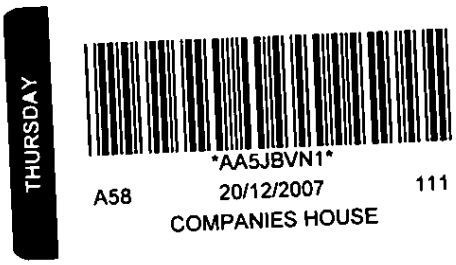
Registered no· 4956921

Lunar Sea Holdings (UK) Limited

Annual report

for the year ended 30 June 2007



Lunar Sea Holdings (UK) Limited

Annual report
for the year ended 30 June 2007

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Lunar Sea Holdings (UK) Limited

Directors and advisers

Directors

Tyrone Allard
John Barrett

Secretary

Tyrone Allard

Registered office

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London
WC1B 4DA

Bankers

National Westminster Bank plc
Bishopsgate
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15 Bishopsgate
London

Ulster Bank Limited
Business and Corporate Banking
Ulster Bank Group Centre
George's Quay
Dublin 2

Solicitors

Eversheds LLP
Senator House
85 Queen Victoria Street
London
EC4V 4JL

Registered auditors

PricewaterhouseCoopers LLP
Waterfront Plaza
8 Laganbank Road
Belfast
BT1 3LR

Directors' report for the year ended 30 June 2007

The directors present their report and the audited financial statements for the year ended 30 June 2007

Principal activity

The main activity of the Group is the letting of property

Review of business and future developments and financial risk management

The Group owns a number of properties which are held as investment assets Two buildings, one a recently constructed building which is 100% let to a couple of tenants that would be regarded as "blue chip", the other a recently renovated and refurbished building which is approximately 85% let to a number of tenants that include government bodies and a quoted company, make up 90% by value of the investments

During the year the Group disposed of a subsidiary undertaking that owned a business park in London, which it acquired towards the close of the previous year, for a significant profit The Group also disposed of a number of interests in lesser properties during the year

A profit of £11 392m was recorded for the year, an increase on £10 234m last year This is after financing costs and turnover which was partially depressed due to vacancies early in the year in one of its large buildings

Furthermore, the market for investment property is very buoyant and the directors are confident that the value of the Group's assets has been greatly enhanced With this in mind the results for the year reflect an uplift in the directors' valuation of the properties by £42 99m

The impact of all of the above is that the net assets of the group are now £126 181m

Given the straightforward nature of the business, the group's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business

The directors' acknowledge that the Group is exposed to a variety of financial risks that include the effects of changes in debt market prices, credit risk and interest rate risk The Group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Group by monitoring levels of debt finance and the related finance costs

Given the size of the Group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board The policies set by the board of directors are implemented by the directors themselves

The Group has implemented policies that require appropriate credit checks on potential tenants before leases are signed If judged appropriate rent deposits are requested or parent company guarantees are sought

The Group actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the Group has sufficient available funds for its operations

Results and dividends

The consolidated profit and loss account for the year is set out on page 5 No dividends were paid during the year (2006 £Nil)

Directors

The directors who served during the year are shown on page 1 None of the directors held any beneficial interest in the shares of the company during the year and their interests in the shares of the ultimate parent company are disclosed in the accounts of that company

Fixed assets

The Group's investment properties are carried in the accounts at a directors' valuation This represents, in the opinion of the directors, the market value of these properties as at 30 June 2007

Political and charitable donations

The Group made no political or charitable donations during the year (2006 £Nil)

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible 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)

The directors are responsible for preparing the financial statements for each financial year which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs 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,
- state whether applicable 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 confirm they have complied with the above requirements in preparing the financial statements

