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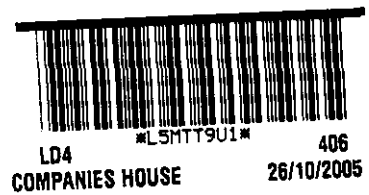
REGISTRAR OF
COMPANIES

CEC-GLP Serviced Offices Limited

Report and Financial Statements

Year Ended

31 December 2004



Presented for filing -

**RICHARDS BUTLER
BEAUFORT HOUSE
15 ST. BOTOLPH STREET
LONDON EC3A 7EE
SOLICITORS**

Ref: Smg/0000470

BDO

BDO Stoy Hayward
Chartered Accountants

CEC-GLP Serviced Offices Limited

Annual report and financial statements for the year ended 31 December 2004

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Directors

A J Grimshaw
S A Williams (appointed 27 June 2005)

Secretary and registered office

RB Secretariat Ltd, Beaufort House, 10th Floor 15 St Botolph Street, London, EC3A 7EE

Company number

04136922

Auditors

BDO Stoy Hayward LLP, 8 Baker Street, London, W1U 3LL

Bankers

Barclays Bank plc, Ashton House Business Centre, PO Box 3261, 497 Silbury Boulevard,
Milton Keynes, MK9 2ZU

CEC-GLP Serviced Offices Limited

Report of the directors for the year ended 31 December 2004

The directors present their report together with the audited financial statements for the year ended 31 December 2004.

Results

The profit and loss account is set out on page 5 and shows the loss for the year.

Principal activities

The company's principal activity is the provision of serviced offices.

Directors

The directors of the company during the year were:

N C G Fuchs (resigned 21 July 2005)
A J Grimshaw

No director had any beneficial interest in the share capital of the company.

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 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; 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CEC-GLP Serviced Offices Limited

Report of the directors for the year ended 31 December 2004 (Continued)

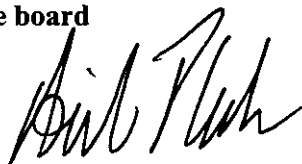
Auditors

BDO Stoy Hayward LLP were appointed as auditors during the year and have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board

A Grimshaw

 14 October 2005

Director

Date:

CEC-GLP Serviced Offices Limited

Report of the independent auditors

To the shareholders of CEC-GLP Serviced Offices Limited

We have audited the financial statements of CEC-GLP Serviced Offices Limited for the year ended 31 December 2004 on pages 5 to 12 which have been prepared under the accounting policies set out on pages 7 to 8.

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 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 report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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.

Report of the independent auditors (*Continued*)

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 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO Stoy Hayward LLP

BDO STOY HAYWARD LLP
Chartered Accountants
and Registered Auditors
London

Date: *19 October 2005*

CEC-GLP Serviced Offices Limited

Profit and loss account for the year ended 31 December 2004

	Note	2004 £	2003 £
Turnover	2	695,770	630,012
Cost of sales		486,990	776,163
Gross profit/(loss)		208,780	(146,151)
Administrative expenses		221,937	171,773
Operating loss	3	(13,157)	(317,924)
Other interest receivable and similar income		744	657
Interest payable and similar charges	5	(114,296)	(90,390)
Loss on ordinary activities before and after taxation for the financial year		(126,709)	(407,657)
Accumulated loss brought forward		(1,341,831)	(934,174)
Accumulated loss carried forward		(1,468,540)	(1,341,831)

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

There are no movements in shareholders' funds in the current and prior year apart from the loss for the year.

The notes on pages 7 to 12 form part of these financial statements.

CEC-GLP Serviced Offices Limited

Balance sheet at 31 December 2004

	Note	2004 £	2004 £	2003 £	2003 £
Fixed assets					
Tangible assets	7		119,842		203,763
Current assets					
Debtors	8	129,812		186,029	
Cash at bank and in hand		43,375		55,725	
		<u>173,187</u>		<u>241,754</u>	
Creditors: amounts falling due within one year	9	<u>628,245</u>		<u>654,024</u>	
Net current liabilities			<u>(455,058)</u>		<u>(412,270)</u>
Total assets less current liabilities			<u>(335,216)</u>		<u>(208,507)</u>
Creditors: amounts falling due after more than one year	10		<u>1,132,324</u>		<u>1,132,324</u>
			<u>(1,467,540)</u>		<u>(1,340,831)</u>
Capital and reserves					
Called up share capital	11		1,000		1,000
Profit and loss account			<u>(1,468,540)</u>		<u>(1,341,831)</u>
Equity shareholders' funds			<u>(1,467,540)</u>		<u>(1,340,831)</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on

14 October 2005

A J Grimshaw
Director



The notes on pages 7 to 12 form part of these financial statements.

1 Accounting policies

The financial statements have been prepared under the historical cost convention.

