

Meridian Delta Limited

**Directors' report and financial
statements**

Registered number 4250941

31 March 2007



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Directors' report

The directors present their directors' report and financial statements for the year ended 31 March 2007

Principal activities

The principal activity of Meridian Delta Limited is property development and dealing in the Greenwich Peninsula. This landmark regeneration scheme, one of the largest ever in the United Kingdom, will provide

- 10,000 new homes (including 38% affordable, key worker and special needs homes)
- Approximately 340,000 sq m of commercial and 33,000 sq m of retail space

Under the principle agreement with English Partnerships, Meridian Delta Limited has been granted land management rights to 147 acres (area excluding the Dome and surrounding areas) of the Peninsula. The Company's principle role is as master-planer for the site. It is also obliged under the various agreements to design, program and deliver the requisite infrastructure services for the effective and efficient delivery of the project. It is able to manage this infrastructure investment in the land, by drawing down plots for sale or direct development, to coincide with demand.

On sale, or draw-down of land for direct development by the Meridian Delta Limited group, Meridian Delta Limited receives the relevant plots proportion of the total forecast infrastructure and other services costs. In relation to plot sales, as opposed to direct development performed within the group, it will also retain any excess proceeds received from the land sale after deduction of the land-owners minimum land value and the allocated costs previously recovered.

Meridian Delta Limited anticipates delivering its first profits during 2008. Profits are expected to continue to emerge over the lifetime of the development.

Business review

The Company received minimal income during the year. However, the Company incurred certain expenses which are set out in the income statement.

In September 2007, Lend Lease and Quintain signed a Shareholders Agreement for an updated corporate structure for Meridian Delta Ltd to better structure the project for the delivery phase. This agreement did not change either party's economic interest in Meridian Delta Limited. Lend Lease and Quintain will each hold 50% of a new holding company for the project, Greenwich Peninsula Regeneration Limited, with Lend Lease separately holding 2% of Meridian Delta Limited to maintain the overall economic interest in this company at 51%. Greenwich Peninsula Regeneration Limited is intended to be the holding company for the majority of the activities that Lend Lease and Quintain undertake together on the Greenwich Peninsula.

Proposed dividend

The directors do not recommend the payment of a dividend (2006 £nil).

Financial instruments

The financial risk management objectives and policies of the Company, together with an analysis of the exposure to such risks, as required under the Companies Act are set out in Note 17 of the Notes on the financial statements.

Environment

The Company recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the Company's activities. Initiatives designed to minimise the Company's impact on the environment include safe disposal of manufacturing waste and recycling.

Directors' report *(continued)*

Directors

The directors who held office during the year were as follows

R G Caven

W N Hugill

D Labbad (appointed 13 November 2006)

H W Martin (resigned 3 November 2006)

N S K Shattock

R J Worthington

A R Wyatt

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the Company

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the Company were granted to any of the directors or their immediate families, or exercised by them, during the financial year

Political and charitable contributions

Donations to UK charities amounted to £1,500 (2006 £nil)

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he/ she ought to have taken as a director to make himself/ herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

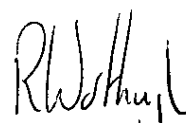
In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the Company is to be proposed at the forthcoming Annual General Meeting

By order of the Board



R G Caven
Director

142 Northolt Road
Harrow
Middlesex HA2 OEE



R J Worthington
Director

16 Grosvenor Street
London W1K 4QF

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

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU.

The financial statements are required by law to present fairly the financial position and the performance of the Company. The Companies Act 1985 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether they have been prepared in accordance with IFRSs as adopted by the EU, 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 that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

KPMG LLP

One Canada Square
London
United Kingdom
E14 5AG

Report of the independent auditors to the members of Meridian Delta Limited

We have audited the financial statements of Meridian Delta Limited for the year ended 31 March 2007 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement and the Statement of Changes in equity and the related notes. 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 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 financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU are set out in the Statement of Directors' Responsibilities on page 5.

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 whether the financial statements have been 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.

