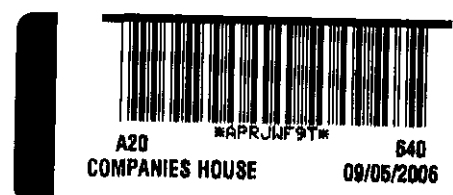


COMPANY NO: 4017777

MOORFIELD INVESTMENT MANAGEMENT LIMITED

ANNUAL REPORT

Year ended 31 December 2005



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COMPANY INFORMATION

Directors	Marc Gilbard Graham Stanley Graham Sidwell
Secretary	Timothy Sanderson
Registered office	Premier House 44-48 Dover Street London W1S 4NX
Registered number	4017777
Auditors	RSM Robson Rhodes LLP 30 Finsbury Square London EC2P 2YU
Bankers	Lloyds TSB Bank plc 1 Hay's Lane London SE1 2HA

REPORT OF THE DIRECTORS

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

Principal activities

The principal activity of the Company is property management.

Business review and future developments

On 30 March 2005 the Company was appointed under a property management and operator agreement to act as the operator in connection with a limited partnership formed to acquire a property known as Newbury Business Park.

On 16 June 2005 the Company was appointed under an investment management agreement in connection with the Moorfield Real Estate Fund "A" Limited Partnership and the Moorfield Real Estate Fund "B" Limited Partnership.

The Company continues to act as operator under property management and operator agreements in respect of the limited partnerships comprising the Woodside Industrial Estate, the Heywood Distribution Park and the Westway Distribution Park.

Directors

The present directors of the Company are set out on page 1. All directors served throughout the year.

Directors' interest

None of the directors had an interest in the shares of the Company. The interests of the directors in the shares of the ultimate parent company are shown in the financial statements of that company.

Ultimate parent undertaking

The ultimate parent company is Stessa Holdings Limited, which is registered in England and Wales.

Statement of directors' responsibilities for the Annual Report

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law in the United Kingdom 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 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;
- 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.

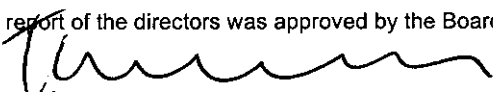
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The auditors, RSM Robson Rhodes LLP, are willing to continue in office, 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 28 April 2006 and signed on its behalf by:


Timothy Sanderson
Secretary

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MOORFIELD INVESTMENT MANAGEMENT LIMITED

We have audited the financial statements on pages 4 to 8. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's shareholders, 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 shareholders 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 shareholders 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 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.

Our responsibility is to audit the financial statements in accordance with relevant 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 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 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 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company as at 31 December 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



RSM Robson Rhodes LLP
Chartered Accountants and Registered Auditors
London, England
28 April 2006

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2005

	Note	2005 £	2004 £
Turnover		2,923,185	1,275,289
Administrative expenses		(2,792,020)	(1,262,239)
		<hr/>	<hr/>
Operating profit/ (loss)		131,165	13,050
Interest receivable		2,229	622
		<hr/>	<hr/>
Profit before tax		133,394	13,672
Taxation	2	-	-
		<hr/>	<hr/>
Retained profit		133,394	13,672
		<hr/>	<hr/>

All activities are continuing activities.

There are no recognised gains and losses other than the results shown above.

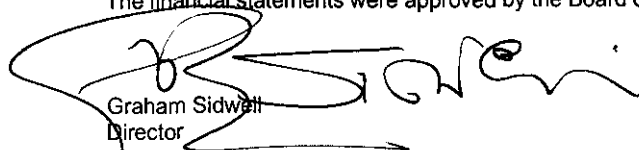
The notes of pages 6 to 8 form part of these financial statements.