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

Statement of disclosure of information to auditors

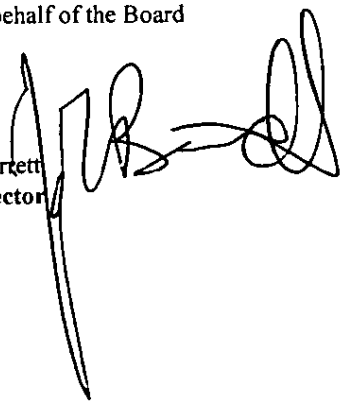
So far as each of the directors in office at the date of approval of these financial statements is aware

- there is no relevant audit information of which the company's auditors are unaware, and
- 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 the company's auditors are aware of that information

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting

On behalf of the Board



J Barrett
Director

Independent auditors' report to the shareholders of Lunar Sea Holdings (UK) Limited

We have audited the Group and parent company financial statements (the 'financial statements') of Lunar Sea Holdings (UK) Limited for the year ended 30 June 2007, which comprise the consolidated profit and loss account, the consolidated statement of total recognised gains and losses, the consolidated note of historical cost profits and losses, the consolidated and company balance sheets and the related notes These financial statements have been prepared under the accounting policies set out therein

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for 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 the relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

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 report to you whether in our opinion the information given in the directors' report is consistent with the financial statements We also 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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and 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 Group's and the parent company's affairs as at 30 June 2007 and of the Group's 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

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Belfast
27 November 2007

Consolidated profit and loss account for the year ended 30 June 2007

	Notes	2007 £	2006 £
Turnover			
Discontinued operations		-	3,990,477
Continuing operations		**19,376,807**	20,179,152
Total turnover	2	**19,376,807**	24,169,629
Cost of sales		-	(624,843)
Gross profit		**19,376,807**	23,544,786
Net operating expenses	3	**(2,424,526)**	(2,627,512)
Operating profit			
Discontinued operations		-	3,959,923
Continuing operations		**16,952,281**	16,957,351
Group operating profit	4	**16,952,281**	20,917,274
Share of operating loss of joint venture		**(65,083)**	-
Operating profit including joint venture		**16,887,198**	20,917,274
Profit/(loss) on sale of fixed assets	5	**12,002,274**	(502,202)
Profit on disposal of subsidiary undertaking	5	-	2,794,573
Interest receivable	7	**2,202,746**	300,849
Interest payable and similar charges	8	**(19,365,958)**	(21,629,904)
Joint venture undertaking			
Net interest receivable/(payable)		**20,367**	(1,147)
Profit on ordinary activities before taxation		**11,746,627**	1,879,443
Taxation	9	**(504,256)**	(330,887)
Profit on ordinary activities after taxation		**11,242,371**	1,548,556
Minority interests	22	**149,574**	(390,894)
Profit for the financial year	19	**11,391,945**	1,157,662

Consolidated statement of total recognised gains and losses for the year ended 30 June 2007

	2007	2006
	£	£
Profit for the financial year	**11,391,945**	1,157,662
Unrealised surplus on revaluation of properties	**42,998,182**	45,950,181
Total gains recognised since last annual report	**54,390,127**	47,107,843

Consolidated note of historical cost profits and losses for the year ended 30 June 2007

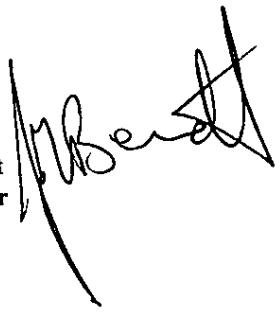
	2007	2006
	£	£
Reported profit on ordinary activities before taxation	**11,746,627**	1,879,443
Realisation of property revaluation gains	**-**	2,000,000
Historical cost profit for the year before taxation	**11,746,627**	3,879,443
Historical cost profit for the year after taxation and minority interests	**11,391,945**	3,157,662

