NEW LONDON BRIDGE HOUSE LIMITED

REPORT

AND FINANCIAL STATEMENTS

31 DECEMBER 2007

Company No 4833390

NEW LONDON BRIDGE HOUSE LIMITED

DIRECTORS

Mr J Sellar

Mr A Trew

Mr E Limido

Mr T Al Jaber

SECRETARY

Mr P H Turpin

AUDITORS

Ernst & Young LLP
1 More London Place
London
SE1 2AF

REGISTERED OFFICE

110 Park Street
London
W1K 6NX

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2007

The directors present their report and financial statements for the year ended 31 December 2007.

RESULTS AND DIVIDENDS

The profit after tax for the year was £395,552 (2006: loss of £34,965). The directors do not recommend payment of any dividend for the year.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company was to hold and redevelop a freehold property known as New London Bridge House, London, SE1. On 13 October 2009, the beneficial interest in the freehold property was transferred to a fellow subsidiary undertaking and as a result the company does not expect to engage in any property development activity in the foreseeable future.

On 5 December 2007, the shareholders in the company transferred their shares to LBQ Limited in exchange for shares in that company. LBQ Limited thus became the immediate parent company at that date.

On 22 October 2009, LBQ Limited issued £431m of share capital to The State of Qatar via a number of intermediate parent undertakings which meant that The State of Qatar became the company's ultimate parent undertaking.

PRINCIPAL RISKS AND UNCERTAINTIES

Going Concern

The company's ability to proceed with the redevelopment of the New London Bridge House site was dependent on the availability of appropriate funding facilities. As a result of the company's immediate parent undertaking securing new funding facilities subsequent to the year end and the transfer of the beneficial interest in the site to a fellow subsidiary undertaking, the principal risk to the company is the potential non-availability of funds to enable the company to meet its liabilities as they fall due. The directors regularly review the cash flow requirements of the company and are able to draw upon funding from within the LBQ Limited Group should it be required. Accordingly the financial statements have been prepared on the going concern basis.

EVENTS SINCE THE BALANCE SHEET DATE

On 16 December 2008, the company's external funding arrangements entered into jointly with a fellow subsidiary undertaking, Teighmore Limited, were refinanced such that the existing facilities were repaid and funding provided by the immediate parent undertaking from that date.

On 13 October 2009 the company transferred its beneficial interest in the New London Bridge House development to a fellow subsidiary undertaking for £61,313,975, being the net book value of the site at that date.

NEW LONDON BRIDGE HOUSE LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2007 (CONTINUED)

DIRECTORS AND THEIR INTERESTS

The directors who held office during the year ended 31 December 2007 and up to the date of this report were as follows:

Mr T J Thompson (resigned 9th January 2008)

Mr J Sellar

Mr P H Turpin (resigned 9th January 2008)

Mr P H Sjöberg (resigned 9th January 2008)

Ms F M Leonard (resigned 1st August 2007)

Mr G T Brown (resigned 23th April 2007)

Mr A Trew (appointed 9th January 2008)

Mr E Limido (appointed 9th January 2008)

Mr P J Austin (appointed 23rd April 2007, resigned 1st August 2007)

Mr R A Christensen (appointed 1st August 2007, resigned 9th January 2008)

Mr A D Hoy (appointed 1st August 2007, resigned 9th January 2008)

Mr T Al Jaber (appointed 20th March 2009)

SHARE CAPITAL

On 5 December 2007 the company issued 450 ordinary voting shares at a premium of £14,817 per share, payment in respect of which was achieved by way of the conversion of existing shareholder loans. £6,668,163 of shareholder loans have been exchanged for £450 in shareholder capital. The new ordinary shares rank pari passu with the existing ordinary shares.

DIRECTORS INDEMNITY INSURANCE

All directors are entitled to contractual indemnification from the Company to the extent permitted by law against claims and legal expenses incurred in the course of their duties.

Such qualifying third party indemnity insurance is provided and remains in force as at the date of approving the directors' report.

DISCLOSURE OF INFORMATION TO THE AUDITORS

Each Director has confirmed that:

- So far as he is aware, there is no relevant audit information of which the Company's auditors are unaware;
- He has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

On 31 July 2008 Eagle Partnership Limited resigned as the auditors to the company and were replaced by Ernst & Young LLP.

A resolution to appoint Ernst & Young LLP as auditors to the Company will be proposed at the forthcoming annual general meeting.

BY ORDER OF THE BOARD

Mr P Turpin
Secretary
18 November 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Report and 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 group and the company and of the profit or loss of the group 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,

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and

- 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.

