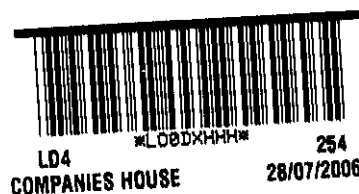


**COPY FOR
REGISTRAR OF
COMPANIES**

Company Registration No. 3340539 (England and Wales)

RSA ISLAND VILLAGE LIMITED
A COMPANY LIMITED BY GUARANTEE
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006

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RICHARD ANTHONY & COMPANY
Chartered Accountants and Registered Auditors

RSA ISLAND VILLAGE LIMITED
A COMPANY LIMITED BY GUARANTEE
COMPANY INFORMATION

Directors	Mr G J Walker Mr M F Jewell Mr M A Polledri
Secretary	Mr M F Jewell
Company number	3340539
Principal address	RSA Island Centre 33 Island Centre Way Enfield Great Britain EN3 6GS
Registered office	13 Station Road Finchley London N3 2SB
Auditors	Richard Anthony & Company 13 Station Road Finchley London N3 2SB

RSA ISLAND VILLAGE LIMITED

A COMPANY LIMITED BY GUARANTEE

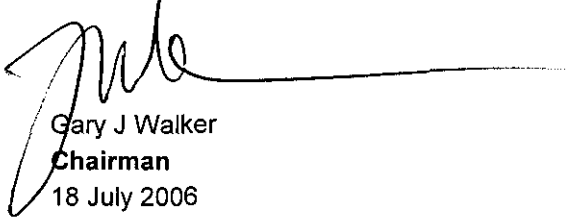
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RSA ISLAND VILLAGE LIMITED
A COMPANY LIMITED BY GUARANTEE
CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2006

Once again, the accounts reflect a satisfactory contribution from the rental units, enabling the company to make a further significant donation of £200,000 to the RSA Trust.

The company's finances remain in excellent shape, and we are pleased to report that the land and buildings have been recently revalued at £7,000,000, which has been incorporated into these accounts. This has further strengthened the company balance sheet.



Gary J Walker
Chairman
18 July 2006

RSA ISLAND VILLAGE LIMITED
A COMPANY LIMITED BY GUARANTEE
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2006

The directors present their report and financial statements for the year ended 31 March 2006.

Principal activities

The principal activity of the company continued to be that of property development and rental in order to generate funds to assist in economic development.

Directors

The following directors have held office since 1 April 2005:

G J Walker
M F Jewell
M A Polledri

Charitable contributions

The recipients and amounts of the Charitable donations are as follows:

	2006 £	2005 £
During the year the company made the following payments:		
RSA Trust	200,000	168,589
Enfield Island Youth & Community Trust	-	330

In addition, the company made a contribution of Nil (2005 £84,750) to Enfield Enterprise Agency, a recognised local enterprise agency.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Richard Anthony & Company be reappointed as auditors of the company will be put to the Annual General Meeting.

RSA ISLAND VILLAGE LIMITED
A COMPANY LIMITED BY GUARANTEE
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2006

Directors' responsibilities

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

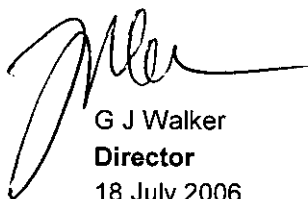
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

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

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

On behalf of the board



G J Walker
Director
18 July 2006

RSA ISLAND VILLAGE LIMITED
A COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF RSA ISLAND VILLAGE LIMITED

We have audited the financial statements of RSA Island Village Limited for the year ended 31 March 2006 set out on pages 4 to 13. 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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the 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 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 or 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 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.

RSA ISLAND VILLAGE LIMITED
A COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE SHAREHOLDERS OF RSA ISLAND VILLAGE LIMITED

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2006 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Richard Anthony & Co.