Consolidated balance sheet as at 30 June 2007

	Notes	2007 £	2006 £
Fixed assets			
Intangible assets	13	**2,529,461**	2,677,718
Tangible assets	11	**429,401,774**	412,379,545
		431,931,235	415,057,263
Investment in joint venture			
-Share of gross assets		**16,697,344**	3,920,952
-Share of gross liabilities		**(16,743,207)**	(3,922,099)
		(45,863)	(1,147)
Other investments		**25,594,118**	-
Total investments	12	**25,548,255**	(1,147)
		457,479,490	415,056,116
Current assets			
Debtors	14	**34,731,042**	21,425,846
Cash at bank and in hand		**6,497,974**	12,058,716
		41,229,016	33,484,562
Creditors: amounts falling due within one year	15	**(76,479,944)**	(106,605,724)
Net current liabilities		**(35,250,928)**	(73,121,162)
Total assets less current liabilities		**422,228,562**	341,934,954
Creditors: amounts falling due after more than one year	16	**(295,363,229)**	(269,314,430)
Provisions for liabilities	17	**(684,792)**	(680,536)
Net assets		**126,180,541**	71,939,988
Capital and reserves			
Called up share capital	18	**1**	1
Revaluation reserve	19	**111,124,099**	68,125,917
Profit and loss account	19	**13,009,730**	1,617,785
Total shareholders' funds	20	**124,133,830**	69,743,703
Minority interest	22	**2,046,711**	2,196,285
Capital employed		**126,180,541**	71,939,988

The financial statements on pages 5 to 21 were approved by the board on and were signed on its behalf by

J Barrett
Director

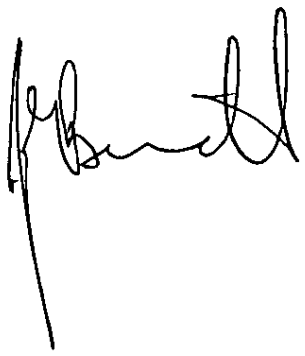


Company balance sheet as at 30 June 2007

	Notes	2007 £	2006 £
Fixed assets			
Investments	12	**31,509,685**	31,509,685
		31,509,685	31,509,685
Current assets			
Debtors	14	**62,526,627**	54,049,076
Cash at bank and in hand		**5,268**	4,837
		62,531,895	54,053,913
Creditors: amounts falling due within one year	15	**(96,612,989)**	(87,836,656)
Net current liabilities		**(34,081,094)**	(33,782,743)
Total assets less current liabilities		**(2,571,409)**	(2,273,058)
Creditors: amounts falling due after more than one year	16	**-**	-
Net liabilities		**(2,571,409)**	(2,273,058)
Capital and reserves			
Called up share capital	18	**1**	1
Profit and loss account	19	**(2,571,410)**	(2,273,059)
Shareholders' deficit		**(2,571,409)**	(2,273,058)

The financial statements on pages 5 to 21 were approved by the board on and were signed on its behalf by

J Barrett
Director



Notes to the financial statements from the year ended 30 June 2007

1 Accounting policies

These financial statements have been prepared on the going concern basis under the historical cost convention, as modified by the revaluation of investment property and in accordance with the Companies Act 1985 and applicable accounting standards Compliance with SSAP 19 "Accounting for Investment Properties" requires departure from the requirements of the Companies Act 1985 relating to depreciation and an explanation of the departure is given below

Basis of consolidation

The consolidated financial statements include the financial statements of Lunar Sea Holdings (UK) Limited and all its subsidiary undertakings up to 30 June 2006 Where subsidiaries or associates are acquired or disposed of during the year, the consolidated profit and loss account includes the results from or to the effective date of acquisition or disposal

The Group's share of results of joint ventures is included in the consolidated profit and loss account, and the Group's share of their net assets is included in the consolidated balance sheet using the gross equity accounting method

Goodwill

Purchased goodwill is written off over its economic useful life by equal annual installments, not exceeding a period of twenty years

Tangible fixed assets

In accordance with SSAP19, investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve No provision is made for depreciation of freehold properties or for amortisation of leasehold properties held on leases having more than 20 years unexpired This departure from the requirements of the Companies Act 1985, which requires all properties to be depreciated, is, in the opinion of the directors, necessary for the accounts to show a true and fair view in accordance with applicable accounting standards