NEW LONDON BRIDGE HOUSE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEW LONDON BRIDGE HOUSE LIMITED

We have audited the financial statements of New London Bridge House Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes 1 to 18. 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 directors and auditors

The directors' responsibilities for preparing the Report and the financial statements in accordance with applicable United Kingdom law and 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 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 judgments 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 as at 31 December 2007 and of its profit 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.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
London
18 November 2009

PROFIT LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2007

	NOTES	2007 £	2006 £
Rental income		3,415,546	3,417,212
Service charge expenditure recovered		791,360	724,155
Other income		3,030	1,442
Turnover		4,209,936	4,142,809
Service charge expenditure		(721,227)	(675,215)
		3,488,709	3,467,594
Administrative expenses		(727,157)	(140,041)
Operating profit		2,761,552	3,327,553
Interest receivable and similar income		369,296	4,657
Interest payable and similar charges	(2)	(2,760,838)	(3,221,334)
Profit on ordinary activities before taxation	(5)	370,010	110,876
Tax on profit on ordinary activities - ordinary	(6)	34,471	(122,533)
- deferred	(6)	(8,929)	(23,308)
Profit/(loss) for the year	(14)	395,552	(34,965)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2007 £	2006 £
Profit/(Loss) for the year	395,552	(34,965)
(Release of) /surplus on revaluation of property	(86,050,920)	79,570,599
Total recognised (loss)/gain for the year	(85,655,368)	79,535,634

There is no material difference between the profit on ordinary activities before taxation and the profit for the year stated above, and their historical cost equivalents.

All items included in the above profit and loss account are part of continuing operations.

NEW LONDON BRIDGE HOUSE LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2007

	NOTES	2007 £	2006 £
FIXED ASSETS			
Assets in the course of construction	(8)	48,120,139	130,000,000
CURRENT ASSETS			
Debtors: amounts falling due within one year	(9)	697,062	297,380
Cash at bank and in hand		244,260	1,919,596
		941,322	2,216,976
CREDITORS: amounts falling due within one year	(10)	(39,276,149)	(2,968,782)
NET CURRENT LIABILITIES		(38,334,827)	(2,968,782)
TOTAL ASSETS LESS CURRENT LIABILITIES		9,785,312	96,880,676
CREDITORS: amounts falling due after more than one year	(11)	-	(40,484,606)
PROVISIONS FOR LIABILITIES AND CHARGES	(12)	(119,729)	(110,800)
NET ASSETS		9,665,583	88,652,788
CAPITAL AND RESERVES			
Called up share capital	(13)	2,025	1,575
Share Premium	(14)	7,656,711	988,998
Revaluation Reserve	(14)	-	86,050,920
Profit and loss account	(14)	2,006,847	1,611,295
EQUITY SHAREHOLDERS' FUNDS		9,665,583	88,652,788

These financial statements were approved by the board of Directors on and signed on its behalf.

DIRECTOR

Mr J Sellar
18 November 2009

1 ACCOUNTING POLICIES

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

Basis of preparation

The financial statements of New London Bridge House Limited were approved for issue by the Board of Directors on 18 November 2009.

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Going Concern

The financial statements have been prepared on the going concern basis as the directors have received assurances from the immediate parent undertaking that it will provide the necessary support to enable the company to meet its liabilities as they fall due.

Interest bearing loans and borrowings

All interest bearing loans and borrowings are initially recognised at net proceeds. After initial recognition debt is increased by the finance cost in respect of the reporting period and reduced by payments made in respect of the debts during the accounting period.

Assets in course of construction

Assets in course of construction are accounted for at cost, less any provision for impairment, and in addition to the historic cost of acquisition of the property, represent the amounts expended in connection with obtaining planning consent to redevelop the site of the existing freehold property. The majority of these costs relate to professional services provided by the architects, consulting engineers and legal advisors.

Turnover

Turnover comprises the total value of rents and service charge receivable under operating leases, excluding VAT. Where there is a material rent free period and the amount is considered to be recoverable, the income is spread evenly over the period to the date of the first break. Rents received in advance are shown as deferred income in the balance sheet.

Financial Instruments

Financial instruments entered into by the company are classified as liabilities if they contain an obligation to transfer economic benefits. The finance cost recognised in the profit and loss account in respect of the financial instruments, other than equity shares, is allocated to periods over the term of the instrument at a constant rate on the carrying amount. The unamortised amount is offset against the loan balance outstanding. Where the instrument is redeemed/repaid during the accounting period, the unamortised cost is written off to the profit and loss account in that period.

