

Prestbury Wentworth Intermediate Limited
(formerly Spirit Intermediate Acquisitions Limited)

Report and Financial Statements

Period ended

31 May 2004

Company No 04914723



PRESTBURY WENTWORTH INTERMEDIATE LIMITED

(formerly Spirit Intermediate Acquisitions Limited)

Report and financial statements for the period ended 31 May 2004

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Directors

N M Leslau

S L Gumm

Secretary and registered office

S L Gumm, Cavendish House, 18 Cavendish Square, London W1G 0PJ

Company number

04914723

Auditors

BDO Stoy Hayward LLP, Emerald House, East Street, Epsom, Surrey KT17 1HS

PRESTBURY WENTWORTH INTERMEDIATE LIMITED

(formerly Spirit Intermediate Acquisitions Limited)

Report of the directors for the period ended 31 May 2004

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

Date of incorporation and change of name

The company was incorporated on 29 September 2003 as Trushelfco (No.2990) Limited, then changed its name to Spirit Intermediate Acquisitions Limited on 22 October 2003, before changing its name again to Prestbury Wentworth Intermediate Limited on 31 March 2004.

Results and dividends

The company did not actively trade in the period.

The directors do not recommend the payment of a dividend.

The accounts relate to the period from 29 September 2003 to 31 May 2004. The company's accounting period was shortened to end on 31 May 2004 in order to fall into line with that of the company's new parent company, Prestbury Wentworth Limited.

Principal activities, review of business and future developments

The principal activity of the company is acting as an intermediate holding company within the property investment group headed, until 21 June 2004, by Prestbury Wentworth Limited, which acquired the entire issued share capital of the company on 25 March 2004 from a third party.

Earlier in the period, the company had acquired 100% of the issued share capital of Prestbury Wentworth Portfolio Limited (formerly Spirit Sunningdale Limited), a company holding a portfolio of 220 investment properties acquired from former fellow group undertakings within the Spirit Group.

Details of a change in ultimate parent company subsequent to year end are disclosed in note 10 to the financial statements.

Directors

The directors who held office during the period were:

S L Gumm	(appointed 25 March 2004)
N M Leslau	(appointed 25 March 2004)
K R Davis	(appointed 7 October 2003; resigned 27 October 2003)
K E D Jones	(appointed 21 November 2003; resigned 25 March 2004)
R Lindsay	(appointed 7 October 2003; resigned 27 October 2003)
S M Peel	(appointed 27 October 2003; resigned 25 March 2004)
C Riklin	(appointed 27 October 2003; resigned 25 March 2004)
L J Stroker	(appointed 29 September 2003; resigned 7 October 2003)
E J Zuercher	(appointed 29 September 2003; resigned 7 October 2003)

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

At 31 May 2004, all currently serving directors of the company are also directors of the ultimate parent company, Prestbury Wentworth Limited, and their interests in the share capital of that company, if any, are shown in its financial statements.

PRESTBURY WENTWORTH INTERMEDIATE LIMITED

(formerly Spirit Intermediate Acquisitions Limited)

Report of the directors for the period ended 31 May 2004

(Continued)

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period 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 those financial statements, the directors are required to:

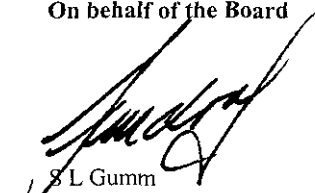
- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.


Auditors

BDO Stoy Hayward LLP, were appointed as auditors of the company during the period following the resignation of Deloitte and Touche LLP, the company's first auditors. BDO Stoy Hayward LLP have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the Board



S L Gumm
Director



May 2005

PRESTBURY WENTWORTH INTERMEDIATE LIMITED

(formerly Spirit Intermediate Acquisitions Limited)

Report of the independent auditors

To the shareholders of Prestbury Wentworth Intermediate Limited

We have audited the financial statements of Prestbury Wentworth Intermediate Limited for the period ended 31 May 2004 on pages 6 to 11 which have been prepared under the accounting policies set out on page 9.

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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the affairs of the company as at 31 May 2004 and of the result of the company for the period then ended and have been properly prepared in accordance with the Companies Act 1985.


BDO STOY HAYWARD LLP

Chartered Accountants and Registered Auditors
Epsom


12 May 2005

PRESTBURY WENTWORTH INTERMEDIATE LIMITED*(formerly Spirit Intermediate Acquisitions Limited)***Profit and loss account for the period ended 31 May 2004**

	Notes	Period from 29 September 2003 to 31 May 2004 £
Turnover		-
Cost of sales - direct property costs		-
Gross profit		-
Administrative expenses		-
Operating profit		-
Interest receivable	3	67,338,173
Interest payable and similar charges	4	(67,338,173)
Result on ordinary activities before taxation		-
Taxation on result on ordinary activities	5	-
Retained result for the period		-

All amounts relate to continuing activities.

There were no differences between historical cost result and reported result on ordinary activities for either period.

The notes on pages 9 to 11 form part of the financial statements.