Report of the independent auditors to the members of Meridian Delta Limited *(continued)*

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the Company's affairs as at 31 March 2007 and of its loss 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

KPMG LLP

25 January 2008

KPMG LLP
Chartered Accountants
Registered Auditor

Income statement
for year ended 31 March 2007

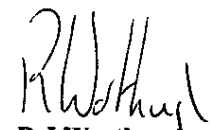
	Note	2007 £	2006 £
Revenue		20	-
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		20	-
Administrative expenses		(137,466)	(154,288)
Selling expenses		(333,183)	(140,675)
Finance expenses		(34,080)	(27,264)
Other operating expenses		(8,000)	(28,655)
		<hr/>	<hr/>
Loss before tax	3	(512,709)	(350,882)
Taxation	5	139,926	105,265
		<hr/>	<hr/>
Loss for the year		(372,783)	(245,617)
		<hr/>	<hr/>

Balance sheet
at 31 March 2007

	Note	2007 £	2006 £
Non-current assets			
Property, plant and equipment	6	2,164	6,503
Deferred tax assets	7	281,681	141,749
		<u>283,845</u>	<u>148,252</u>
Current assets			
Inventories	8	59,536,538	39,359,687
Trade and other receivables	9	1,377,625	426,342
Cash and cash equivalents		1,675,695	5,866
		<u>62,589,858</u>	<u>39,791,895</u>
Total assets		<u>62,873,703</u>	<u>39,940,147</u>
Current liabilities			
Trade and other payables	10	(4,162,081)	(2,873,141)
Non-current liabilities			
Interest-bearing loans and borrowings	11	(59,415,052)	(37,397,653)
Total liabilities		<u>(63,577,133)</u>	<u>(40,270,794)</u>
Net liabilities		<u>(703,430)</u>	<u>(330,647)</u>
Equity			
Share capital	12	100	100
Retained earnings		(703,530)	(330,747)
Total equity		<u>(703,430)</u>	<u>(330,647)</u>

These financial statements were approved by the board of directors on 25 Jan 08 and were signed on its behalf by


R G Cayen
 Director


R J Worthington
 Director

Cash flow statement
for year ended 31 March 2007

	2007 £	2006 £
Cash flows from operating activities		
Loss before tax	(512,709)	(350,882)
Adjustments for		
Finance expenses	34,080	27,264
Loss on disposal of plant and equipment	8,000	28,655
	(470,629)	(294,963)
(Increase)/decrease in trade and other receivables	(959,283)	958,051
Increase in inventories	(16,724,490)	(11,486,715)
Increase in trade and other payables	814,237	22,097
	(16,869,536)	(10,506,567)
Interest paid*	-	-
Income taxes paid	(6)	-
Net cash from operating activities	(17,340,171)	(10,801,530)
Cash flows from investing activities		
Acquisition of plant and equipment	-	(50,229)
Net cash from investing activities	-	(50,229)
Cash flows from financing activities		
Proceeds from the issue of share capital	-	-
Proceeds from new loan	19,010,000	10,748,000
Net cash from financing activities	19,010,000	10,748,000
Net increase/(decrease) in cash and cash equivalents	1,669,829	(103,759)
Cash and cash equivalents at 1 April	5,866	109,625
Cash and cash equivalents at 31 March	1,675,695	5,866

* Interest has been rolled up with loans from major shareholders, which is a non-cash item

Statement of changes in shareholders' equity
for the year ended 31 March 2007

	Attributable to shareholders		
	Share Capital £	Retained Earnings £	Total Equity £
At 1 April 2005	100	(85,130)	(85,030)
Loss for the year	-	(245,617)	(245,617)
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2006	100	(330,747)	(330,647)
	<hr/>	<hr/>	<hr/>
At 1 April 2006	100	(330,747)	(330,647)
Loss for the year	-	(372,783)	(372,783)
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2007	100	(703,530)	(703,430)
	<hr/>	<hr/>	<hr/>

Notes *(forming part of the financial statements)*

1 Accounting policies

Meridian Delta Limited is a company incorporated in the UK

The Company financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs")

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. The Company is dependent for its working capital on funds provided to it by the joint venture partners Lend Lease Europe Limited and Quintain Estates and Development plc. Both entities are obliged to provide necessary funding for the continuing operations of the Company under the "Shareholders Agreement" dated 29 May 2002 and "Instrument Constituting Variable Rate Loan Stock" dated 28 May 2002. In particular the joint venture partners cannot seek repayment until funds become available to do so unless the "Shareholders Agreement" or "Instrument Constituting Variable Rate Loan Stock" are defaulted. This should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result in the basis of preparation being inappropriate.

Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Revenue

Revenue from the sale of land options is recognised in the income statement when the significant risks and rewards of ownership, the continuing managerial involvement and control have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due and associated costs.