BALANCE SHEET

At 31 December 2005

	Note	2005 £	2004 £
Current assets			
Debtors	3	25,421	37,263
Cash at bank		141,966	6,308
		<hr/>	<hr/>
Creditors: Amounts falling due within one year	4	167,387 (14,878)	43,571 (24,456)
		<hr/>	<hr/>
Net assets		152,509	19,115
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	5	3	3
Share premium account		4,999	4,999
Profit & loss account	6	147,507	14,113
		<hr/>	<hr/>
Equity shareholders' funds	7	152,509	19,115
		<hr/>	<hr/>

The financial statements were approved by the Board on 28 April 2006 and signed on its behalf by:



Graham Sidwell
Director

The notes on pages 6 to 8 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2005

1. ACCOUNTING POLICIES**Basis of accounting**

The financial statements are prepared under the historical cost convention.

Turnover

Turnover, excluding VAT, comprises amounts invoiced for goods and services provided.

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 undertaking of Stessa Holdings Limited which publishes a consolidated cash flow statement.

2. TAXATION

	2005 £	2004 £
United Kingdom Corporation Tax		
Current tax on income for the year	-	-
Deferred taxation	-	-
	<hr/>	<hr/>
Total taxation	-	-
	<hr/>	<hr/>
Current tax reconciliation		
	2005 £	2004 £
Profit on ordinary activities before taxation	133,394	13,672
	<hr/>	<hr/>
Theoretical tax at UK corporation tax rate 30%	40,018	4,102
Effects of:		
- group relief	(40,018)	(4,102)
	<hr/>	<hr/>
Actual current taxation charge	-	-
	<hr/>	<hr/>

3. DEBTORS

	2005 £	2004 £
Tax and social security	659	-
Other debtors	24,762	37,263
	<hr/>	<hr/>
	25,421	37,263
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2005

4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Trade creditors	4,428	-
Tax and social security	-	2,286
Amounts owed to parent undertaking	10,450	22,170
	<hr/>	<hr/>
	14,878	24,456
	<hr/>	<hr/>

5. SHARE CAPITAL

	2005 £	2004 £
Authorised		
100 ordinary shares of £1 each	100	100
	<hr/>	<hr/>
Allotted and fully paid		
3 ordinary shares of £1 each	3	3
	<hr/>	<hr/>

6. PROFIT AND LOSS ACCOUNT

	£
Balance at 1 January 2005	14,113
Profit for the year	133,394
	<hr/>
Balance at 31 December 2005	147,507
	<hr/>

7. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2005 £	2004 £
Profit for the year	133,394	13,672
Opening shareholders' funds	19,115	5,443
	<hr/>	<hr/>
Closing shareholders' funds	152,509	19,115
	<hr/>	<hr/>

8. ULTIMATE PARENT UNDERTAKING

The ultimate parent company is Stessa Holdings Limited, which is registered in England and Wales.

Group accounts are available to the public on payment of the appropriate fee, from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2005

9. RELATED PARTY TRANSACTIONS

Under Financial Reporting Standard 8, the Company is exempt from the requirement to disclose inter-company related party transactions on the grounds that it is a wholly owned subsidiary of a parent undertaking which prepares and publishes consolidated financial statements.

During the year, the Company had the following transactions with other related parties:

- Financing and arrangement fees of £nil (2004: £83,333) were charged to WB Heywood Limited Partnership;
- Financing and arrangement fees of £nil (2004: £400,000) were charged to WB Westway Limited Partnership;
- Management fees of £265,895 (2004: £281,036) were charged to the WB Woodside II limited partnership associated undertakings to cover property management expenses;
- Management fees of £254,887 (2004: £430,084) were charged to the WB Heywood limited partnership associated undertakings to cover property management expenses;
- Management fees of £137,507 (2004: £80,836) were charged to the WB Westway limited partnership associated undertakings to cover property management expenses;
- Management fees of £141,095 (2004: £nil) were charged to the Newbury Business Park limited partnership associated undertakings to cover property management expenses;
- Management fees of £2,123,801 (2004: £nil) were charged to the Moorfield Real Estate Fund GP limited partnership associated undertakings to cover property management expenses.

The above limited partnerships are considered to be related undertakings on the basis that the ultimate parent company has significant equity investments in each. Balances due from these associated undertakings were settled in full during the year.