The depreciation which would, had the provisions of the Act been followed, have reduced the profit for the year, is only one of the factors reflected in the annual valuation and the amount attributable to this factor cannot reasonably be separately identified or quantified On the realisation of investment properties, the profit & loss account is credited/charged with the surplus/deficit of the net realisation proceeds over carrying value Freehold land is not depreciated

Debtors

Debtors are stated after all known bad debts have been written off and specific provision has been made against all debts considered doubtful of collection

Investments

Investments other than in joint venture undertakings are stated at cost Provision is made were necessary for any diminution in value

Turnover

Turnover represents the invoiced value of rental income during the period excluding value added tax

1 Accounting policies (continued)

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date Timing differences are differences between the company's taxable profit and its results as stated in the financial statements Deferred tax assets are recognised to the extent that they are regarded as recoverable Deferred tax assets are regarded as recoverable to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities recognised have not been discounted

Foreign currencies

Transactions denominated in foreign currencies are translated at the exchange rate at the date of the transaction All monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date or the exchange rate of a related foreign exchange contract where appropriate Non-monetary items are translated at the rate ruling when the item was originally recorded The resulting gain or loss is dealt with in the profit and loss account

Borrowings

Borrowings are initially stated at the fair value of the consideration received after deduction of issue costs Issue costs, together with finance costs, are charged to the profit and loss account over the term of the borrowings and represent a constant proportion of the balance of capital repayments outstanding

Cash flow statement

No cash flow statement has been prepared as the company is exempt from the requirements of Financial Reporting Standard 1 (Revised) to include a cash flow statement as part of its financial statements because it is a wholly owned subsidiary undertaking of a parent which publishes a consolidated cash flow statement

2 Analysis of turnover

Turnover relates to the company's main activity which is carried out in the United Kingdom

3 Net operating expenses

	2007 £	2006 Discontinued operations £	2006 Continuing operations	2006 Total
General administrative expenses	**2,276,269**	30,554	2,597,938	2,628,492
Amortisation of goodwill	**148,257**	-	145,857	145,857
Total administrative expenses	**2,424,526**	30,554	2,743,795	2,774,349
Less other operating income	-	-	(146,837)	(146,837)
Total net operating expenses	**2,424,526**	30,554	2,596,958	2,627,512

In 2007, all net operating expenses related to continuing operations

4 Operating profit

	2007	2006
	£	£
Operating profit is stated after charging		
Amortisation of goodwill	**148,257**	145,857
Auditors remuneration		
- The auditing of accounts of associates of the company pursuant to legislation (company £2,750, 2006 £3,000)	**29,000**	43,000
- other services relating to taxation	-	20,000
- non-audit services	**11,000**	46,000

5 Exceptional items

	2007	2006
	£	£
Profit/(loss) on sale of tangible fixed assets – investment properties	**12,002,274**	(502,202)
Profit on disposal of subsidiary undertaking	-	2,794,573
	12,002,274	2,292,371

The tax impact of the aforementioned transactions is £Nil (2006 £Nil)

During the prior year, Denham Park Limited (an intermediate parent undertaking) disposed of 100% of the share capital of Hayes Park Property Limited After disposal costs and the write off of related goodwill this resulted in a profit on disposal of £2,794,573

	£
Tangible assets	**82,500,000**
Creditors due in less than one year	**(35,901)**
Creditors due in more than one year	**(70,743,999)**
	11,720,100
Goodwill	**694,605**
	12,414,705
Consideration, paid in cash	**16,220,100**
Costs of disposal	**(1,010,822)**
Total consideration	**15,209,278**

6 Employee information

The company and group has no employees outside of the directors (2006 Nil) None of the directors received any remuneration in respect of their services to the company (2006 £Nil)

