

Holaw (581) Limited

FINANCIAL STATEMENTS

for the year ended

31 May 2007

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COMPANIES HOUSE

Company Registration No 03806419

Holaw (581) Limited

DIRECTORS AND OFFICERS

DIRECTORS

S A Nahum
R Tchenguiz
V A Tchenguiz
M R Turner

SECRETARY

M H P Ingham

COMPANY NUMBER

03806419 (England and Wales)

REGISTERED OFFICE

4th Floor
Leconfield House
Curzon Street
London
W1J 5JA

AUDITORS

Baker Tilly UK Audit LLP
Chartered Accountants
The Clock House
140 London Road
Guildford
Surrey
GU1 1UW

SOLICITORS

Olswang
90 High Holborn
London
WC1V 6XX

Holaw (581) Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Holaw (581) Limited for the year ended 31 May 2007

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the company, which has remained unchanged during the year, was that of an intermediate holding company

The company did not trade during the year

In the opinion of the directors the financial position of the company at 31 May 2007 was satisfactory given the support of Rotch Property Group Limited, a related party

FINANCIAL RISKS AND KEY PERFORMANCE INDICATORS

The company is a dormant intermediate holding company, accordingly it has no key performance indicators

The company has no exposure to financial, interest rate or credit risks other than through its investments in its subsidiaries. As its subsidiaries are involved in property investment the principal risks they have are in respect of interest rate and tenant credit risk

Interest rate risk

The risk has been mitigated by the subsidiaries only being party to fixed interest rate loans

Tenant credit risk

The risk has been mitigated by the subsidiaries only taking on appropriate tenants with credit checks undertaken by Prime Estates Management Limited, a related party. In the main, tenants must be categorised as AAA by rating agencies or be a Government organisation

DIVIDENDS

The directors do not recommend payment of a dividend

DIRECTORS

The following directors have held office since 1 June 2006

S A Nahum
R Tchenguiz
V A Tchenguiz
M R Turner

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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 auditors are 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

Holaw (581) Limited

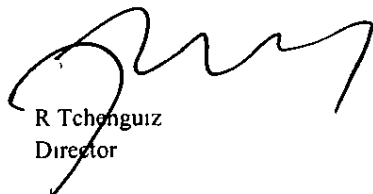
DIRECTORS' REPORT (CONTINUED)

AUDITORS

The directors, having been notified of the cessation of the partnership known as Baker Tilly, resolved that Baker Tilly UK Audit LLP be appointed as successor auditor with effect from 1 April 2007, in accordance with the provisions of the Companies Act 1989, s26(5). Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

The company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with Section 386(1) of the Companies Act 1985. Therefore, the auditors, Baker Tilly UK Audit LLP, will be deemed to be reappointed for each succeeding financial year.

On behalf of the board



R Tchenguiz
Director

19 February 2008

Holaw (581) Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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 state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- d 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 AUDITOR'S REPORT TO THE MEMBERS OF HOLAW (581) LIMITED

We have audited the financial statements on pages 6 to 9

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 the implications for our report if we become aware of any apparent misstatements within it.

Basis of 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, of the state of the company's affairs at 31 May 2007 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

BAKER TILLY UK AUDIT LLP

Registered Auditor
Chartered Accountants
The Clock House
140 London Road
Guildford
Surrey
GU1 1UW

19 February 2008

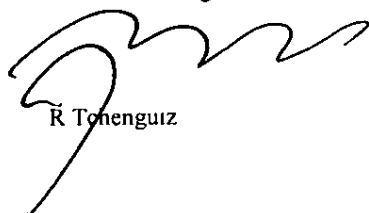
Holaw (581) Limited

BALANCE SHEET

31 May 2007

	<i>Notes</i>	2007 £	2006 £
FIXED ASSETS			
Investments	2	<u>200</u>	<u>200</u>
CURRENT ASSETS			
Debtors	3	1	1
CREDITORS Amounts falling due within one year	4	<u>(101)</u>	<u>(101)</u>
NET CURRENT LIABILITIES		<u>(100)</u>	<u>(100)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>100</u>	<u>100</u>
CAPITAL AND RESERVES			
Called up share capital	5	<u>100</u>	<u>100</u>
EQUITY SHAREHOLDERS' FUNDS	6	<u>100</u>	<u>100</u>

The financial statements on pages 6 to 9 were approved by the board of directors and authorised for issue on 19 February 2008 and are signed on its behalf by



R Tonenguiz

Director

Holaw (581) Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with applicable accounting standards

The financial statements have been prepared under the historical cost convention

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

GOING CONCERN

The company continues to be supported by Rotch Property Group Limited, a related company (see note 8), which has agreed to provide financial support as and when required to enable the company to meet its external obligations. On this basis, the directors consider it appropriate to prepare the accounts on a going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of this financial support.

INVESTMENTS

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

GROUP ACCOUNTS

The company and its subsidiary undertakings comprise a medium-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.

CASH FLOW STATEMENT

The company is exempt from the requirement to prepare a cash flow statement as it is entitled to the exemptions for small companies' accounts set out in section 246 to 249 of the Companies Act 1985.

PROFIT AND LOSS ACCOUNT

The company did not trade during the year or during the previous year. Accordingly, no profit and loss account is presented as part of these financial statements.

Holaw (581) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2007

1 EMPLOYEES

There were no employees during the year apart from the directors, who received no emoluments

2 FIXED ASSET INVESTMENTS

	<i>Shares in group undertakings</i>
	£
Cost	
1 June 2006 and 31 May 2007	<u>200</u>

In the opinion of the directors the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

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

<i>Company</i>	<i>Country of registration or incorporation</i>	<i>Shares held</i>	
		<i>Class</i>	<i>%</i>
Subsidiary undertakings			
Holaw (580) Limited	England	£1 Ordinary	100
Pipesafe Limited	England	£1 Ordinary	100

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

	<i>Capital and reserves</i>	<i>Profit for the year</i>
	£	£
Holaw (580) Limited	5,709,775	231,894
Pipesafe Limited	<u>44,374,540</u>	<u>1,213,253</u>

3 DEBTORS

	2007	2006
	£	£
Due within one year		
Other debtors	<u>1</u>	<u>1</u>

Holaw (581) Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 May 2007

4	CREDITORS Amounts falling due within one year	2007 £	2006 £
	Other creditors	101	101
5	SHARE CAPITAL	2007 £	2006 £
	Authorised 100 ordinary shares of £1 each	100	100
	Allotted, issued and fully paid 100 ordinary shares of £1 each	100	100
6	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2007 £	2006 £
	Opening shareholders' funds	100	100
	Closing shareholders' funds	100	100

7 OWNERSHIP AND CONTROL

The company's immediate holding company is Holaw (582) Limited, a company registered in England

The company's ultimate holding company is Highgreen Limited, a company registered in the British Virgin Islands

At the year end there was no ultimate controlling party

8 RELATED PARTY TRANSACTIONS

The company is related to Rotch Property Group Limited and its subsidiaries ("Rotch") with whom it has directors in common. In view of the company's net current liabilities, Rotch has agreed to provide financial support as and when required to enable the company to meet its external obligations.

At the balance sheet date £101 (2006: £101) was due to Rotch.

At the balance sheet date £1 (2006: £1) was due from Coraglade Limited, a company with whom it has directors in common.