Notes *(continued)*

1 Accounting policies *(continued)*

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

- Plant and equipment 3 years
- Fixtures and fittings 3 years

Trade and other receivables

Trade and other receivables are stated at their nominal amount (discounted if material) less impairment losses

Inventories

Stocks are stated at the lower of cost and net realisable value. These are primarily costs relating to transport works, consultancy, resourcing and financing for the development of the Peninsula being capitalised to work in progress. The cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition, excluding associated selling costs.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of that asset. Such borrowing costs are capitalised as part of the cost of the asset when it is probable that they will result in future economic benefits and the costs can be measured reliably. Other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing costs are capitalised into inventories, inventories being a qualifying asset as there is a long period before the asset is available for sale.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the enterprise that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

Notes (continued)

1 Accounting policies (continued)

Adopted IFRS not yet applied

The following Adopted IFRSs were available for early application but have not been applied by the Company in these financial statements

- IFRS 7 'Financial instruments: Disclosure' applicable for years commencing on or after 1 January 2007. The application of IFRS 7 in current year would not have affected the balance sheets or income statement as the standard is concerned only with disclosure. The Company plans to adopt it in 2007.

2 Segmental information

All assets, liabilities and loss before taxation originate in the United Kingdom and are relating to one segment, being the development of the Greenwich Peninsula.

3 Loss before taxation

	2007 £	2006 £
<i>Loss before taxation is stated after charging</i>		
Auditors' remuneration		
Audit	20,000	24,500
Other services - fees receivable by the auditors and their associates	5,000	10,000
	<hr/>	<hr/>

During the year depreciation of £4,339 has been capitalised to work in progress (2006: £18,156)

4 Director's emoluments and employees

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees 2007	2006
Directors	6	6
	<hr/>	<hr/>

The directors did not receive any emoluments in respect of their services to the Company (2006: Nil)

The Company did not employ any staff during the year (2006: nil)

Notes *(continued)*

5 Taxation

Recognised in the income statement

	2007 £	2006 £
Current tax	6	-
Deferred tax		
- current year	(131,457)	(105,265)
- adjustment in respect of previous years	(8,475)	-
	<u>(139,926)</u>	<u>(105,265)</u>

Reconciliation of effective tax rate

	2007 £	2006 £
Loss before tax	(512,709)	(350,882)
Tax using the UK corporation tax rate of 30% (2006 30%)	153,813	105,265
Tax effect of expenses that are not deductible in determining taxable profit	(5,412)	-
Under provided in prior years	(8,475)	-
Total tax in income statement	<u>139,926</u>	<u>105,265</u>

Deferred tax assets are currently calculated using the corporation tax rate of 30%. From 1 April 2008 the rate of corporation tax will be reduced to 28%. The deferred tax asset will be reduced if any losses remain unused at this date.

6 Property, plant and equipment

	Plant and equipment £
Cost	
Balance at 1 April 2006	13,574
Additions	-
Disposals	-
Balance at 31 March 2007	<u>13,574</u>
Depreciation	
Balance at 1 April 2006	(7,071)
Depreciation charge for the year	(4,339)
Disposals	-
Balance at 31 March 2007	<u>11,410</u>
Net book value	
At 1 April 2006	<u>6,503</u>
At 31 March 2007	<u>2,164</u>

Notes (continued)

7 Deferred tax assets

Recognised deferred tax assets

Deferred tax assets are attributable to the following

	Assets 2007 £	Assets 2006 £
Tax value of loss carry-forwards	295,568	141,749
Net tax assets	<u>295,568</u>	<u>141,749</u>

Movement in deferred tax during the year

	1 April 2006 £	Recognised in income statement £	31 March 2007 £
Tax value of loss carry-forwards	(141,749)	(139,932)	(281,681)
	<u>(141,749)</u>	<u>(139,932)</u>	<u>(281,681)</u>

Movement in deferred tax during the prior year

	1 April 2005 £	Recognised in income statement £	31 March 2006 £
Tax value of loss carry-forwards	36,484	105,265	141,749
	<u>36,484</u>	<u>105,265</u>	<u>141,749</u>

8 Inventories

	2007 £	2006 £
Work in progress	59,536,538	39,359,687
	<u>59,536,538</u>	<u>39,359,687</u>

9 Trade and other receivables

	2007 £	2006 £
Prepayments	115,920	219,900
Tax receivable	856,192	198,442
Other receivables	405,513	8,000
	<u>1,377,625</u>	<u>426,342</u>

Notes (continued)

10 Trade and other payables

	2007 £	2006 £
Trade payables	1,728,237	1,142,008
Other accrued expenses	698,646	800,576
Trade payables due to shareholders (see note 14)	665,572	335,634
Interest payable to shareholders (see note 14)	1,069,626	594,923
	<u>4,162,081</u>	<u>2,873,141</u>

11 Interest-bearing loans and borrowings

	2006 £	2006 £
Non-current liabilities		
Loans from shareholders (see note 14)	59,415,052	37,397,653
	<u>59,415,052</u>	<u>37,397,653</u>

12 Capital and reserves

Share capital

	2007 £	2006 £
Authorised		
Ordinary shares of £1 each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
Issued		
Allotted, called up and fully paid Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

13 Ultimate parent company and parent company of larger group

The Company is owned by Lend Lease Europe Limited, a company incorporated in England and Wales and Quintain Estates and Development plc, a company incorporated in England and Wales

Notes (continued)

14 Related Party disclosures

The Company is a member of the Lend Lease VAT group which reclaimed and repaid £2,118,800 (2006 £2,344,030) to the Company in the year. At year end the Company was owed £519,988 (2006 Nil) in relation to VAT.