7 Interest receivable

	2007	2006
	£	£
On bank deposits	**330,418**	300,849
On loans to related party undertakings	**1,872,328**	-
	2,202,746	300,849

8 Interest payable and similar charges

	2007	2006
	£	£
On bank loans and overdraft	**19,125,715**	21,180,659
On loans from ultimate parent undertaking	**128,824**	-
Other interest	**111,419**	449,245
	19,365,958	21,629,904

Included in other interest is an amount of £104,848 relating to the amortisation of deferred arrangement fees

9 Taxation

	2007	2006
	£	£
Current tax:		
UK corporation tax at 30% (2006 30%)	**500,000**	-
Adjustment in respect of previous periods	**-**	49,669
Total current tax	**500,000**	49,669
Deferred tax:		
Accelerated capital allowances and other timing differences including losses	**322,969**	316,112
Adjustments in respect of previous periods	**(318,713)**	(34,894)
Total deferred tax	**4,256**	281,218
Tax on profit on ordinary activities	**504,256**	330,887

9 Taxation (continued)

The current tax assessed for the year differs from the standard rate of Corporation Tax in the UK of 30% (2006 30%) The differences are explained below

	2007	2006
	£	£
Profit on ordinary activities before tax	**11,746,627**	1,879,443
Profit on ordinary activities multiplied by standard rate in the UK of 30% (2006 30%)	**3,523,988**	563,833
Effects of		
(Income not taxable)/expenses not deductible for tax purposes	**(2,777,524)**	1,594,355
Accelerated capital allowances and other timing differences including losses	**(322,969)**	(343,231)
Adjustments in respect of previous periods	**-**	49,669
Deferred tax asset not recognised	**(2,337,153)**	(968,894)
Capital transactions	**2,413,658**	(846,063)
Current tax charge for the year	**500,000**	49,669

There is a potential deferred tax asset arising on trading losses and accelerated capital allowances of £707,653 (2006 £5,587,847) that has not been recognised as its future recovery is uncertain

10 Profit for the financial year

As permitted by Section 230 of the Companies Act 1985, the parent company's profit and loss account has not been included in these financial statements The amount of the consolidated profit attributable to shareholders dealt with in the financial statements of the holding company was a loss of £298,351 (2006 profit £167,123)

11 Tangible fixed assets

Group	Investment properties £
Valuation	
At 1 July 2006	412,379,545
Additions	11,274,886
Revaluation	42,998,182
Accrued retention not paid	(328,183)
Disposals	(36,922,656)
At 30 June 2007	**429,401,774**
Amounts written off	
At 1 July 2006 and **30 June 2007**	-
Net book value	
At 30 June 2007	**429,401,774**
At 30 June 2006	412,379,545
Cost or valuation at 30 June 2007 is represented by	
Cost	-
Valuation	429,401,774
	429,401,774

The investment properties were valued by the directors on an open market value basis as of 30 June 2007

On an historical cost basis these would have been included at an original cost of £ 292,245,901 (2006 £ 292,574,084)

12 Fixed asset investments

Company	Subsidiary undertakings £
Cost	
At 1 July 2006 and **30 June 2007**	**31,509,685**
Amounts written off	
At 1 July 2006 and **30 June 2007**	-
Net book value	
At 1 July 2006 and **30 June 2007**	**31,509,685**

