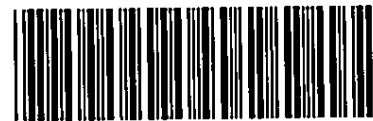


GREYCOAT MOOR HOUSE LP LIMITED
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2007



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Company No. 4137909 (England and Wales)

GREYCOAT MOOR HOUSE LP LIMITED

COMPANY INFORMATION

Directors	PA Thornton CN Strickland MA Poole AM Craven
Secretary	NC Brown
Company Number	4137909
Registered Office	9 Savoy Street London WC2E 7EG
Auditors	Baker Tilly UK Audit LLP 2 Bloomsbury Street London WC1B 3ST

GREYCOAT MOOR HOUSE LP LIMITED

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GREYCOAT MOOR HOUSE LP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2007

The directors present their report together with the audited accounts for the year ended 30 June 2007

Principal Activities, Review of Business and Future Developments

The principal activity was property investment

During the year, the company received a payment in respect of the deferred consideration for the sale of the company's interest in The Moor House Limited Partnership amounting to £3,000,000. This was accrued for in the financial statements for the year ended 30 June 2006.

The Company's principal activity is expected to continue in the future.

Results and Dividends

The company's profit on ordinary activities before and after taxation was £1,076 (2006 £3,000,000)

The directors are unable to recommend a final dividend (2006 £nil)

Directors

The directors who served during the year and subsequent to that date were

PA Thornton
C Strickland
MA Poole
AM Craven

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 that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all 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 auditors.

GREYCOAT MOOR HOUSE LP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2007

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements the directors

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts, and
- prepare the accounts 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.

Auditors

A resolution to re-appoint Baker Tilly UK Audit LLP as auditor will be proposed at the Annual General Meeting of the Company.

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



M.A. Poole, Director
12 December 2007

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREYCOAT MOOR HOUSE LP LIMITED

We have audited the financial statements on pages 4 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 transactions with the company 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.

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 30 June 2007 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

12 December 2007

GREYCOAT MOOR HOUSE LP LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 30 JUNE 2007**

	Notes	Year ended 30 June 2007 £	Year ended 30 June 2006 £
Profit on sale of fixed asset investments	2	-	3,000,000
Reversal of provision against amount due from former subsidiary undertakings		1,076	-
Profit on ordinary activities before taxation		<u>1,076</u>	<u>3,000,000</u>
Taxation	4	-	-
Retained profit for the year	9	<u>1,076</u>	<u>3,000,000</u>

Statement of Total Recognised Gains and Losses

There were no recognised gains or losses in 2007 or 2006 other than those included in the profit and loss account

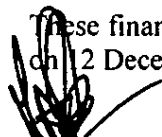
GREYCOAT MOOR HOUSE LP LIMITED

BALANCE SHEET

AS AT 30 JUNE 2007

	Notes	£	30 June 2007 £	£	30 June 2006 £
Current Assets					
Debtors	5	1,078		3,000,002	
Cash at bank		1,000		1,000	
		<u>2,078</u>		<u>3,001,002</u>	
Creditors: Amounts Falling Due Within One Year	6	(209,719)		(172,502)	
			(207,641)		2,828,500
Net current (liabilities)/assets			<u>(207,641)</u>		<u>2,828,500</u>
Creditors: Amounts Falling Due After More Than One Year	7		(5,794,886)		(8,832,103)
Total Assets Less Current Liabilities			<u>(6,002,527)</u>		<u>(6,003,603)</u>
Capital and Reserves					
Share capital	8		2		2
Profit and loss account	9		(6,002,529)		(6,003,605)
Equity Shareholders' Funds	10		<u>(6,002,527)</u>		<u>(6,003,603)</u>

These financial statements on pages 4 to 9 were approved by the board of directors and authorised for issue on 12 December 2007 and signed on its behalf


M.A. Poole
Director

GREYCOAT MOOR HOUSE LP LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2007

1 Accounting Policies

Basis of Accounting

The accounts have been prepared under the historical cost accounting convention and comply with the Companies Act 1985. The accounts are prepared in accordance with applicable accounting standards.

The accounts have been prepared on the going concern basis because the ultimate holding company, Greycoat Estates Ltd, and a fellow subsidiary undertaking have confirmed that they will continue to support the company by agreeing not to demand repayment of amounts owed to them for a period until at least 12 months from the date of approval by the directors of these accounts.

