

Holaw (581) Limited

FINANCIAL STATEMENTS

for the year ended

31 May 2004



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COMPANIES HOUSE 31/03/05

Company Registration No. 03806419

Holaw (581) Limited

DIRECTORS AND OFFICERS

DIRECTORS

R Tchenguiz
V A Tchenguiz
P V Taylor

SECRETARY

M H P Ingham

COMPANY NUMBER

03806419 (England)

REGISTERED OFFICE

18 Upper Grosvenor Street
London
W1K 7PW

AUDITORS

Baker Tilly
The Clock House
140 London Road
Guildford
Surrey
GU1 1UW

SOLICITORS

Julian Holy
Emperor's Gate
114A Cromwell Road
London
SW7 4ES

Holaw (581) Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Holaw (581) Limited for the year ended 31 May 2004.

PRINCIPAL ACTIVITIES

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

REVIEW OF THE BUSINESS

The company did not trade during the year.

In the opinion of the directors the financial position of the company at 31 May 2004 was satisfactory.

DIVIDENDS

The directors do not recommend payment of a dividend.

DIRECTORS

The following directors have held office since 1 June 2003:

R Tchenguiz
V A Tchenguiz
P V Taylor

DIRECTORS' INTERESTS IN SHARES

The directors at 31 May 2004 had no beneficial interest in the share capital of the company at any time during the year.

AUDITORS

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, will be deemed to be reappointed for each succeeding financial year.

On behalf of the board



R Tchenguiz
Director

30 March 2005

Holaw (581) Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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:

- 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 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 HOLAW (581) LIMITED

We have audited the financial statements on pages 5 to 8.

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 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 United Kingdom Auditing Standards.

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 other information in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within the financial statements. Our responsibilities do not extend to any other information.

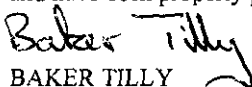
Basis of opinion

We conducted our audit in accordance with Auditing Standards 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 of the state of the company's affairs as at 31 May 2004 and have been properly prepared in accordance with the Companies Act 1985.


BAKER TILLY

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

30 March 2005

Holaw (581) Limited

BALANCE SHEET

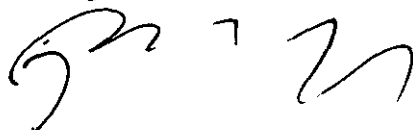
31 May 2004

| | Notes | 2004 £ | 2003 £ |
|--|-------|--------------|------------|
| FIXED ASSETS | | | |
| Investments | 2 | 200 | 102 |
| Debtors | 3 | 1 | 1 |
| CREDITORS: Amounts falling due within one year | 4 | (101) | (3) |
| NET CURRENT LIABILITIES | | <u>(100)</u> | <u>(2)</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> |

Approved by the board on 30 March 2005

R Tchenguiz

Director



Holaw (581) Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

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

The financial statements have been prepared under the historical cost convention.

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 2004

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 2003 | 102 |
| Additions | 98 |
| | <hr/> |
| 31 May 2004 | 200 |
| | <hr/> |

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/(loss) for the year</i> |
|---------------------|---------------------------------|---------------------------------------|
| | £ | £ |
| Holaw (580) Limited | 3,834,587 | 148,859 |
| Pipesafe Limited | 23,782,105 | (177,936) |
| | <hr/> | <hr/> |

3. DEBTORS

| | 2004 | 2003 |
|----------------------|-------|-------|
| | £ | £ |
| Due within one year: | | |
| Other debtors | 1 | 1 |
| | <hr/> | <hr/> |

Holaw (581) Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 May 2004

| | | |
|--|-----------|-----------|
| 4. CREDITORS: Amounts falling due within one year | 2004 £ | 2003 £ |
| Amounts owed to group undertakings | 101 | 3 |
| 5. SHARE CAPITAL | 2004 £ | 2003 £ |
| 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 | 2004 £ | 2003 £ |
| Result for the financial year | - | - |
| 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, which is registered in the British Virgin Islands.

At the year end there was no ultimate controlling party.

At 31 May 2003 the ultimate controlling party was the Tchenguiz Family Trust.

8. RELATED PARTY TRANSACTIONS

The company is related to Rotch Property Group Limited and its subsidiaries ("Rotch") with whom it has directors in common, and whose ultimate controlling party is the Tchenguiz Family Trust. At the balance sheet date £101 (2003: £3) was due to Rotch.

At the balance sheet date £1 (2003: £1) was due from Coraiglade Limited, a company under common control.