12 Fixed asset investments (continued)

Interests in principal group undertakings

Name of undertaking	Country of incorporation	Description of shares held	Principal activity	Proportion of nominal value of issued shares held by Group %	Company %
Lunar Sea Developments (UK) Limited	England	Ordinary Shares	Property investment	-	100
Lunar Sea Limited	England	Ordinary Shares	Property investment	-	100
Highbridge No 1 Limited	England	Ordinary Shares	Property investment	100	-
Lunar Sea Properties Limited	England	Ordinary Shares	Property investment	-	100
Victoria House	England	Ordinary Shares	Property investment	100	-
Denham Park Limited	England	Ordinary Shares	Finance vehicle	-	70
Denham Park Developments Limited	England	Ordinary Shares	Non trading	70	-
Denham Park (Uxbridge) Limited	England	Ordinary Shares	Property investment	70	-
Parkview No 1 Limited	England	Ordinary Shares	Property investment	70	-
Parkview No 2 Limited	England	Ordinary Shares	Dormant	70	-
Highbridge No 2 Limited	England	Ordinary Shares	Property investment	70	-
Denbridge No 3 Limited	England	Ordinary Shares	Property investment	70	-
Denbridge No 4 Limited	England	Ordinary Shares	Property investment	70	-
Denbridge No 2 Limited	England	Ordinary Shares	Holding company	100	-
Synergy Gracechurch Holdings Limited	Jersey	Ordinary Shares	Holding company	100	-
Synergy Gracechurch Limited	England	Ordinary Shares	Property investment	100	-
Gracechurch Properties Limited	Jersey	Ordinary Shares	Dormant	100	-
7T Developments Limited	England	Ordinary Shares	Dormant	100	-

12 Fixed asset investments (continued)

Interests in joint venture undertaking

Group	Investment in joint venture £	Loans to joint venture £	Total £
Cost			
At 1 July 2006	(1,147)	-	(1,147)
Share of results for year	(44,716)	-	(44,716)
Loan to joint venture undertaking	-	25,594,118	25,594,118
At 30 June 2007	**(45,863)**	**25,594,118**	**25,548,255**

The group holds 50% of the ordinary share capital of Rivendell Contractors Limited, a property investment company incorporated in Northern Ireland

Analysis of share of joint venture assets and liabilities (in aggregate)

	2007	2006
Turnover	-	-
Loss before tax	**(44,716)**	(1,147)
Taxation	-	-
Loss after tax	**(44,716)**	(1,147)
Fixed assets	-	-
Current assets	**16,697,344**	3,920,952
Liabilities due within one year	**(16,743,207)**	(3,922,099)
Liabilities due after one year	-	-

13 Intangible assets

Group	Goodwill £
Cost	
At 1 July 2006 and **30 June 2007**	**2,956,089**
Aggregate amortisation	
At 1 July 2006	278,371
Charge for year	148,257
At 30 June 2007	**426,628**
Net book value	
At 30 June 2007	**2,529,461**
At 30 June 2006	2,677,718

14 Debtors

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Trade debtors	**3,482,279**	1,539,865	-	-
Amounts owed by group undertakings	-	-	**62,526,627**	54,049,076
Amounts owed by related party undertakings	**23,159,103**	11,926,110	-	-
Other debtors	**6,138,712**	7,959,871	-	-
Prepayments and accrued income	**1,950,948**	-	-	-
	34,731,042	21,425,846	**62,526,627**	54,049,076

Other debtors include £3,430,151 (2006 £2,395,378) falling due after one year

15 Creditors: amounts falling due within one year

	Group 2007 £	Group 2006 £	Company 2006 £	Company 2006 £
Bank overdraft and term loan (Note 16)	**24,710,175**	37,408,573	**12,619,754**	35,837,073
Trade creditors	**125,404**	2,412,447	-	-
Corporation tax	**499,900**	1,018	-	-
Amount owed to group undertakings	**33,882,330**	48,394,312	**78,486,168**	46,326,347
Amount owed to parent undertaking	**6,295,420**	8,137,889	**5,295,420**	5,295,420
Other taxation and social security	**2,211,355**	2,528,335	-	-
Other creditors	**279,338**	2,047,156	-	-
Accruals and deferred income	**8,476,022**	5,675,994	**211,647**	377,816
	76,479,944	106,605,724	**96,612,989**	87,836,656