Statement of Cash flows

The company qualifies as a small entity and has therefore taken advantage of the exemption available in paragraph 5 of the Financial Reporting standard 1 (revised) "cash flow statements" which excludes small entities from the need to prepare such a statement.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted;

Provision is made for tax on gains from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more than likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on the tax rates and laws enacted or substantively enacted at the balance sheet date.

2 INTEREST PAYABLE AND SIMILAR CHARGES

	2007	2006
	£	£
On bank loans	2,589,939	1,869,833
Interest payable waived on loans from participating interests	(616,342)	616,342
Amortisation of refinancing and arrangement fees	787,241	612,608
Amortisation of interest rate caps	-	122,551
Net interest payable	2,760,838	3,221,334

3 DIRECTORS' EMOLUMENTS

The Directors of the Company received no emoluments during the year (2006:£nil).

4 STAFF COSTS

The company had 1 employee during the course of the year (2006: 1).
Operational and accounting services were provided through management fees charged by CLSH management Ltd,(a wholly owned subsidiary of one of the investors in the company).

5 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2007	2006
	£	£
This is stated after charging:		
Auditors' remuneration - audit services		
- current year (2006: previous auditors)	15,000	2,750
- under provision in prior year	1,550	-
	16,550	2,750

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2007	2006
	£	£
The tax (credit)/charge is calculated as follows:		
Current tax (credit)/charge:		
UK corporation tax at 30% (2006: 30%)	30,529	122,533
Adjustments in respect of previous years	(65,000)	-
	(34,471)	122,533
Deferred tax charge:		
Origination and reversal of timing differences (note 12)	8,929	23,308
	(25,542)	145,841

7 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2007	2006
	£	£
Profit on ordinary activities before taxation multiplied by		
The standard rate of UK corporation tax of 30% (2006: 30%)	111,003	33,263
Effect of:		
Marginal small company relief	-	(27,500)
Differences due to non-deductible expenses and items not included	(60,833)	140,045
in profit for tax purposes		-
Differences between capital allowances and depreciation	(17,481)	(23,308)
Adjustment in respect of previous years	(65,000)	33
Others	(2,160)	-
Current tax charge in profit and loss account	(34,471)	122,533

The UK Corporation tax rate decreased from 30% to 28% from 1 April 2008. This rate change will affect the amount of future cash tax payments to be made by the company.

8 ASSETS IN THE COURSE OF CONSTRUCTION

	Freehold property	*Development costs*	*Total*
Cost			
At 1 January	125,640,201	4,359,799	130,000,000
Additions	-	4,171,059	4,171,059
Revaluation reserve released	(86,050,920)	-	(86,050,920)
At 31 December	39,589,281	8,530,858	48,120,139

The New London Bridge House site was previously disclosed as an investment property and included in the financial statements as its revalued amount (as a result of a valuation prepared by the directors) in accordance with SSAP 19. During 2007, the directors' intentions for the site changed as a result of the crystallisation of the plans and associated financing to redevelop the site in conjunction with the adjoining site owned by the company's related party, Teighmore Limited. As a result, the site is included in the financial statements as at 31 December 2007 as an asset in the course of construction at its historic cost, with a resulting release of the revaluation reserve at that date.

On 13 October 2009, the company transferred the beneficial ownership in the site to a fellow subsidiary undertaking for proceeds of £61,313,975, being the book value at that date.

9 DEBTORS

	2007	2006
	£	£
Amounts falling due within one year:		
Amounts due from participating interests	697,062	280,532
Prepayments & accrued income	-	16,848
	697,062	297,380

During 2006 and 2007 CLSH Management Ltd., a related party, collected rents and managed the property on behalf of the company.

10 CREDITORS: amounts falling due within one year

	2007	2006
	£	£
Unamortised arrangement fees and finance fees	-	(438,381)
Trade creditors	942,878	273,631
Other taxes and social security	225,856	269,071
Other creditors	13,113	628,797
Accruals and deferred income	2,244,708	2,235,664
	3,426,556	2,968,782
Bank loans (i)	35,849,594	-
	39,276,149	2,968,782

(i) The loan finance outstanding at 31 December 2007 represents amounts drawndown in connection with a facility of £212.0m (increased from £196.0m on 6 August 2007) advanced by Nationwide Building Society. The facility was made available jointly to the company and its related undertaking, Teighmore Limited. The loan bore interest at a fixed rate of 7.2% on borrowing up to a maximum of £129,705,075 with the remainder bearing interest at 3 month LIBOR plus 2%. Interest on the loan was repayable as incurred with the principal sum repayable on maturity.

The loan was refinanced and replaced by interest bearing, intercompany funding on 16 December 2008. The loan finance bears interest at 12% and is repayable on demand.

