comprising a holding of 100% of its issued ordinary capital

During its latest financial year Arnldodge Limited made a profit after tax of £9,243 and at the end of that year the aggregate of its capital and reserves was £147,922

6 Debtors

	2006	2005
	£	£
Due within one year		
Amounts owed by group undertakings	78,965	74,626
Amounts owed by connected companies	1,977,846	1,893,420
Prepayments and accrued income	<u>-</u>	<u>140,172</u>
	<u>2,056,811</u>	<u>2,108,218</u>

7 Creditors: amounts falling due within one year

	2006	2005
	£	£
Trade creditors	42,645	69,624
Amounts due to group undertakings	1,454	550
Amounts due to connected companies	1,312,228	1,335,041
Taxation and social security	255,361	253,906
Accruals and deferred income	<u>179,055</u>	<u>143,779</u>
	<u>1,790,743</u>	<u>1,802,900</u>

Included within taxation and social security is an amount of £253,906 (2005 - £253,906) relating to income tax on mortgage interest retained at source

SELLAR PROPERTIES (LONDON 4) LTD

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2006

8. Called up share capital

	2006 £	2005 £
Authorised		
10,000 Ordinary shares of 10p each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
20 Ordinary shares of 10p each	<u>2</u>	<u>2</u>

9 Reserves

	Profit and loss Account
At 31 March 2005	305,762
Transfer of realised profits	-
Loss for year	<u>(39,694)</u>
At 31 March 2006	<u>266,068</u>

SELLAR PROPERTIES (LONDON 4) LTD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2006

10. Related parties

Mr I G Sellar, a Director and Shareholder, is the ultimate controlling party by virtue of his holding in the Company's equity capital. The current intercompany balances with companies of which Mr I G Sellar is a director and shareholder are as follows

Debit balances

Sellar Properties (Western) Limited	£20,255	(2005 - £20,255)
Vansend Limited	£1,341,242	(2005 - £1,341,242)
Sellar Properties (Eastern) Limited	£311,914	(2005 - £308,724)
Sellar Properties (Central) Limited	£38,323	(2005 - £38,325)
Arncliffe Limited	£78,965	(2005 - £74,626)
Sellar Properties (London 2) Limited	£114,851	(2005 - £114,851)
Foundford Limited	£67,000	(2005 - £61,000)
Sellar Properties (Ashton) Limited	£75,239	(2005 - credit £54,761)
The Pompey Centre Ltd	£9,023	(2005 - £9,023)

Credit balances:

Sellar Properties (Chalk Farm) Limited	£79,750	(2005 - £79,750)
Sellar Properties (Midlands) Ltd	£592	(2005 - £nil)
Doublemore Limited	£26,056	(2005 - £6,973)
Resource Management (London) Limited	£965,710	(2005 - £953,436)
Wickpick Ltd	£1,454	(2005 - £550)
Sellar Properties (Coventry) Limited	£174,000	(2005 - £174,000)
Sellar Properties (Portsmouth Phase 1) Ltd	£55,904	(2005 - £55,904)
Sellar Properties (Portsmouth) Ltd	£2,549	(2005 - £2,549)
Sellar Properties (London Bridge) Ltd	£7,667	(2005 - £7,667)

Movements on the above balances during the year represented recharges and transfers of funds between these companies