The following principal accounting policies have been applied:

Going concern

These financial statements have been prepared on a going concern basis, as an undertaking of financial support to enable the company to pay its debts as they fall due has been given by the parent company.

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that it is a 'small' company under the Companies Act 1985.

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for investment properties, freehold land and certain buildings, evenly over their expected useful lives. It is calculated at the following rates:

Leasehold property	- Over the term of the lease
Plant and machinery	- Between 10% and 20% per annum

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

Leased assets

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

CEC-GLP Serviced Offices Limited

Notes forming part of the financial statements for the year ended 31 December 2004 (*Continued*)

1 Accounting policies (*continued*)

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

2 Turnover

Turnover arises solely within the United Kingdom.

3 Operating loss

	2004 £	2003 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	89,936	92,874
Hire of other assets - operating leases	236,696	395,136
Audit services	4,200	4,200
	<hr/>	<hr/>

4 Directors' remuneration

No director received any emoluments during the current year (2003 - £NIL).

5 Interest payable and similar charges

	2004 £	2003 £
Loans from group companies	114,296	90,390
	<hr/>	<hr/>

6 Taxation on loss on ordinary activities

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	2004 £	2003 £
Loss on ordinary activities before tax	(126,709)	(407,657)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 30% (2003 - 30%)	(38,013)	(122,297)
Effect of:		
Excess of depreciation over capital allowances	9,879	-
Tax losses carried forward	28,134	122,297
Current tax charge for period	-	-

7 Tangible fixed assets

	Leasehold property £	Plant and machinery etc £	Total £
<i>Cost</i>			
At 1 January 2004	130,172	294,030	424,202
Additions	-	6,014	6,014
At 31 December 2004	130,172	300,044	430,216
<i>Depreciation</i>			
At 1 January 2004	67,989	152,450	220,439
Provided for the year	25,125	64,810	89,935
At 31 December 2004	93,114	217,260	310,374
<i>Net book value</i>			
At 31 December 2004	37,058	82,784	119,842
At 31 December 2003	62,183	141,580	203,763

CEC-GLP Serviced Offices Limited

Notes forming part of the financial statements for the year ended 31 December 2004 (Continued)

8 Debtors

	2004 £	2003 £
Trade debtors	8,895	8,531
Other debtors	120,917	177,498
	<u>129,812</u>	<u>186,029</u>

All amounts shown under debtors fall due for payment within one year.

9 Creditors: amounts falling due within one year

	2004 £	2003 £
Bank loans and overdrafts (secured)	116,685	-
Trade creditors	42,611	41,217
Amounts owed to group undertakings	300,215	344,701
Taxation and social security	17,845	-
Other creditors	150,889	268,106
	<u>628,245</u>	<u>654,024</u>

10 Creditors: amounts falling due after more than one year

	2004 £	2003 £
Amounts owed to group undertakings	1,132,324	1,132,324
	<u>1,132,324</u>	<u>1,132,324</u>

11 Share capital

	2004	Authorised	Allotted, called up and fully paid	
	2004	2003	2004	2003
	£	£	£	£
<i>Equity share capital</i>				
Ordinary A shares of £1 each	350	350	350	350
Ordinary B shares of £1 each	350	350	350	350
Ordinary C shares of £1 each	300	300	300	300
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	1,000	1,000	1,000	1,000
	<hr/>	<hr/>	<hr/>	<hr/>

12 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below:

	2004	2003
	Land and buildings £	Land and buildings £
Operating leases which expire:		
After five years	236,696	395,136
	<hr/>	<hr/>

13 Related party disclosures*Controlling parties*

The company is controlled by GLP Properties AB, the ultimate parent company.

Related party transactions and balances

	2004	2003
Accountancy fees	12,000	12,000
Management fees	25,000	25,000
	<hr/>	<hr/>

During the year the company was charged the above accountancy and management fees by City Executive Centres Limited, a shareholder.

The amount due to City Executive Centres Limited as at 31 December 2004 amounted to £nil (2003: £28,000).

13 Related party disclosures (*continued*)

	2004	2003
Rent	236,696	395,136
Service Charges	78,077	90,100
Insurance	1,320	1,403
Loan interest	114,296	90,390
	<u> </u>	<u> </u>

During the year the company was charged the above fees by GLP Properties AB, the ultimate parent undertaking.

The amount due to GLP Properties AB as at 31 December 2004 amounted to £1,436,392 (2003: £1,477,025), which includes a loan balance of £1,132,324 (2003: £1,132,324) accruing interest at 4% above base rate.

14 Ultimate parent company and parent undertaking of larger group

The immediate parent company is GLP Properties AB, a company incorporated in Sweden.

The ultimate controlling party is Walbrook Trustees (Jersey) Limited as trustee of the GV Settlement, a discretionary trust.