Richard Anthony & Company
Chartered Accountants
Registered Auditor
13 Station Road
Finchley
London
N3 2SB

18 July 2006

RSA ISLAND VILLAGE LIMITED
A COMPANY LIMITED BY GUARANTEE
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2006

	Notes	2006 £	2005 £
Turnover		322,267	345,975
Administrative expenses		(95,026)	(150,557)
Operating profit	2	227,241	195,418
Charitable donations		(200,000)	(168,919)
Regeneration donations to EEA		-	(84,750)
Profit/(loss) on ordinary activities before interest		27,241	(58,251)
Other interest receivable and similar income	3	16,619	6,149
Interest payable and similar charges		(36,740)	(21,843)
Profit/(loss) on ordinary activities before taxation		7,120	(73,945)
Tax on profit/(loss) on ordinary activities	4	(802)	(1,753)
Profit/(loss) for the year	11	6,318	(75,698)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

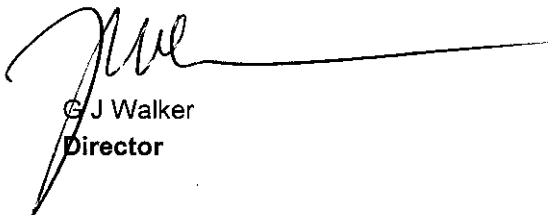
There are no recognised gains and losses other than those passing through the profit and loss account.

RSA ISLAND VILLAGE LIMITED
A COMPANY LIMITED BY GUARANTEE
BALANCE SHEET
AS AT 31 MARCH 2006

	Notes	2006 £	£	2005 £	£
Fixed assets					
Tangible assets	5 and 6	7,024,190		5,028,459	
Investments	7	100		100	
		<u>7,024,290</u>		<u>5,028,559</u>	
Current assets					
Debtors	8	625,389		180,028	
Cash at bank and in hand		251,414		522,094	
		<u>876,803</u>		<u>702,122</u>	
Creditors: amounts falling due within one year	9	(1,054,818)		(890,724)	
Net current liabilities		<u>(178,015)</u>		<u>(188,602)</u>	
Total assets less current liabilities		6,846,275		4,839,957	
Deferred income	10	(1,723,502)		(1,723,502)	
		<u>5,122,773</u>		<u>3,116,455</u>	
Capital and reserves					
Revaluation reserve	11	4,634,200		2,634,200	
Other reserves	11	501,000		501,000	
Profit and loss account	11	(12,427)		(18,745)	
Shareholders' funds	12	<u>5,122,773</u>		<u>3,116,455</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.

Approved by the Board and authorised for issue on 18 July 2006


G J Walker
Director

RSA ISLAND VILLAGE LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents rents received from units, excluding value added tax. Service charges receivable from tenants, and corresponding service charge expenditure, has been excluded from these accounts. Any surplus or deficit of service charge income over service charge expenditure is not reflected in the profit and loss account, but is shown within creditors or debtors.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	15 % on written down value
Fixtures, fittings & equipment	15% on written down value

Investment properties are included in the balance sheet at their open market values. No depreciation is provided on freehold investment properties.

This accounting policy is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the directors the treatment adopted is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

1.5 Investments

Current asset investment is stated at cost.

1.6 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted. No provision has been made for deferred tax on gains recognised on revaluing property to its market value as the company does not intend to sell the revalued assets.

1.7 Capital grants

Capital grants received in respect of the property development are credited to deferred revenue and will be released proportionately to the profit and loss account on disposal of the units of this property.

1.8 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

RSA ISLAND VILLAGE LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2006

1 Accounting policies (continued)

1.10 Development reserve

The sum received as a Development Reserve will be released proportionately to the profit and loss account on disposal of the units of this property.

