

Blue Breeze Limited

Report and Financial Statements

Year Ended to 31 December 2003



Blue Breeze Limited

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Blue Breeze Limited

DIRECTORS AND OFFICERS

DIRECTORS

S McBride
P Oliver

SECRETARY

Teesland Secretarial Services Limited

REGISTERED OFFICE

Europa House
20 Esplanade
Scarborough
YO11 2AQ

AUDITORS

Ernst & Young LLP
PO Box 61
Cloth Hall Court
14 King Street
Leeds
LS1 2JN

SOLICITORS

Nabarro Nathanson
Lacon House
Theobald's Road
London
WC1X 8RW

Blue Breeze Limited

DIRECTORS' REPORT

The directors present their report and the audited accounts for the year to 31 December 2003.

PRINCIPAL ACTIVITY

The principal activity of the company is that of holding property.

REVIEW OF THE BUSINESS

The company has not traded during the year and therefore has not prepared a profit and loss account, or cash flow statement.

DIVIDENDS

The directors recommend that no dividend be paid.

DIRECTORS

The directors who held office during the year were;

S McBride

P Oliver

R Corlett (resigned 25 June 2003)

No directors held shares in this company during the period. The interests of the directors in the share capital of the ultimate parent undertaking, Teesland plc, appears in the accounts of that company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company. In preparing those accounts, 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 accounts; and
- prepare the accounts on a 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 accounts comply with the Companies Act 1985. They have general responsibility to taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Blue Breeze Limited

DIRECTORS' REPORT

AUDITORS

A resolution to reappoint Ernst & Young LLP, as auditors will be put to the members at the annual general meeting.

BY ORDER OF THE BOARD


Director

Europa House
20 Esplanade
Scarborough
YO11 2AQ

6/10/04

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BLUE BREEZE LIMITED**

We have audited the company's financial statements for the year ended 31 December 2003 which comprise Balance Sheet and related notes 1 to 7. These financial statements have been prepared on the basis of the accounting policies set out therein.

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 United Kingdom law and accounting standards.

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.

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.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2003 and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

**Ernst & Young LLP
Registered Auditor
Leeds**

Date 6 October 2004

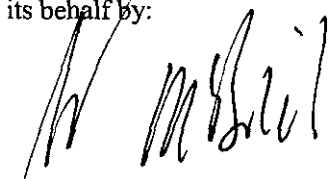
Blue Breeze Limited

BALANCE SHEET

As at 31 December 2003

	Notes	2003 £	2002 £
CURRENT ASSETS			
Debtors	4	250,100	250,100
NET ASSETS		<u>250,100</u>	<u>250,100</u>
CAPITAL AND RESERVES			
Called up share capital	5	250,100	250,100
EQUITY SHAREHOLDERS' FUNDS		<u>250,100</u>	<u>250,100</u>

These financial statements were approved by the board of directors on 6/10/04 and were signed on its behalf by:



Director

The notes on page 7 form part of these accounts.

Blue Breeze Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2003

1 BASIS OF ACCOUNTING

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

2 EMPLOYEES

There were no employees of the company during the year.

3 TAXATION

There is no charge to corporation tax for the year due to there being no profits being earned.

4 DEBTORS	2003 £	2002 £
Amounts owed by group undertakings	250,100	250,100
	<u>250,100</u>	<u>250,100</u>

5 CALLED UP SHARE CAPITAL	2003 £	2002 £
Authorised:		
100 ordinary shares of £1 each	100	100
250,000 preference shares of £1 each	<u>250,000</u>	<u>250,000</u>
	<u>250,100</u>	<u>250,100</u>
Allotted and issued:		
100 ordinary shares of £1 each	100	100
250,000 preference shares of £1 each	<u>250,000</u>	<u>250,000</u>
	<u>250,100</u>	<u>250,100</u>

6 ULTIMATE AND PARENT UNDERTAKING

The company's immediate parent undertaking is Equity Partnerships (Osprey) Limited, which holds the share capital on behalf of The Osprey Limited Partnership. The company's ultimate parent undertaking is Teesland plc.

7 RELATED PARTY TRANSACTIONS

There were no related party transactions during the period.