16 Creditors: amounts falling due after more than one year

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Bank term loans	**284,122,197**	261,210,736	-	-
Amounts owed to parent undertaking	**10,166,214**	5,300,000	-	-
Other taxation and social security	**1,074,818**	2,803,694	-	-
	295,363,229	269,314,430	-	-
Bank loans				
Repayable in one year or less, or on demand	**24,710,175**	37,408,508	**12,619,754**	35,837,073
Repayable between one and two years	**2,622,906**	1,596,898	-	-
Repayable between two and five years	**10,468,672**	8,950,985	-	-
Repayable after five years	**271,735,139**	277,880,622	-	-
	309,536,892	325,837,013	**12,619,754**	35,837,073

In addition to the strict capital and interest element there are also unamortised issue costs of £704,520 (2006 £809,368)

Security

The loan with Barclays is secured by a limited guarantee given by Ulster Bank Ireland Limited for £10,000,000

The loan with Ulster Bank is secured by,
- a debenture over the fixed and floating assets of the company
- a debenture over the fixed and floating assets of the borrower
- FLM over 4 office properties

The loans from Moritz Holdings, the parent company, carry interest at 3% above Royal Bank of Scotland base rate The loan in respect of properties held by Denham Park (Uxbridge) Limited is repayable following a disposal of properties, with a final repayment date no later than 7 April 2017

The loan with HSH Nordbank is secured by a charge over an investment property

The loan with AIB in respect of Victoria House is secured by a charge over the shares of Victoria House and Lunar Sea Properties

The loan with AIB in respect of Highbridge No 2 is secured by a first legal charge over the entire land extending to 146 acres in West London and by a guarantee and indemnity for interest and all capital of Moritz Holdings supported by but not limited to a charge over the company

17 Provisions for liabilities

Group	Deferred taxation £
Movement in year.	
At 1 July 2006	680,536
Charged to the profit and loss account	4,256
At 30 June 2007	**684,792**

An analysis of the deferred taxation provision is as follows

Group	2007 £	2006 £
Accelerated capital allowances	**8,069,317**	736,113
Losses	**(7,384,525)**	(55,577)
Total provision for deferred tax	**684,792**	680,536

18 Called up share capital

	2007 £	2006 £
Authorised		
Ordinary shares of £1 each	**1**	1
Allotted and fully paid		
Ordinary shares of £1 each	**1**	1

19 Profit and loss account

	Revaluation reserve Group £	Profit and loss account Group £	Company £
At 1 July 2006	68,125,917	1,617,785	(2,273,059)
Revaluation in the year	42,998,182	-	-
Profit for the financial year	-	11,391,945	(298,351)
At 30 June 2007	**111,124,099**	**13,009,730**	**(2,571,410)**

20 Reconciliation of movements in shareholders' funds

Group	2007 £	2006 £
At 1 July 2006	**69,743,703**	22,635,860
Profit for the financial year	**11,391,945**	1,157,662
Revaluation surplus in the year	**42,998,182**	45,950,181
At 30 June 2007	**124,133,830**	69,743,703

21 Disposals

During the prior year, Denham Park Limited disposed of 100% of the share capital of Hayes Park Property Limited The results of Hayes Park Property Limited from 1 July 2005 to date of disposal were reported as discontinued operations The table below details the assets and liabilities disposed of and the consideration received for the sale

	£
Tangible assets	82,500,000
Creditors due in less than one year	(35,901)
Creditors due in more than one year	(70,743,999)
	11,720,100
Goodwill	694,605
	12,414,705
Consideration, paid in cash	16,220,100
Costs of disposal	(1,010,822)
Total consideration	15,209,278

The results and total recognised gains of Hayes Park Property Limited from 1 July 2005 to the date of disposal on 24 March 2006 were as follows

	£
Turnover	3,990,477
Operating profit	3,959,923
Interest payable and similar charges	(3,118,763)
Profit on ordinary activities before taxation	841,160
Taxation credit	-
Profit and total recognised profits for the period	841,160

The results of Hayes Park Property Limited from 1 July 2005 to date of disposal are reported as discontinued operations

