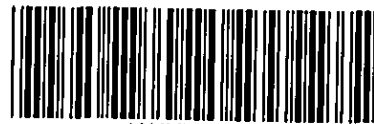


REGISTERED NUMBER 4313995 (England and Wales)

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY 2006 TO 31 AUGUST 2006
FOR
LIBERTY LIVING (SEVERN POINT) LIMITED
PREVIOUSLY KNOWN AS DOMAIN NORTH ROAD MANAGEMENT LIMITED

THURSDAY



AUMVEP1P
A28 26/04/2007 354
COMPANIES HOUSE

LIBERTY LIVING (SEVERN POINT) LIMITED

CONTENTS

	Page
Company information	1
Report of the directors	2
Independent auditors' report	4
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8

LIBERTY LIVING (SEVERN POINT) LIMITED

COMPANY INFORMATION

DIRECTORS	C L Curry J Holmes C H Marshall
SECRETARY	Brandeaux Administrators Limited
REGISTERED OFFICE	5 St James's Square London SW1Y 4SJ
REGISTERED NUMBER	431995
AUDITORS	Deloitte & Touche Deloitte & Touche House Earlsfort Terrace Dublin 2 Ireland
BANKERS	HBOS plc 38 Threadneedle Street London EC2P 2EH

LIBERTY LIVING (SEVERN POINT) LIMITED

REPORT OF THE DIRECTORS

The directors of Liberty Living (Severn Point) Limited (the "company") present their report and the audited financial statements for the period ended 31 August 2006

PRINCIPAL ACTIVITIES

The principal activity of the company is the letting and management of property

CHANGE OF NAME

The company passed a special resolution on 9 June 2006 changing its name from Domain North Road Management Limited to Liberty Living (Severn Point) Limited

REVIEW OF BUSINESS

The results for the period and financial position of the company are as shown in the annexed financial statements

A more detailed review of business is set out in the consolidated accounts of Liberty Living (AP) Limited

DIVIDENDS

During the period interim dividends totalling £138,000 (2005 £Nil) were paid. The directors do not recommend the payment of a final dividend

DIRECTORS

The directors who served during the period were

C L Curry	(appointed 15 May 2006)
J Holmes	(appointed 15 May 2006)
C H Marshall	(appointed 15 May 2006)
M Gilbard	(resigned 15 May 2006)
G Stanley	(resigned 15 May 2006)
G Sidwell	(resigned 15 May 2006)
C Cade	(resigned 15 May 2006)

The directors holding office at 31 August 2006 did not hold any beneficial interest in the issued share capital of the company at date of appointment or 31 August 2006

M Gilbard, G Stanley and G Sidwell were directors of the ultimate parent company, Stessa Holdings Limited, until it was superseded on 15 May 2006. The share interests of these directors in Stessa Holdings Limited were disclosed in the directors' report of that company

FINANCIAL INSTRUMENTS

Disclosures regarding risks associated with financial instruments are disclosed in the consolidated accounts of Liberty Living (AP) Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these 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,
- follow applicable United Kingdom accounting standards, 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

LIBERTY LIVING (SEVERN POINT) LIMITED

REPORT OF THE DIRECTORS - continued

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

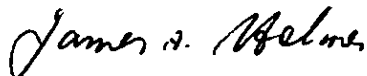
So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

AUDITORS

The auditors, Deloitte & Touche, were appointed during the period and a resolution to reappoint them will be proposed at the forthcoming annual general meeting

APPROVAL

The report of the directors was approved by the Board on ~~30~~ *MARCH* 2007 and signed on its behalf by



BRANDEAUX ADMINISTRATORS LIMITED
Secretary

LIBERTY LIVING (SEVERN POINT) LIMITED
INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF LIBERTY LIVING (SEVERN POINT) LIMITED

We have audited the financial statements of Liberty Living (Severn Point) Limited for the period ended 31 August 2006 on pages six to eleven. 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (United Kingdom 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 if, in our opinion, the report of the directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law, regarding directors' remuneration and transactions with the company, is not disclosed.

