

Registered number  
04924767

ESL (Bath Road) Limited

Report and Accounts

28 February 2005



**ESL (Bath Road) Limited**  
**Report and accounts**  
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**ESL (Bath Road) Limited**  
**Company Information**

**Directors**

H.C Keig  
P.J. Macgregor

**Secretary**

Thomas Eggar Secretaries Limited  
76 Shoe Lane  
London  
EC4A 3JB

**Auditors**

Hazlewoods LLP  
Chartered Accountants  
Windsor House  
Barnett Way  
Barnwood  
Gloucester  
GL4 3RT

**Solicitors**

Thomas Eggar  
76 Shoe Lane  
London  
EC4A 3JB

**Registered office**

76 Shoe Lane  
London  
EC4A 3JB

**Registered number**

04924767

## **ESL (Bath Road) Limited**

### **Directors' Report**

The directors present their report and accounts for the period ended 28 February 2005.

#### **Principal activities and review of business**

The company's principal activity was the acquisition, development and sale of real estate.  
The company is now dormant.

#### **Results and dividends**

The results for the period are set out in the profit and loss account on page 4.  
The directors do not recommend the payment of a dividend.

#### **Directors**

The directors who served during the period and their interests in the share capital of the company were as follows:

P.G. Barker (appointed 7.10.03, resigned 24.11.04)  
H.C. Keig (appointed 19.11.04)  
P.J. Macgegor (appointed 19.11.04)

None of the directors held interests in the ordinary share capital of the company.

#### **Directors' responsibilities**

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 and of the profit or loss for that period. 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 financial statements and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining 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 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**

A resolution to reappoint Hazlewoods LLP as auditors will be put to the member at the Annual General Meeting.

This report was approved by the board on 3 August 2006.

  
H.C. Keig  
Director

## **ESL (Bath Road) Limited**

### **Independent auditors' report to the shareholder of ESL (Bath Road) Limited**

We have audited the accounts of ESL (Bath Road) Limited for the period ended 28 February 2005 set out on pages 4 to 8. These accounts have been prepared under the historical cost convention and 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.

#### **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 accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts 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 accounts, 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**

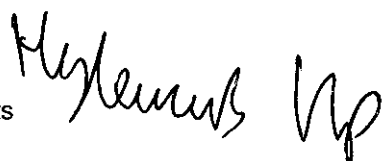
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

#### **Opinion**

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 28 February 2005 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Hazlewoods LLP  
Chartered Accountants  
Registered Auditors  
Windsor House  
Barnett Way  
Barnwood  
Gloucester  
GL4 3RT



3 August 2006

**ESL (Bath Road) Limited**  
**Profit and Loss Account**  
**for the period from 7 October 2003 to 28 February 2005**

	<b>Notes</b>	<b>2005 £</b>
Exceptional cost	3	(9,355,912)
<b>Operating loss</b>		<u>(9,355,912)</u>
<b>Loss on ordinary activities before taxation</b>		<u>(9,355,912)</u>
Tax on loss on ordinary activities	4	-
<b>Loss for the period</b>		<u>(9,355,912)</u>
<b>Retained loss for the period</b>	7	<u>(9,355,912)</u>

**Continuing operations**

None of the company's activities were acquired during the above period.

All activities have now been discontinued.

**Statement of total recognised gains and losses**

The company has no recognised gains or losses other than the loss for the above period.

**ESL (Bath Road) Limited**  
**Balance Sheet**  
**as at 28 February 2005**

	Notes	2005 £
<b>Current assets</b>		
Debtors	5	6,644,089
<b>Net current assets</b>		<u>6,644,089</u>
		<u>6,644,089</u>
<b>Capital and reserves</b>		
Called up share capital	6	16,000,001
Profit and loss account	7	(9,355,912)
Shareholder's funds:		
Equity		<u>6,644,089</u>
	8	<u>6,644,089</u>

  
H.C. Keig  
Director  
Approved by the board on 3 August 2006

**ESL (Bath Road) Limited**  
**Notes to the Accounts**  
**for the period from 7 October 2003 to 28 February 2005**

**1 Accounting policies**

***Accounting convention***

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

***Deferred taxation***

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes.

