

TUKDEV 3 LIMITED
FINANCIAL STATEMENTS
YEAR ENDED
31ST MARCH 2005



TUKDEV 3 LIMITED

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TUKDEV 3 LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

G N Marsden
P J Pulford

Company secretary

P J Pulford

Registered office

124/130 Seymour Place
London
W1H 1BG

Auditors

Bright Grahame Murray
Chartered Accountants
& Registered Auditors
124/130 Seymour Place
London
W1H 1BG

TUKDEV 3 LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31ST MARCH 2005

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st March 2005.

Principal Activities and Review of the Business

The principal activity of the company during the year was that of property development.

The directors are satisfied with the results for the year and the state of affairs of the company at the balance sheet date.

Results and Dividends

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

Directors

The directors who served the company during the year are listed on page 1.

Neither director held a direct beneficial interest in the company's issued share capital during the year.

At 31st March 2005, G N Marsden and P J Pulford were both directors of the ultimate parent undertaking, Safehawk Limited, and their interests in that company are shown in its financial statements.

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 at the end of the year and of the profit or loss for the year then ended. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on page 9, and then apply them consistently;

make judgements and estimates that are reasonable and prudent;

state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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. The directors 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.

TUKDEV 3 LIMITED

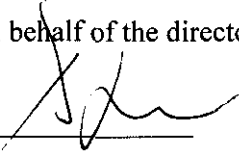
THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31ST MARCH 2005

Auditors

A resolution to re-appoint Bright Grahame Murray as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed on behalf of the directors



Secretary

Approved by the directors on16.1.06

TUKDEV 3 LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TUKDEV 3 LIMITED

YEAR ENDED 31ST MARCH 2005

We have audited the financial statements on pages 6 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

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 the Directors and the Auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities on page 2.

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 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 transactions with the company 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. Our responsibilities do not extend to any other information.

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.

TUKDEV 3 LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TUKDEV 3 LIMITED *(continued)*


YEAR ENDED 31ST MARCH 2005

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st March 2005 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

124/130 Seymour Place
London
W1H 1BG

27th January 2006



Bright Grahame Murray
Chartered Accountants
& Registered Auditors

TUKDEV 3 LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31ST MARCH 2005**

	Note	2005 £	2004 £
Turnover	2	—	—
Cost of sales		(6)	(15,235)
Gross Profit		6	15,235
Administrative expenses		42	1,921
Operating (Loss)/Profit	3	(36)	13,314
Interest receivable	5	346	874
Interest payable and similar charges	6	—	(6,448)
Profit on Ordinary Activities Before Taxation		310	7,740
Tax on profit on ordinary activities	7	18	1,390
Retained Profit for the Financial Year		<u>292</u>	<u>6,350</u>

All of the activities of the company are classed as continuing.

The notes on pages 9 to 12 form part of these financial statements.

TUKDEV 3 LIMITED**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES****YEAR ENDED 31ST MARCH 2005**

	2005	2004
	£	£
Profit for the financial year attributable to the shareholders	292	6,350
	<hr/>	<hr/>
Total recognised gains and losses relating to the year	292	6,350
Prior year adjustment (see note 8)	—	(41,836)
	<hr/>	<hr/>
Total gains and losses recognised since the last annual report	292	(35,486)
	<hr/>	<hr/>

The notes on pages 9 to 12 form part of these financial statements.

TUKDEV 3 LIMITED**BALANCE SHEET****31ST MARCH 2005**

	Note	2005 £	£	2004 £	£
Fixed Assets					
Investments	9		2		2
Current Assets					
Debtors	10	71		2	
Cash at bank	11	<u>305,432</u>		<u>461,795</u>	
		305,503		461,797	
Creditors: Amounts falling due within one year	12	<u>198,041</u>		<u>354,627</u>	
Net Current Assets			<u>107,462</u>		107,170
Total Assets Less Current Liabilities			<u>107,464</u>		<u>107,172</u>
Capital and Reserves					
Called-up equity share capital	14		2		2
Profit and loss account	15		<u>107,462</u>		<u>107,170</u>
Shareholders' Funds	16		<u>107,464</u>		<u>107,172</u>

These financial statements were approved by the directors on the 16.1.06 and are signed on their behalf by:



Director

The notes on pages 9 to 12 form part of these financial statements.

TUKDEV 3 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2005

1. Accounting Policies

Basis of Accounting

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

The company is exempt from the requirement to prepare group financial statements by virtue of section 248 of the Companies Act 1985. These accounts therefore present information about the company as an individual undertaking and not about its group.

Cash Flow Statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Deferred Taxation

Full provision without discounting is made for all timing differences which have arisen but not reversed at the balance sheet date. Provision is made for future taxation on gains on revalued assets only where a binding agreement to dispose of the asset exists at the year end. Deferred tax assets are only recognised to the extent that the Directors consider that it is more likely than not there will be suitable profits from which the future reversal of the underlying timing differences can be deducted.