We report to you whether in our opinion the information given in the report of the directors is consistent with the financial statements.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (United Kingdom and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

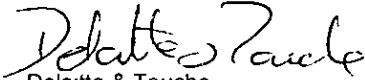
LIBERTY LIVING (SEVERN POINT) LIMITED

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF LIBERTY LIVING (SEVERN POINT) LIMITED - continued

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 August 2006 and of its loss for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the report of the directors is consistent with the financial statements



Deloitte & Touche
Deloitte & Touche House
Earlsfort Terrace
Dublin 2
Ireland

Date

30/3/07

LIBERTY LIVING (SEVERN POINT) LIMITED

PROFIT AND LOSS ACCOUNT

	Notes	Period ended 31/8/06 £'000	Year ended 31/12/05 £'000
TURNOVER		601	952
Cost of sales		<u>(633)</u>	<u>(998)</u>
GROSS LOSS		(32)	(46)
Administrative expenses		<u>(22)</u>	<u>-</u>
OPERATING LOSS	3	(54)	(46)
Interest receivable and similar income		<u>14</u>	<u>60</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(40)	14
Tax on (loss)/profit on ordinary activities	4	<u>12</u>	<u>-</u>
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION		<u>(28)</u>	<u>14</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current period or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the loss for the current period and the profit for the previous year

The notes form part of these financial statements

LIBERTY LIVING (SEVERN POINT) LIMITED

BALANCE SHEET

	Notes	As at 31/08/2006 £'000	As at 31/12/2005 £'000
CURRENT ASSETS			
Debtors	6	5,733	5,852
Cash at bank		<u>299</u>	<u>347</u>
		6,032	6,199
CREDITORS			
Amounts falling due within one year	7	<u>(6,037)</u>	<u>(6,038)</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(5)</u>	<u>161</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(5)</u>	<u>161</u>
RESERVES			
Share capital	8	-	-
Profit and loss account	9	<u>(5)</u>	<u>161</u>
SHAREHOLDERS' (DEFICITS)/FUNDS	13	<u>(5)</u>	<u>161</u>

The financial statements were approved by the Board of Directors on
by

30 April 2007 and were signed on its behalf



Director

The notes form part of these financial statements

LIBERTY LIVING (SEVERN POINT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2006

1 ACCOUNTING POLICIES

Accounting convention

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

Turnover

Turnover comprises gross rental income, excluding VAT

Leases

Rentals payable under the operating leases are charged to the profit and loss account on an accrual basis over the term of the lease. The initial advance payment made in relation to the operating lease is treated as part of the rentals payable and accordingly these costs are also charged to the profit and loss account on a straight line basis over the term of the lease and are classified within prepayments

Deferred taxation

The payment of taxation is deferred or accelerated because of timing differences in the treatment of certain items for taxation and accounting purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen, but not reversed by the balance sheet date, unless such provision is not permitted by FRS 19. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered

Cash flow statement

The company is exempt from publishing a cash flow statement because it is ultimately a wholly owned subsidiary of Liberty Living (AP) Limited which publishes a consolidated cash flow statement

2 STAFF COSTS

	2006 8 months £'000	2005 12 months £'000
Salaries and wages	95	127
Social security costs	<u>9</u>	<u>10</u>
	<u>104</u>	<u>137</u>
Average number of employees	<u>9</u>	<u>9</u>

3 OPERATING LOSS

The operating loss (2005 - operating profit) is stated after charging

	2006 8 months £'000	2005 12 months £'000
Rent payable	<u>177</u>	<u>483</u>

The amounts payable under the operating lease will fluctuate according to the income receivable over the term of the lease

Audit fees for the company have been borne by the parent company

None of the directors were remunerated for their services to the company in the period (2005 £Nil)

