

Company Registration No:2608270

DEVELOPMENT SECURITIES (NORTH WEST) LIMITED

Report and Financial Statements

31 December 2005



DEVELOPMENT SECURITIES (NORTH WEST) LIMITED

REPORT AND FINANCIAL STATEMENTS 2005

CONTENTS

	Page
Officers and Professional Advisors	1
Directors' Report	2
Statement of Directors' Responsibilities	4
Independent Auditors' Report	5
Profit and Loss Account	6
Balance Sheet	7
Reconciliation of Movement in Equity Shareholders' Funds	8
Notes to the Accounts	9

DEVELOPMENT SECURITIES (NORTH WEST) LIMITED

REPORT AND FINANCIAL STATEMENTS 2005

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

M H Marx
C J Barwick
Development Securities Estates PLC
M S Weiner

SECRETARY

S A Lanes

REGISTERED OFFICE

Portland House
Bressenden Place
London SW1E 5DS

BANKERS

Barclays Bank PLC
50 Pall Mall
London SW1A 1QB

SOLICITORS

Linklaters
1 Silk Street
London EC2Y 8HQ

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
London

DEVELOPMENT SECURITIES (NORTH WEST) LIMITED

DIRECTORS' REPORT

The directors present their annual report and audited financial statements for the year to 31 December 2005.

PRINCIPAL ACTIVITY, FUTURE PROSPECTS AND REVIEW OF DEVELOPMENTS

The principal activity of the company at present and for the foreseeable future is that of property investment. The directors do not foresee any change in the future activities of the company.

RESULTS AND DIVIDENDS

The results for the year are set out in the profit and loss account on page 5. The directors do not recommend the payment of a dividend (2004: £nil).

DIRECTORS AND DIRECTORS' INTERESTS

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

M H Marx
Development Securities Estates PLC
C J Barwick
M S Weiner

None 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, C J Barwick and M S Weiner at 31 December 2005 and 31 December 2004 in the 50p ordinary shares of Development Securities PLC, the ultimate parent company, and options granted to them under that company's share option scheme are disclosed in the 2005 Annual Report and Financial Statements of that company.

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 2005 was one day (2004: one day).

FINANCIAL RISK MANAGEMENT OBJECTIVES AND EXPOSURES

The company's investments are mainly financed with intercompany borrowings.

The company's principal financial assets are bank balances and cash and trade and other receivables. Cash flow risk is low due to the liquid funds available in the business. The credit risk on liquid funds is limited because the counterparties are banks and financial institutions with high credit-ratings.

The company's credit risk is primarily attributable to its trade and other receivables. The amounts shown in the balance sheet are net of any provision for bad debts. Such provisions are made where there is an identified event which provides evidence of a reduction in the recoverability of debts.

DEVELOPMENT SECURITIES (NORTH WEST) LIMITED

DIRECTORS' REPORT (continued)

AUDITORS

A resolution concerning the appointment of Ernst & Young LLP as auditors is to be proposed at the forthcoming Annual General Meeting.

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



S A Lanes
Secretary

31 October 2006

DEVELOPMENT SECURITIES (NORTH WEST) LIMITED

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; 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 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.

DEVELOPMENT SECURITIES (NORTH WEST) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DEVELOPMENT SECURITIES (NORTH WEST) LIMITED

We have audited the financial statements of Development Securities (North West) Limited for the year ended 31 December 2005 which comprise the profit and loss account, the balance sheet, the reconciliation of movement in equity shareholders' funds and the related notes 1 to 9. 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

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of 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 relevant United Kingdom 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, in accordance with the relevant financial reporting framework, and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report 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 other transactions is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

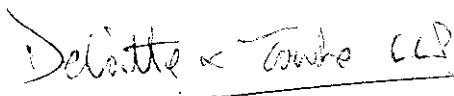
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 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 31 December 2005 and of its result for the year then ended and;
- The financial statements have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

London

31 October 2006

DEVELOPMENT SECURITIES (NORTH WEST) LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 December 2005

	Note	2005 £	2004 £
TURNOVER	1	-	1,409
Direct costs		<u>-</u>	<u>(4,925)</u>
GROSS LOSS		-	(3,516)
Administrative expenses		<u>-</u>	<u>(460)</u>
OPERATING LOSS	2	<u>-</u>	<u>(3,976)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION AND RETAINED FOR THE FINANCIAL YEAR		<u>-</u>	<u>(3,976)</u>

All turnover, profits and losses derive from continuing operations.