NEW LONDON BRIDGE HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007 (CONTINUED)

11	CREDITORS: amounts falling due after more than one year	2007	2006
		£	£
	Amounts owed to participating interests and other related parties	-	8,117,088
	Bank loans	-	32,676,188
	Unamortised arrangement fees and finance fees	-	(308,670)
		-	40,484,606

On 10 December 2007, the outstanding Shareholders' loans were converted to ordinary share capital. Details of the conversion are disclosed in note 13.

12 PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation is provided as follows:	2007 Provision £	2006 Provision £
Capital allowances in excess of depreciation	119,729	110,800

The movement on the provision is as follows:		
At 1 January	110,800	87,492
Amount charged to profit and loss	8,929	23,308
At 31 December	119,729	110,800

13	SHARE CAPITAL	2007	2006
		£	£
	Authorised ordinary shares of £1 each	10,000	10,000
	Allotted, called up and fully paid:		
	Ordinary shares of £1 each	2,025	1,575

On 5 December 2007 the company issued 450 ordinary voting shares at a premium of £14,817 per share, payment in respect of which was achieved by way of the conversion of shareholders loans at that date. £6,668,163 of shareholder loans have been exchanged for £450 in shareholder capital.

On 10 December 2007, the existing shareholders transferred their shareholdings to LBQ Limited, in exchange for shares in that company.

14 RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	Share Capital	Share Premium	Revaluation Reserve	Profit & Loss Account	2007 Total	2006 Total
	£	£	£	£	£	£
At 1 January	1,575	988,998	86,050,920	1,611,295	88,652,788	8,127,583
Share issue	450	6,667,713	-	-	6,668,163	989,571
Profit/(loss) for the financial year	-	-	-	395,552	395,552	(34,965)
Revaluation surplus released	-	-	(86,050,920)	-	(86,050,920)	79,570,599
Balance at 31 December	2,025	7,656,711	-	2,006,847	9,665,583	88,652,788

15 CONTINGENT LIABILITIES

The company has offered security in the form of a floating charge as at 10 November 2009 over the assets of the business in connection with funding facilities arranged to facilitate completion of the London Bridge Quarter development by its immediate parent undertaking.

16 RELATED PARTY TRANSACTIONS

During the year the company incurred development management fees payable to Sellar Property (London Bridge) Limited (a wholly owned subsidiary of one of the participating investors in the company during the year) of £nil (2006:£159,000. At the balance sheet date the amount due to Sellar Propery (London Bridge) Limited was £nil (2006: £540,000).

During the year the company incurred development management fees payable to CLSH Management Limited (a wholly owned subsidiary of one of the participating investors in the company during the year) of £nil (2006:£270,000), as they were responsible for the development management and rental and service charge collection for the Company. At the balance sheet date the amount due to CLSH Management Limited was £nil (2006: £540,000).

During the year the company was charged a management fee in relation to the administration of its service charge process by CLSH Management Limited. This amounted to 10% of the service charge expenditure incurred by the company during the year, being an amount of £72,081 (2006:£67,488). At the balance sheet date the amount due to CLSH Management Limited was £72,081 (2006: £67,488).

During the year the company incurred development management fees payable to Seektask Limited (a wholly owned subsidiary of one of the participating investors in the company during the year) for £900,000 (2006:£159,000), (as they arewere responsible for the development project during 2007). At the balance sheet date the amount due to Seektask Limited was £282,000 (2006: £159,000).

During the year the company entered into financing arrangements jointly with Teighmore Limited, a related party by virtue of common ownership. Details of the loan facility are provided in note 10 of these financial statements. At the balance sheet date, the amount due from Teighmore Limited was £nil (2006 - £241,829)

17 POST BALANCE SHEET EVENTS

On 16 December 2008, the company's external funding arrangements entered into jointly with a fellow subsidiary undertaking, Teighmore Limited, were refinanced such that the existing facilities were repaid and funding provided by the immediate parent undertaking from that date.

On 13 October 2009 the company transferred its beneficial interest in the New London Bridge House development to a fellow subsidiary undertaking for £61,313,975, being the net book value of the site at that date.

18 ULTIMATE CONTROLLING PARTY

The immediate controlling party is LBQ Limited, a company incorporated in Jersey which prepares consolidated financial statements which include the results of the company. These financial statements are not available to the public.

On 22 October 2009, LBQ Limited issued £431m of share capital to The State of Qatar via a number of intermediate parent undertakings. In the opinion of the Directors therefore, the ultimate controlling party is The State of Qatar.