LIBERTY LIVING (SEVERN POINT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD ENDED 31 AUGUST 2006

4 TAXATION

Analysis of the tax credit

The tax credit on the (loss)/profit on ordinary activities for the period was as follows

	Period ended 31/8/06 £'000	Year ended 31/12/05 £'000
Deferred tax	<u>(12)</u>	-
Tax credit	<u>(12)</u>	<u>-</u>

Factors affecting the tax credit

	Period ended 31/8/06 £'000	Year ended 31/12/05 £'000
(Loss)/profit on ordinary activities before tax	<u>(40)</u>	<u>14</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005 - 30%)	(12)	4
Effects of Group relief	-	(4)
Current tax credit	<u>(12)</u>	<u>-</u>

5 DIVIDENDS

	Period ended 31/8/06 £'000	Year ended 31/12/05 £'000
Ordinary shares of £1 each - interim dividend paid	<u>138</u>	<u>-</u>

6 DEBTORS

	2006 £'000	2005 £'000
Amounts falling due within one year		
Trade debtors	-	42
Deferred tax	12	-
Prepayments	<u>137</u>	<u>139</u>
	<u>149</u>	<u>181</u>
Amounts falling due after more than one year		
Prepayments and accrued income	<u>5,584</u>	<u>5,671</u>
Aggregate amounts	<u>5,733</u>	<u>5,852</u>

LIBERTY LIVING (SEVERN POINT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD ENDED 31 AUGUST 2006

7 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £'000	2005 £'000
Trade creditors	20	5
Amounts owed to group undertakings	5,813	5,401
Other creditors	127	120
Accruals and deferred income	77	512
	<u>6,037</u>	<u>6,038</u>

8 SHARE CAPITAL

Authorised Number	Class	Nominal value	2006 £	2005 £
100	Ordinary	£1	<u>100</u>	<u>100</u>
Allotted, issued and fully paid Number	Class	Nominal value	2006 £	2005 £
2	Ordinary	£1	<u>2</u>	<u>2</u>

9 RESERVES

	Profit and loss account £'000
At 1 January 2006	161
Deficit for the period	(28)
Dividends	<u>(138)</u>
At 31 August 2006	<u>(5)</u>

10 ULTIMATE CONTROLLING PARTIES

The company is under the control of the following companies within the Brandeaux fund portfolio as at 31 August 2006

Company	Country of incorporation
Brandeaux Student Accommodation Fund Limited	British Virgin Islands
Student Success Limited	Isle of Man
Brandeaux Sterling Fund Limited	British Virgin Islands
Brandeaux US Dollar Fund Limited	British Virgin Islands
Brandeaux Euro Fund Limited	British Virgin Islands
University Res Fund Limited	British Virgin Islands

11 OTHER FINANCIAL COMMITMENTS

The company has provided a cross guarantee to the principal bankers of Liberty Living Properties Limited, an intermediate holding company, which is secured by way of charge over all monies in respect of all amounts due to that lender. At the balance sheet date the balance outstanding by the Liberty Living Properties Limited group to the lender totalled £199,568,945

LIBERTY LIVING (SEVERN POINT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD ENDED 31 AUGUST 2006

12 RELATED PARTY DISCLOSURES

Under Financial Reporting Standard 8, the company is exempt from the requirement to disclose intercompany related party transactions on the grounds that it is ultimately a wholly owned subsidiary of a parent undertaking which prepares and publishes consolidated financial statements. Other related party transactions comprise an accrual of £4,990 for administrative management fees payable to Liberty Living Properties Limited.

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006	2005
	£'000	£'000
(Loss)/profit for the financial period	(28)	14
Dividends	<u>(138)</u>	<u>-</u>
Net (reduction in)/addition to shareholders' funds	(166)	14
Opening shareholders' funds	<u>161</u>	<u>147</u>
Closing shareholders' (deficits)/funds	<u>(5)</u>	<u>161</u>