Lend Lease Retail (UK) Limited (Formerly Lend Lease Real Estate Solutions (UK) Limited and a company in the same group as Lend Lease Europe Limited) provides staff for the Company under a "Development Management Services Agreement" between the Company, Lend Lease Europe Limited and Lend Lease Retail (UK) Limited. The total amount recharged for resourcing under this agreement by Lend Lease Retail (UK) Limited for the year was £2,428,340 (2006 £2,908,759). At the year end £358,920 (2006 £227,179) remained outstanding.

Other regular related party transactions occur as the Company reimburses shareholders for consultant services and costs incurred on its behalf. Lend Lease Retail (UK) Limited and related group companies recharged £452,521 (2006 £318,017) and Quintain Estates and Development plc recharged £67,761 (2006 £15,927) during the year. At the year end £235,409 was owed to Lend Lease Retail (UK) Limited and related group companies (2006 £104,455) and £65,913 was owed to Quintain Estates and Development plc (2006 £4,000).

During the year the Company issued £11,008,865 (2006 £6,322,558) of loan stock (£1,503,865 (2006 £948,558) of which was to satisfy loan stock interest) to Lend Lease Europe Limited and £11,008,534 (2006 £6,323,285) of loan stock (£1,503,534 (2006 £949,285) of which was to satisfy loan stock interest) to Quintain Estates and Development plc in exchange for shareholder funding. At year end £534,813 (2006 £297,459) of interest was owed to Lend Lease Europe Limited and £534,813 (2006 £297,464) of interest was owed to Quintain Estates and Development plc. Interest is charged quarterly at 3 month Libor + 2% on all loan stock balances. At the year end loan stock of £29,707,526 was owed to Lend Lease Europe Limited (2006 £18,698,661) and £29,707,526 was owed to Quintain Estates and Developments plc (2006 £18,698,992). The loan terms state that any surplus cash beyond that necessary to fund its operations will be used in repaying outstanding loan stock.

15 Accounting estimates and judgements

There is significant judgement involved in the valuation of work in progress, classified under inventories. The directors have assessed the carrying value of work in progress and believe it to be correctly valued at the lower of cost and net realisable value.

16 Contingencies and commitments

	2007	2006
	£	£
Transport, construction and other works	2,194,600	13,590,659

Commitments are disclosed where the obligation for transport, construction and other works relating to the regeneration of Greenwich Peninsula has been triggered by events identified in legal documents.

Notes (continued)

17 Financial instruments

Exposure to credit and interest rate risks arises in the normal course of the Company's business

Credit policy

The Company did not have any sales in the year but intends to manage its credit risk by minimising exposure to credit risk and securing guarantees against significant credit risks

Effective interest and repricing analysis

In respect of income-earning financial assets and interest bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the period in which they reprice

31 March 2007

	Effective interest rate %	Total	One year or less	5 + years
		£	£	£
Cash	0.5%-2.0%	1,675,694	1,675,694	-
Interest bearing loans and borrowings	5%-10%	(59,571,598)	-	(59,571,598)
		<hr/>	<hr/>	<hr/>
		(57,895,904)	1,675,694	(59,571,598)
		<hr/>	<hr/>	<hr/>

31 March 2006

	Effective interest rate %	Total	One year or less	5 + years
		£	£	£
Cash	0.5%-2.0%	5,866	5,866	-
Interest bearing loans and borrowings	5%-10%	(37,397,653)	-	(37,397,653)
		<hr/>	<hr/>	<hr/>
		(37,391,787)	5,866	(37,397,653)
		<hr/>	<hr/>	<hr/>

All financial instruments are floating rate

Sensitivity analysis

At 31 March 2007, it is estimated that a general increase of one percentage point in interest rates would increase the Company's interest payable before tax by approximately £484,846 (2006 £310,750). Most of the interest cost is being capitalised into work in progress.

Fair values

There is no significant difference between the carrying value and fair value of the financial instruments.