Cost of Sales

This includes all sums reasonably foreseen as being payable in respect of each development project.

Where a cost is payable after more than one year, it is recognised at the time of entering into the contract at an amount equivalent to the net present value of sums contracted as payable. Such liabilities are reviewed each year end and adjusted to reflect any change in contractual liabilities or provisions having regard to transactions subsequently concluded. Any adjusting credit or charge is reflected in the profit and loss account.

Bank interest received on accounts relating to property developed by the company is credited against cost of sales.

2. Turnover

The turnover and pre-tax profit are attributable to the principal activity of the company carried out wholly in the United Kingdom.

3. Operating (Loss)/Profit

Operating (loss)/profit is stated after charging/(crediting):

	2005 £	2004 £
Auditors' remuneration		
- as auditors	-	1,750
Interest receivable	<u>(26,430)</u>	<u>(36,426)</u>

TUKDEV 3 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2005

4. Particulars of Employees

No salaries or wages have been paid to employees, including the directors, during the year.

5. Interest Receivable

	2005	2004
	£	£
Bank interest receivable	<u>346</u>	<u>874</u>

Interest receivable on development accounts of £26,430 (2004: £36,426), is included as a credit to cost of sales.

6. Interest Payable and Similar Charges

	2005	2004
	£	£
Other similar charges payable	<u>—</u>	<u>6,448</u>

7. Taxation on Ordinary Activities

(a) Analysis of charge in the year

	2005	2004
	£	£
Current tax:		
UK Corporation tax based on the results for the year	<u>18</u>	<u>1,390</u>
Total current tax	<u>18</u>	<u>1,390</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 19% (2004 - 19%).

	2005	2004
	£	£
Profit on ordinary activities before taxation	<u>310</u>	<u>7,740</u>
Profit/(loss) on ordinary activities by rate of tax	59	1,471
Group relief received	—	(81)
Marginal relief	<u>(41)</u>	<u>—</u>
Total current tax (note 7(a))	<u>18</u>	<u>1,390</u>

8. Prior Year Adjustment

Following agreement with the Inland Revenue of the group tax computations for the four years ended 31st March 2003, the tax treatment of tenant incentives receivable by group companies was fundamentally changed. As a result, additional corporation tax of £41,836 arose, of which £3,073 related to the year ended 31st March 2003 and £38,763 related to the three years ended 31st March 2002.

TUKDEV 3 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2005

9. Investments

	Shares in Subsidiary Undertakings £
Cost	
At 1st April 2004 and 31st March 2005	<u>2</u>
Net Book Value	
At 31st March 2005	<u>2</u>
At 31st March 2004	<u>2</u>

The investment represents a 100% holding of the ordinary shares Tukcon 3 Limited, a property construction company.

10. Debtors

	2005 £	2004 £
Amounts owed by group undertakings	<u>71</u>	<u>2</u>

11. Cash at Bank

	2005 £	2004 £
Cash at bank	<u>305,432</u>	<u>461,795</u>

A fixed charge over the sum of £304,895 at 31st March 2005 (2004: £461,078) has been registered to secure obligations under a development contract, a lease agreement and to guarantee the subsidiary company's obligations. A floating charge over the assets of the company has also been registered to secure these obligations.

12. Creditors: Amounts falling due within one year

	2005 £	2004 £
Amounts owed to group undertakings	198,023	303,203
Corporation tax	18	43,226
Accruals and deferred income	—	8,198
	<u>198,041</u>	<u>354,627</u>

13. Deferred Taxation

No provision for deferred taxation has been made during the year. There are no amounts provided or unprovided that require to be disclosed.

TUKDEV 3 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2005

14. Share Capital

Authorised share capital:

	2005	2004
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2005		2004	
	No	£	No	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

15. Profit and Loss Account

	2005	2004
	£	£
Original balance brought forward	107,170	142,656
Prior year adjustment (note 8)	—	(41,836)
Restated balance brought forward	107,170	100,820
Retained profit for the financial year	292	6,350
Balance carried forward	<u>107,462</u>	<u>107,170</u>

16. Reconciliation of Movements in Shareholders' Funds

	2005		2004	
	£	£	£	£
Profit for the financial year		292		6,350
Opening shareholders' equity funds	107,172		142,658	
Prior year adjustment (see note 8)	—		(41,836)	
		<u>107,172</u>		<u>100,822</u>
Closing shareholders' equity funds		<u>107,464</u>		<u>107,172</u>

17. Related Party Transactions

The company's immediate parent undertaking is Tukup Limited. No consolidated accounts have been produced by the parent as the results of that company have been consolidated in the group accounts of Highbridge Properties Plc, which heads the smallest group of companies for which consolidated financial statements have been prepared which are available from the company's registered office.

The company's ultimate parent undertaking is Safehawk Limited, which heads the largest group for which consolidated financial statements have been prepared and these are available from that company's registered office.

Exemption has been taken from including related party disclosures in respect of group transactions on the grounds that details are included in publicly available consolidated financial statements.