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MUREHOUSE PROPERTIES LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29TH FEBRUARY 2004



MUREHOUSE PROPERTIES LIMITED

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for the year ended 29th February 2004**

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MUREHOUSE PROPERTIES LIMITED

COMPANY INFORMATION
for the year ended 29th February 2004

DIRECTORS:

R.J. Cleaver
T.D. Boakes
R.L. Court
Viscount Lifford
B.S. Keys
D.M. Joseph
D.N. Taylor

SECRETARY:

T.D. Boakes

REGISTERED OFFICE:

9 Charlecote Mews
Staple Gardens
Winchester
Hampshire
SO23 8SR

REGISTERED NUMBER:

2540696 (England and Wales)

AUDITORS:

Blueprint Audit Limited
Registered Auditor
Highfield Court
Tollgate
Chandlers Ford
Eastleigh
SO53 3TY

MUREHOUSE PROPERTIES LIMITED

REPORT OF THE DIRECTORS for the year ended 29th February 2004

The directors present their report with the financial statements of the company for the year ended 29th February 2004.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a dormant company.

REVIEW OF BUSINESS

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

DIVIDENDS

No dividends were paid during the year ended 29th February 2004 (2003 £nil).

DIRECTORS

The directors during the year under review were:

R.J. Cleaver
T.D. Boakes
R.L. Court
Viscount Lifford
B.S. Keys
D.M. Joseph
D.N. Taylor

The directors holding office at 29th February 2004 did not hold any beneficial interest in the issued share capital of the company at 1st March 2003 or 29th February 2004.

The directors interests in the shares of the holding company are disclosed in the holding company's financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 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;
- 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.

AUDITORS

The auditors, Blueprint Audit Limited, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



T.D. Boakes - Secretary

19th May 2004

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
MUREHOUSE PROPERTIES LIMITED**

We have audited the financial statements of Murehouse Properties Limited for the year ended 29th February 2004 on pages four to seven. These financial statements have been prepared under the historical cost convention and 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

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 read the Report of the Directors 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 United Kingdom Auditing Standards 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 29th February 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Blueprint Audit Limited

Blueprint Audit Limited
Registered Auditor
Highfield Court
Tollgate
Chandlers Ford
Eastleigh
SO53 3TY

19th May 2004

MUREHOUSE PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 29th February 2004

		2004	2003
	Notes	£	£
TURNOVER		-	-
OPERATING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	-	-
Tax on profit on ordinary activities	3	-	-
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		-	-
Retained profit brought forward		11,059	11,059
RETAINED PROFIT CARRIED FORWARD		<u>£11,059</u>	<u>£11,059</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses for the current year or previous year.

The notes form part of these financial statements

MUREHOUSE PROPERTIES LIMITED

BALANCE SHEET
29th February 2004

		2004	2003
	Notes	£	£
CURRENT ASSETS:			
Debtors	4	224,429	224,429
TOTAL ASSETS LESS CURRENT LIABILITIES:		<u>£224,429</u>	<u>£224,429</u>
CAPITAL AND RESERVES:			
Called up share capital	5	186,002	186,002
Share premium	6	27,368	27,368
Profit and loss account		11,059	11,059
SHAREHOLDERS' FUNDS:	10	<u>£224,429</u>	<u>£224,429</u>

ON BEHALF OF THE BOARD:


R.J. Cleaver - Director


T.D. Boakes - Director

Approved by the Board on 19th May 2004

The notes form part of these financial statements

MUREHOUSE PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 29th February 2004

1. ACCOUNTING POLICIES

Accounting convention

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

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a subsidiary of Basepoint plc and a group cashflow statement has been prepared.

2. OPERATING PROFIT

The operating profit is stated after charging:

	2004 £	2003 £
Directors' emoluments	-	-
	<u>-</u>	<u>-</u>

3. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 29th February 2004 nor for the year ended 28th February 2003.

4. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £	2003 £
Amount owed by group company	224,429	224,429
	<u>224,429</u>	<u>224,429</u>

5. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	2004 £	2003 £
1,000,000	Ordinary	£1	1,000,000	1,000,000
			<u>1,000,000</u>	<u>1,000,000</u>

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2004 £	2003 £
186,002	Ordinary	£1	186,002	186,002
			<u>186,002</u>	<u>186,002</u>

6. SHARE PREMIUM

	2004 £	2003 £
Brought forward	27,368	27,368
	<u>27,368</u>	<u>27,368</u>

7. ULTIMATE PARENT COMPANY

The directors regard Basepoint PLC, a company registered in England and Wales, as the ultimate holding company. Consolidated accounts are available from its Registered Office at 9 Charlecote Mews, Staple Gardens, Winchester, SO23 8SR.

MUREHOUSE PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 29th February 2004

8. CONTINGENT LIABILITIES

The company is part of a multi-lateral guarantee over certain borrowings of its parent and fellow subsidiaries. At the year end, the amount covered under the guarantee amounted to £10,596,500.

9. RELATED PARTY DISCLOSURES

In accordance with FRS8, it is not necessary to disclose inter-company balances and transactions on the grounds that consolidated financial statements are prepared and are publicly available.

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2004 £	2003 £
Profit for the financial year	-	-
Opening shareholders' funds	<u>224,429</u>	<u>224,429</u>
Closing shareholders' funds	<u><u>224,429</u></u>	<u><u>224,429</u></u>
Equity interests	<u><u>224,429</u></u>	<u><u>224,429</u></u>