Deferred Taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the accounts. Deferred tax is not provided on timing differences arising from the revaluation of tangible fixed assets where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2 Profit on sale of fixed asset investments

During the year ended 30 June 2005, the company transferred its interest in The Moor House Limited Partnership to two fellow subsidiaries for initial consideration of £18,000,002 and deferred contingent consideration of up to £3,000,000. As explained in note 13, the £3m deferred consideration was received in October 2006. A profit on disposal of £6,144,675 was realised on the initial consideration in the 2005 financial statements and a further profit on disposal of £3,000,000 was realised in the year ended 30 June 2006 financial statements.

3 Administrative expenses

Messrs PA Thornton, C Strickland, MA Poole and AM Craven are also directors of Greycoat Estates Limited which was the ultimate parent undertaking at 30 June 2007. The directors are all paid by a fellow subsidiary undertaking. The directors do not believe that it is practicable to apportion their remuneration between their services to the company and their services to the ultimate parent undertaking and fellow subsidiaries.

The auditors receive their remuneration from a fellow subsidiary. Auditors' remuneration attributable to the audit of this company's statutory financial statements is £1,500 (2006 £1,500).

GREYCOAT MOOR HOUSE LP LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2007

4 Taxation

There is no tax charge for the year (2006: £nil) There is no provision, or additional potential liability, for deferred taxation in respect of the company.

	Year ended 30 June 2007 £	Year ended 30 June 2006 £
Factors affecting tax charge for the year		
The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below		
Profit on ordinary activities before tax	1,076	3,000,000
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006: 30%)	323	900,000
Profit on disposal of fixed asset investments	-	(900,000)
Reversal of provision against amount due from former subsidiary undertaking	(323)	-
Current tax charge for the year	-	-

Factors that may affect future tax charges

At 30 June 2007, the company had tax losses of approximately £4,400,000 (2006: £4,400,000) available to carry forward to future years. A deferred tax asset of £1,232,000 (2006: £1,320,000) has not been recognised in the financial statements due to the uncertainty as to the timing of future profits.

5 Debtors

	30 June 2007 £	30 June 2006 £
Amounts due from immediate parent undertaking	2	2
Accrued income (note 2)	-	3,000,000
Other debtors	1,076	-
	1,078	3,000,002

GREYCOAT MOOR HOUSE LP LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2007

6 Creditors: Amounts falling due within one year

	30 June 2007 £	30 June 2006 £
Amounts due to Greycoat Management Limited	209,719	172,502

7 Creditors: Amounts Falling Due After More Than One Year

	30 June 2007 £	30 June 2006 £
Amounts due to Greycoat Estates Limited	5,794,886	8,832,103

The amounts due to Greycoat Estates Limited is an interest free loan due for repayment on 31 December 2010

8 Share Capital

	30 June 2007 £	30 June 2006 £
Authorised Equity Shares		
100 Ordinary shares of £1 each	100	100
Allotted, Issued, and Fully Paid Equity Shares		
2 Ordinary shares of £1 each	2	2

GREYCOAT MOOR HOUSE LP LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2007

9 Movements on Reserves

	Profit and Loss Account £
At 1 July 2005	(9,003,605)
Profit for the year	3,000,000
At 30 June 2006	(6,003,605)
Result for the year	1,076
At 30 June 2007	(6,002,529)

10 Reconciliation of Equity Shareholders' Funds

	30 June 2007 £	30 June 2006 £
Profit for the year	1,076	3,000,000
Increase in equity shareholders' funds	1,076	3,000,000
Equity Shareholders' funds brought forward	(6,003,603)	(9,003,603)
Equity Shareholders' funds carried forward	(6,002,527)	(6,003,603)

11 Immediate and Ultimate Parent Undertaking

The company's immediate and ultimate parent undertaking and controlling party at 30 June 2007 was Greycoat Estates Limited, registered in England and Wales.

12 Transactions with Related Parties

During the year, the company repaid £3,037,216 to Greycoat Estates Limited. As at 30 June 2007, the company owed Greycoat Estates Limited £5,794,886 (2006: £8,832,102).

During the year, Greycoat Management Limited made net advances to the company totalling £37,216 (2006: £nil). As at 30 June 2007, the company owed £209,719 (2006: £172,502) to Greycoat Management Limited. Greycoat Management Limited is a fellow subsidiary of Greycoat Estates Limited.