2 Operating profit

	2006	2005
	£	£

Operating profit is stated after charging:

Depreciation of tangible assets	4,269	59,778
Auditors' remuneration	11,000	10,000

3 Investment income

	2006	2005
	£	£

Bank interest	9,043	5,984
Other interest	7,576	165
	<u>16,619</u>	<u>6,149</u>

4 Taxation

	2006	2005
	£	£

Domestic current year tax

U.K. corporation tax	802	1,753
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Current tax charge	<u>802</u>	<u>1,753</u>
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Factors affecting the tax charge for the year

Profit/(loss) on ordinary activities before taxation	<u>7,120</u>	<u>(73,945)</u>
--	--------------	-----------------

Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 0.00% (2005 - 0.00%)

Effects of:

Other tax adjustments	802	1,753
	<u>802</u>	<u>1,753</u>

Current tax charge	<u>802</u>	<u>1,753</u>
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RSA ISLAND VILLAGE LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2006

5 Tangible fixed assets

	Plant and machinery etc
	£
Cost or valuation	
At 1 April 2005 & at 31 March 2006	53,364
Depreciation	
At 1 April 2005	24,905
Charge for the year	4,269
At 31 March 2006	29,174
Net book value	
At 31 March 2006	24,190
At 31 March 2005	28,459

6 Tangible fixed assets

	Investment properties
	£
Cost or valuation	
At 1 April 2005	5,000,000
Revaluation	2,000,000
At 31 March 2006	7,000,000

The land and buildings were revalued on an open market basis by King Sturge on 29th June for £7,000,000.

The property is solely for investment purposes. Accordingly, no timing differences arise and no provision has been made for deferred tax in respect of the revaluation.

RSA ISLAND VILLAGE LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2006

7 Fixed asset investments

	Shares in group undertakings and participating interests £
Cost or valuation	
At 1 April 2005 & at 31 March 2006	100
Net book value	
At 31 March 2006	100
	<u>100</u>
At 31 March 2005	<u>100</u>

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	Class	Shares held %
Subsidiary undertakings			
RSA Developments Limited	England	Ordinary	100.00

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

		Capital and reserves 2006 £	Profit for the year 2006 £
RSA Developments Limited	Principal activity Dormant Company	100	-
		<u>100</u>	<u>-</u>

8 Debtors	2006 £	2005 £
Trade debtors	128,291	84,242
Other debtors	497,098	95,786
	<u>625,389</u>	<u>180,028</u>

Included in other debtors is a secured loan to a connected company, in the sum of £431,173.

RSA ISLAND VILLAGE LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2006

9 Creditors: amounts falling due within one year	2006	2005
	£	£
Bank loans and overdrafts	700,000	700,000
Trade creditors	1,340	-
Taxation and social security	19,423	21,071
Deferred income	127,156	20,965
Other creditors	206,899	148,688
	<u>1,054,818</u>	<u>890,724</u>

The bank loans & overdraft are secured by a mortgage over the freehold land and buildings, and a debenture over all of the remaining assets of the company.

10 Deferred income

Capital grants

£

Balance at 1 April 2005 & at 31 March 2006 1,723,502

11 Statement of movements on reserves

	Revaluation reserve	Other reserves (see below)	Profit and loss account
	£	£	£
Balance at 1 April 2005	2,634,200	501,000	(18,745)
Profit for the year	-	-	6,318
Revaluation during the year	2,000,000	-	-
Balance at 31 March 2006	<u>4,634,200</u>	<u>501,000</u>	<u>(12,427)</u>

Other reserves

Reserves provided for by the Articles of Association

Balance at 1 April 2005 & at 31 March 2006 501,000

RSA ISLAND VILLAGE LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2006

12 Reconciliation of movements in shareholders' funds	2006	2005
	£	£
Profit/(Loss) for the financial year	6,318	(75,698)
Other recognised gains and losses	2,000,000	2,634,200
	<u> </u>	<u> </u>
Net addition to shareholders' funds	2,006,318	2,558,502
Opening shareholders' funds	3,116,455	557,953
	<u> </u>	<u> </u>
Closing shareholders' funds	<u>5,122,773</u>	<u>3,116,455</u>

13 Contingent liabilities

There are no contingent liabilities to the knowledge of the directors.

14 Control

The company has four members who each have equal voting rights so that there is no ultimate controlling party.

15 Related party transactions

During the year, the company paid £2,126 (2005 : £2,126) in respect of directors and officers liability insurance.