PRESTBURY WENTWORTH INTERMEDIATE LIMITED

(formerly Spirit Intermediate Acquisitions Limited)

Reconciliation of movements in shareholders' funds for the period ended 31 May 2004

		Period from 29 September 2003 to 31 May 2004
Reconciliation of movements in shareholders' funds		£
Retained result for the period		-
Ordinary shares issued	7	15,424,858
Net increase in shareholders' funds		<u>15,424,858</u>
At incorporation		<u>-</u>
Closing shareholders' funds		<u><u>15,424,858</u></u>

The notes on pages 9 to 11 form part of the financial statements.

PRESTBURY WENTWORTH INTERMEDIATE LIMITED

(formerly Spirit Intermediate Acquisitions Limited)

Balance sheet at 31 May 2004

	Note	31 May 2004 £
Fixed assets		
Investments	6	15,424,858
Net assets		15,424,858
Capital and reserves		
Called up share capital	7	15,424,858
Equity shareholders' funds		15,424,858

The financial statements were approved by the Board on 11th May 2005.


S L Gumm
Director

The notes on pages 9 to 11 form part of the financial statements.

PRESTBURY WENTWORTH INTERMEDIATE LIMITED

(formerly Spirit Intermediate Acquisitions Limited)

Notes forming part of the financial statements for the period ended 31 May 2004

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

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

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group. The consolidated financial statements of Prestbury Wentworth Limited, within which this company is included, can be obtained from the address given in note 10.

Fixed asset investments including investment in subsidiary undertakings

Investments held as fixed assets are stated at cost. Any permanent diminution in value is written off to the profit and loss account.

2 Employees and directors

The average number of employees during the period, excluding directors, was nil.

No director received any emoluments from the company during the period.

3 Interest receivable and similar income

Period from 29
September 2003
to 31 May 2004
£

On loans to former fellow group undertakings

67,338,173

4 Interest payable and similar charges

Period from 29
September 2003
to 31 May 2004
£

On loans from former fellow group undertakings

67,338,173

5 Taxation on loss from ordinary activities

Period from 29
September 2003
to 31 May 2004
£

Current tax

UK corporation tax

-

PRESTBURY WENTWORTH INTERMEDIATE LIMITED*(formerly Spirit Intermediate Acquisitions Limited)***Notes forming part of the financial statements for the period ended 31 May 2004****6 Investment in subsidiary undertaking****Subsidiary
undertakings
£***Cost and net book value*

Additions - shares in subsidiary acquired at cost during the period.

15,424,860

Disposals

(2)

At 31 May 2004

15,424,858

During the period the company acquired Spirit Retail Bidco Limited for £2 and disposed of this company to Spirit Intermediate Retail Limited (at that time a fellow group undertaking) on 5 March 2004 for £2.

Subsidiary undertaking

The following company was a subsidiary undertaking at the end of the period:

Name	Country of incorporation	Proportion of voting rights and ordinary share capital held	Nature of Business
Prestbury Wentworth Portfolio Limited	England	100%	Property investment

7 Share capital

<i>Authorised, allotted, called up and fully paid</i>	31 May 2004 Number	31 May 2004 £
15,424,858 Ordinary shares of £1	<u><u>15,424,858</u></u>	<u><u>15,424,858</u></u>

Movements in authorised and issued share capital:

The company was incorporated on 29 September 2003 with an authorised share capital of 100 ordinary shares of £1 each. The two £1 subscriber shares were allotted at par.

On 31 October 2003, the company issued 98 ordinary shares of £1 each, at par for cash.

On 24 March 2004, the authorised share capital of the company was increased from £100 to £15,424,858 by the creation of £15,424,758 new ordinary shares of £1 each, ranking pari passu in all respects with the existing ordinary share capital of the company.

On 25 March 2004, the company issued a further 15,424,758 ordinary shares at par for cash.

PRESTBURY WENTWORTH INTERMEDIATE LIMITED

(formerly Spirit Intermediate Acquisitions Limited)

Notes forming part of the financial statements for the period ended 31 May 2004

8 Related party transactions

The company has taken advantage of the exemption available to wholly owned subsidiary undertakings under Financial Reporting Standard 8, "Related Party Transactions", not to disclose details of any transactions with entities that are included in the consolidated financial statements of Prestbury Wentworth Limited.

9 Cash flow statement

The company has used the exemption under Financial Reporting Standard 1, "Cash Flow Statements", not to prepare a cash flow statement, as a consolidated cash flow statement is included in the financial statements of its ultimate parent company.

10 Ultimate controlling party

At 31 May 2004, the company's ultimate parent company was Prestbury Wentworth Limited which is incorporated in England and Wales. The consolidated accounts of this company are available to the public and may be obtained from the company secretary, Cavendish House, 18 Cavendish Square, London W1G 0PJ.

For the period to 31 May 2004, Prestbury Wentworth Limited was not controlled by any one entity or individual.

On 21 June 2004, Prestbury Wentworth Holdings Limited became the owner of 100% of the issued ordinary share capital of Prestbury Wentworth Limited. Prestbury Wentworth Holdings Limited is a joint venture company and is not controlled by any one entity or individual.

11 Commitments and contingencies

The company, along with the other subsidiaries of the ultimate parent company, has entered into an agreement with the bankers of a fellow subsidiary company to cross-guarantee the bank loans made to that company. At 31 May 2004 these bank loans amounted to £475,000,000.