

ALHAMBRA TWO LIMITED

Report and Financial Statements

31 December 2005



ALHAMBRA TWO LIMITED

REPORT AND FINANCIAL STATEMENTS 2005

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ALHAMBRA TWO LIMITED

OFFICERS

DIRECTORS

X Pullen
K Ford
P Clark
P Nell
C Laxton
I Womack
W Sunnucks

SECRETARY

F Desai

REGISTERED OFFICE

10 Lower Grosvenor Place
London
SW1W 0EN

AUDITORS

Bourner Bullock
Chartered Accountants
Sovereign House
212/224 Shaftesbury Avenue
London WC2H 8HQ

ALHAMBRA TWO LIMITED

DIRECTORS' REPORT

The directors present their annual report together with the financial statements for the year ended 31 December 2005.

PRINCIPAL ACTIVITY, TRADING REVIEW AND FUTURE DEVELOPMENTS

The principal activity of the company is property investment. The directors are satisfied with the result for the year but expect the company to become dormant in the foreseeable future.

RESULTS AND DIVIDENDS

The profit and loss account is set out on page 5 of the financial statements.

The directors recommend the payment of a dividend of £419.50 (2004: £nil) per ordinary share.

DIRECTORS

The directors of the company during the year and at the year end were:

X Pullen
L Coral (resigned 21 February 2005)
K Ford
P Clark
P Nell
R Jones (resigned 9 July 2005)
C Laxton
I Womack
W Sunnucks (appointed 21 February 2005)

DIRECTORS' INTERESTS

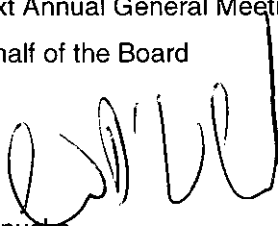
The interests of the directors in the share capital and share options of the ultimate parent company, The Mall (General Partner) Limited, are disclosed in the Report and Accounts of that company.

None of the directors had any beneficial interest at any time during the year, in the share capital of the company or any other company in the group.

AUDITORS

Deloitte & Touche LLP resigned as auditors and Bournier Bullock were appointed by the directors to fill the vacancy. A resolution proposing the reappointment of Bournier Bullock as auditors will be proposed at the next Annual General Meeting.

On behalf of the Board



W Sunnucks

Director

27 October 2006

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the company's state of affairs as at the end of the financial year and of the profit or loss of the company for the year then ended. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them on a consistent basis;
- make judgements and estimates that are prudent and reasonable;
- confirm that 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 not appropriate to presume 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALHAMBRA TWO LIMITED

We have audited the financial statements of Alhambra Two Limited for the year ended 31 December 2005, which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 9. These financial statements have been prepared in accordance with 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 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. The financial statements of the company as of 31 December 2004 were audited by another auditor whose report dated 31 October 2005 expressed an unqualified opinion.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practices).

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 judgments 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 the company's affairs as at 31 December 2005 and of its result for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

Bourner Bullock
Bourner Bullock
Chartered Accountants and Registered Auditors
London

30 October 2006

ALHAMBRA TWO LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 December 2005

	Notes	Year ended 31 December 2005 £	Year ended 31 December 2004 £
Other income		1,000	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2, 3	1,000	-
Taxation		(161)	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		839	-
EQUITY DIVIDENDS		(839)	-
RETAINED PROFIT FOR THE PERIOD		-	-

All of the company's activities during the period relate to continuing operations within the meaning of Financial Reporting Standard No.3.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the current financial period stated above, and their historical cost equivalents.

There were no recognised gains or losses in the year to 31 December 2005 other than as stated above in the profit and loss account. Accordingly no statement of total recognised gains and losses is presented.

ALHAMBRA TWO LIMITED

BALANCE SHEET 31 December 2005

	Notes	2005 £	2004 £
CURRENT ASSETS			
Debtors	5	<u>2</u>	<u>2</u>
NET ASSETS		<u>2</u>	<u>2</u>
CAPITAL AND RESERVES			
Called up share capital	6	<u>2</u>	<u>2</u>
EQUITY SHAREHOLDERS' FUNDS	7	<u>2</u>	<u>2</u>

The financial statements were approved by the Board of Directors and signed on their behalf on 27
2006 by:





W Sunnucks
Director

NOTES TO THE ACCOUNTS

Year ended 31 December 2005

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable UK law and accounting standards and with the Companies Act 1985. The financial statements have been prepared under the historical cost convention.

2. PROFIT AND LOSS ACCOUNT

The auditors' remuneration has been borne by another group company in the current year.

The company's auditors received £nil during the year for the provision of non-audit services (2004: £nil).

The directors received no emoluments in respect of their services to the company (2004: £nil).

The company had no employees during the year (2004: nil).

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Year ended 31 December 2005 £	Year ended 31 December 2004 £
Corporation tax - current year at 19%	161	-
Total taxation	161	-

Tax reconciliation

	Year ended 31 December 2005 £	Year ended 31 December 2004 £
Profit on ordinary activities	1,000	-
Tax on profit on ordinary activities at UK corporation tax rate of 19%	190	-
Effects of: Marginal relief	(29)	-
Total current taxation	161	-

4. EQUITY DIVIDENDS

	Year ended 31 December 2005 £	Year ended 31 December 2004 £
Dividend paid £419.50 (2004: £nil) per ordinary share	839	-

ALHAMBRA TWO LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2005

5. DEBTORS

	2005 £	2004 £
Amount owed by parent company	<u>2</u>	<u>2</u>

6. CALLED UP SHARE CAPITAL

	2005 £	2004 £
Authorised: 1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid: 2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

7. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2005 £	2004 £
Opening and closing equity shareholders' funds	<u>2</u>	<u>2</u>

8. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under FRS 8 (Related party disclosures) from disclosing transactions with entities within the group.

9. ULTIMATE AND CONTROLLING PARENT COMPANY

The company is a wholly owned subsidiary of Alhambra Barnsley Limited, incorporated and registered in Jersey. The company's ultimate parent company is The Mall (General Partner) Limited. The smallest and largest group of which the company is a member is The Mall (General Partner) Limited.