There are no recognised gains or losses other than as stated in the profit and loss account above. Consequently no statement of total recognised gains and losses is presented.


DEVELOPMENT SECURITIES (NORTH WEST) LIMITED

BALANCE SHEET 31 December 2005

	Note	2005 £	2004 £
CURRENT ASSETS			
Debtors	4	1,035,150	1,036,034
Cash at bank and in hand		<u>142</u>	<u>180</u>
		1,035,292	1,036,214
CREDITORS: amounts falling due within one year	5	<u>(94,879)</u>	<u>(95,801)</u>
NET CURRENT ASSETS		<u>940,413</u>	<u>940,413</u>
CAPITAL AND RESERVES			
Called up share capital	6	2	2
Profit and loss account	7	<u>940,411</u>	<u>940,411</u>
EQUITY SHAREHOLDERS' FUNDS		<u>940,413</u>	<u>940,413</u>

These financial statements were approved by the Board of Directors on **31** October 2006.

Signed on behalf of the Board of Directors


 M H Marx
 Director

DEVELOPMENT SECURITIES (NORTH WEST) LIMITED

RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

Year ended 31 December 2005

	2005 £	2004 £
Retained loss on ordinary activities after taxation	-	(3,976)
Net movement in equity shareholders' funds	-	(3,976)
Equity shareholders' funds at 1 January	<u>940,413</u>	<u>944,389</u>
Equity shareholders' funds at 31 December	<u>940,413</u>	<u>940,413</u>

DEVELOPMENT SECURITIES (NORTH WEST) LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2005

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared in accordance with applicable United Kingdom accounting standards under the historical cost convention. The accounting policies adopted are consistent with the previous year.

Turnover

All turnover, comprising rental income stated net of Value Added Tax, derives from the company's principal activity carried out solely in the United Kingdom.

Taxation

Current tax, including UK corporation tax and foreign tax where applicable, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no binding contract to dispose of these assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2 OPERATING LOSS

None of the directors received any emoluments from the company during the year (2004: £nil) for their services as directors.

The auditors' remuneration, for audit and other services, for the current and preceding financial years has been borne by Development Securities PLC, the ultimate parent company.

The company does not have any employees, excluding directors (2004: none).

DEVELOPMENT SECURITIES (NORTH WEST) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2005

3 TAX ON LOSS ON ORDINARY ACTIVITIES

There is no tax charge in the current year (2004: £nil).

Factors affecting the tax charge for the current year

	2005 £	2004 £
Loss on ordinary activities before tax	-	(3,976)
Tax at 30% thereon	-	(1,193)
Effect of: Group relief surrendered for nil consideration	-	1,193
Current tax for the year	-	-

4 DEBTORS

	2005 £	2004 £
Trade debtors	10,478	11,365
Amounts due from group undertakings	1,024,443	1,024,440
Other debtors	229	229
	<u>1,035,150</u>	<u>1,036,034</u>

5 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Amount due to group undertakings	94,879	94,879
Accruals and deferred income	-	922
	<u>94,879</u>	<u>95,801</u>

DEVELOPMENT SECURITIES (NORTH WEST) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2005

6 CALLED UP SHARE CAPITAL

	2005 £	2004 £
Authorised:		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Called up, allotted and fully paid:		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

7 PROFIT AND LOSS ACCOUNT

	£
At 1 January and 31 December 2005	<u>940,411</u>

8 ULTIMATE AND IMMEDIATE CONTROLLING PARTIES

The ultimate parent company, controlling party and parent company of the largest group of undertakings of which the company is a member and for which consolidated accounts are produced is Development Securities PLC. The immediate parent and parent company of the smallest group of undertakings of which the company is a member and for which consolidated accounts are produced is Development Securities (Investments) PLC. 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 Development Securities (Investments) PLC can be obtained from Portland House, Bressenden Place, London SW1E 5DS.

9 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.