22 Minority interests

	2007	2006
Group	£	£
At 1 July 2006	2,196,285	1,805,391
Share of (loss)/profit of the subsidiary for the year	(149,574)	390,894
At 30 June 2007	2,046,711	2,196,285

23 Capital commitments

The company had no capital commitments at the balance sheet date (2006 £Nil)

24 Financial commitments

The company had no financial commitments at the balance sheet date (2006 £Nil)

25 Related party disclosures

The company has taken advantage of the exemption in Financial Reporting Standard No 8 "Related Party Transactions" from disclosing transactions with related parties in the Denham Park Limited Group The following related party transactions were made outside of the Denham Park Limited Group,

Management fees of £NIL (2006 £108,000) were paid to Allard Ryan Consulting Limited, registered in Northern Ireland, of which T Allard and D Ryan are shareholders and directors

During previous years, amounts were loaned to Merlian Estates Limited, a company registered in England & Wales, of which T Allard is the sole shareholder and T Allard and D Ryan are directors The balance on this loan which remains outstanding at the year end is £285,500 (2006 £285,500)

During the year, an amount of £150,000 was loaned to Merlian Developments Limited, a company registered in England & Wales, of which T Allard is the sole shareholder and T Allard and D Ryan are directors The balance on this loan which remains outstanding at the year end is £475,000 (2006 £325,000)

During previous years, amounts were loaned to Merlian Properties Limited, a company registered in Ireland of which T Allard and D Ryan are shareholders and directors The balance on this loan which remains outstanding at the year end is £671,843 (2006 £671,843)

During the year, an amount of £61,678 was loaned to Lazybush Developments A G, a company registered in Switzerland which is owned and managed by group directors The balance on this loan remains outstanding at the year end

During the year an amount of £500,000 was loaned to Tymel Limited, a company registered in Northern Ireland, of which T Allard is a shareholder and director The balance on this loan remains outstanding at the year end

During the year an amount of £4,486 was loaned to Lazybush Project CDG S R L , a company registered in Romania, which is owned and managed by group directors The balance on this loan remains outstanding at the year end

During the year an amount of £4,486 was loaned to Lazybush Project Construction S R L , a company registered in Romania, which is owned and managed by group directors The balance on this loan remains outstanding at the year end

During the year an amount of £1,286,206 was loaned to Egeea Expert S R L , a company registered in Romania, which is owned and managed by group directors The balance on this loan remains outstanding at the year end

During the year an amount of £5,062,408 was loaned to Danubius Expert S R L , a company registered in Romania, which is owned and managed by group directors The balance on this loan remains outstanding at the year end

During the year an amount of £14,807,496 was loaned to Lazybush Project Tancabesti S R L , a company registered in Romania, which is owned and managed by group directors The balance on this loan remains outstanding at the year end

During the year the loan to Lazybush Developments Limited, a company registered in Ireland, of which the three directors are shareholders and directors, was repaid, and additional sums borrowed by Denham Park Limited The balance on this loan at the year end was £135,026 (2006 Dr £3,730,528)

During the year, an amount of £18,680,878 was loaned to Rivendell Contractors Limited, registered in Northern Ireland, being a joint venture of the company The balance on this loan which remains outstanding at the year end is £25,594,117 (2006 £6,913,239)

26 Ultimate controlling party

The company's immediate parent company and smallest group to consolidate these financial statements is Lunar Sea Holdings (UK) Limited, a company incorporated in and operating in the United Kingdom Copies of Lunar Sea Holdings (UK) Limited financial statements can be obtained from Companies Registry, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ

The directors regard Moritz Property Investment Company registered in the Republic of Ireland and the largest group to consolidate these financial statements to be the company's ultimate parent company The ultimate parent company was under the control of Michael Whelan, who was a director and shareholder throughout the period Copies of Moritz Property Investment Company's financial statements can be obtained from Companies Registration Office, Registration office, Parnell House, 14 Parnell Square, Dublin 1