Deferred tax is calculated at the tax rates which are expected to apply in the periods when the timing differences will reverse, and discounted to reflect the time value of money using rates based on the post-tax yields to maturity that could be obtained at the balance sheet date on government bonds with similar maturity dates.

**2 Turnover**

Turnover is wholly attributable to the principal activity of the company and arises solely in the United Kingdom.

**3 Exceptional cost**

On 13 February 2004 the company acquired a freehold property from Florana Limited ("Florana") a company registered in the British Virgin Islands and which was owned and controlled by Eagle Strategic Property Limited ("ESPL") (the company's immediate parent company) for £16,000,000 creating a debt owing to Florana of the same amount. On 20 February 2004 the company accepted an assignment of responsibility for repayment of bank debt in the sum of £9,355,912 secured on the aforementioned freehold property from Florana. This amount was not however offset against the debt owing to Florana.

Florana assigned entitlement for the £16,000,000 debt owing to it to Octopus Investments Limited ("Octopus") (the company's ultimate parent company). Octopus in turn assigned the gross debt to ESPL. ESPL was then issued with 16,000,000 £1 ordinary shares in the company in consideration of the debt thereby owed to it.

On 15 April 2004 the company sold the freehold property to ESL (Cheltenham) Limited ("ESLC") (a fellow subsidiary) for £16,000,000 and at the same time assigned responsibility for the above indebtedness and deducted this amount from the amount payable by ESLC. This left a net amount owing by ESLC of £6,644,088.

This series of transactions has meant that the company has incurred a net debt of £9,355,912 as a consequence of it accepting assignment of responsibility for a debt for which it has not received value from the assignor Florana. The assignment of this debt creates an equal and opposite liability owing from Florana. This amount has been written off as an exceptional cost in the profit and loss account because the ability of Florana to repay this amount is uncertain and the directors have taken the decision not to pursue this further.



**ESL (Bath Road) Limited**  
**Notes to the Accounts**  
**for the period from 7 October 2003 to 28 February 2005**

**4 Taxation**

No liability to corporation tax arises based on the results for the period.

**Factors affecting tax charge for period**

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	<b>2005</b>
	<b>£</b>
Loss on ordinary activities before tax	<u>(9,355,912)</u>
Standard rate of corporation tax in the UK	30%
	<b>£</b>
Loss on ordinary activities multiplied by the standard rate of corporation tax	(2,806,774)
Effects of:	
Expenses not deductible for tax purposes	2,806,774
Current tax charge for period	<u>-</u>

**5 Debtors**

	<b>2005</b>
	<b>£</b>
Amounts owed by group undertakings	<u>6,644,089</u>

**6 Share capital**

	<b>2005</b>
	<b>£</b>
Authorised:	
Ordinary shares of £1 each	<u>20,000,000</u>

	<b>2005</b>	<b>2005</b>
	<b>No</b>	<b>£</b>
Allotted, called up and fully paid:		
Ordinary shares of £1 each	16,000,001	<u>16,000,001</u>

**Movement in share capital**

	<b>2005</b>
	<b>£</b>
Shares issued	16,000,001
At 28 February	<u>16,000,001</u>

**ESL (Bath Road) Limited**  
**Notes to the Accounts**  
**for the period from 7 October 2003 to 28 February 2005**

<b>7 Profit and loss account</b>	<b>2005</b>
	<b>£</b>
Retained loss	(9,355,912)
At 28 February	<u>(9,355,912)</u>

<b>8 Reconciliation of movement in shareholder's funds</b>	<b>2005</b>
	<b>£</b>
Loss for the financial period	(9,355,912)
Shares issued	16,000,001
At 28 February	<u>6,644,089</u>

**9 Cash flow statement**

The company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a subsidiary of Eagle Strategic Land plc, a company registered in the United Kingdom, in whose financial statements a consolidated cash flow statement is presented.

**10 Related party transactions**

The company has taken advantage of the exemption from disclosure of transactions with related parties on the grounds that it is a wholly owned subsidiary and the consolidated financial statements of its parent company are publicly available. Details of parent undertakings are set out in note 11 below.

**11 Ultimate parent company and controlling party**

At 28 February 2005 the company's ultimate parent company was Octopus Developments Limited, a company incorporated in the Isle of Man. The company's immediate parent company is Eagle Strategic Property Limited. The ultimate beneficial controlling party is Mr. H.C. Keig.