

Company Registration No: 854154

BDS INVESTMENTS LIMITED

Report and Financial Statements

31 December 2003



REPORT AND FINANCIAL STATEMENTS 2003

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REPORT AND FINANCIAL STATEMENTS 2003

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

M H Marx
R H Pearse

SECRETARY

S A Lanes

REGISTERED OFFICE

Portland House
Stag Place
London SW1E 5DS

DIRECTORS' REPORT

The directors present their annual report and financial statement for the year ended 31 December 2003.

PRINCIPAL ACTIVITIES AND REVIEW OF DEVELOPMENTS

The principal activity of the company at present and for the foreseeable future is that of property investment. The company did not trade during the current and preceding financial year. The directors do not foresee any changes to the future activities of the company.

DIVIDENDS

The directors do not recommend the payment of a dividend (2002: £nil).

DIRECTORS AND DIRECTORS' INTERESTS

The directors who held office throughout the year and to date were as follows:

M H Marx
R H Pearse

Neither of the directors had any interests in the shares of the company nor any other group company during the year except as noted below.

The interests of M H Marx at 31 December 2003 and 31 December 2002 in the 50p ordinary shares of Development Securities PLC, the ultimate parent company, and the options granted to him under that company's share option scheme are disclosed in the 2003 Annual Report and Financial Statements of that Company.

R H Pearse is entitled to the following options granted by Development Securities PLC:

<i>Date of Grant</i>	<i>Number</i>	<i>Exercise Dates</i>	<i>Price</i>
21 May 1998	20,000 (1)	21 May 2001 to 20 May 2008	328.50p
30 April 2001	10,000 (1)	30 April 2004 to 29 April 2011	400.50p
22 October 2002	3,500 (2)	1 December 2005 to 31 May 2006	270.00p

(1) Granted under the Executive Share Option Scheme 1995, with a performance condition that the net assets per ordinary share of the Development Securities PLC group are equal to or in excess of the average growth in the All Properties Capital Growth Index during the same period over three consecutive financial years.

(2) Granted under the Savings Related Option Scheme 1995.

None of the options above have been exercised or have lapsed during the year. The mid-market price of the shares at 31 December 2003 was 353.5 pence and the range during 2003 was 264.0 pence to 396.0 pence.

PAYMENT POLICY

Amounts due to suppliers are settled promptly by Development Securities PLC on behalf of the company within their terms of payment, except in cases of dispute. The number of creditor days outstanding for Development Securities PLC at 31 December 2003 was three days (2002: four days).

DIRECTORS' REPORT (continued)

AUDITORS

The company has been dormant throughout the current and preceding financial year and no members have required the company to obtain an audit of its accounts for the period in question in accordance with section 249b(2).

Approved by the Board of Directors
and signed on behalf of the Board

A handwritten signature in black ink, appearing to be 'S A Lanes', written in a cursive style.

S A Lanes
Secretary

26 October 2004

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for that year. 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 United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BALANCE SHEET
31 December 2003

	Note	2003 £	2002 £
CURRENT ASSETS			
DEBTORS:			
Amount due from group undertaking		<u>2</u>	<u>2</u>
 CAPITAL AND RESERVES			
CALLED UP SHARE CAPITAL	3	<u>2</u>	<u>2</u>
EQUITY SHAREHOLDERS' FUNDS		<u>2</u>	<u>2</u>

For the year ended 31 December 2003 the company was entitled to exemption under section 249aa(1) of the Companies Act 1985.

No members have required the company to obtain an audit of its accounts for the period in question in accordance with section 249b(2).

The directors acknowledge their responsibility for: (i) Ensuring the company keeps accounting records which comply with section 221; and (ii) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial period in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

These financial statements were approved by the Board of Directors on 26 October 2004.

Signed on behalf of the Board of Directors


M H Marx
Director

NOTES TO THE ACCOUNTS

Year ended 31 December 2003

1 ACCOUNTING POLICIES

The financial statement has been prepared in accordance with applicable United Kingdom accounting standards and the historic cost basis of accounting. The accounting policies adopted are consistent with the previous year.

2 PROFIT AND LOSS ACCOUNT

The company has not traded during the current and preceding financial year and accordingly no profit and loss account is presented. There were no recognised gains or losses or movements in shareholders' funds during the current and preceding financial year.

Neither of the directors received any emoluments from the company during the year (2002: £nil) for their services as directors.

The company does not have any employees (2002: nil).

3 CALLED UP SHARE CAPITAL

	2003 £	2002 £
Authorised: 1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Called up, allotted and fully paid: 2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

4 ULTIMATE AND IMMEDIATE CONTROLLING PARTIES

The ultimate parent and controlling company of the largest and smallest group of which BDS Investments Limited is a member and for which consolidated accounts are produced is Development Securities PLC. The immediate parent company is Birmingham International Park Limited. Both companies are incorporated in Great Britain and registered in England and Wales. Copies of the Annual Report and Financial Statements of Development Securities PLC and Birmingham International Park Limited can be obtained from Portland House, Stag Place, London SW1E 5DS.

5 RELATED PARTY DISCLOSURE

The company is a wholly owned subsidiary undertaking and, in accordance with the exemption provided by Financial Reporting Standard No. 8, "Related Party Disclosures," transactions with other undertakings within the Development Securities PLC group have not been disclosed within these financial statements.