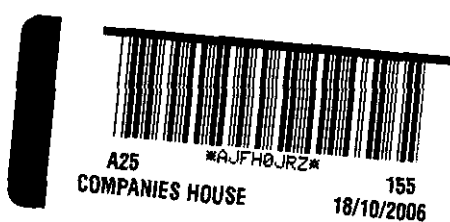


Rok 017 Limited

**Directors' report and financial
statements**

Registered number 05042646

31 December 2005



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Directors' report

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

Principal activity

The principal activity of the company is that of property development. The directors intend that the present activity should be continued.

All shares in the company are owned by Rok Development Limited (formerly Rokeagle Limited).

Results and dividends

The results for the year are shown in the profit and loss account on page 4.

The directors do not recommend the payment of a dividend (2004: £nil).

Directors and directors' interests

The directors who held office during the period were as follows:

R Boxer	(resigned 31 January 2005)
C Boulter	(resigned 31 March 2006)
NI Hole	

The directors that held office at the year end had no disclosable interest in the shares of the company.

The directors' interests in the shares of Rok plc (formerly Rok property solutions plc) and potential share awards held under the LTIP were as follows:

	Ordinary shares		Granted in 2005	LTIP Options	
	31 December 2005	31 December 2004		Exercised in 2005	31 December 2005
NI Hole	8,289	38,189	5,959	11,189	21,606

During the year NI Hole disposed of 41,089 shares in Rok plc.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board.



JP Turnbull
Secretary

Rok Centre
Guardian Road
Exeter Business Park
Exeter
EX1 3PD

13 September 2006

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of its profit or loss of the company for that period.

In preparing these 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 its financial statements comply with the Companies Act 1985. They have general responsibility for 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.

Under applicable law the directors are also responsible for preparing a Directors' Report that complies with that law.



KPMG Audit Plc

8 Salisbury Square
London
EC4Y 8BB
United Kingdom

Independent auditors' report to the members of Rok 017 Limited

We have audited the financial statements of Rok 017 Limited for the year ended 31 December 2005 which comprise the profit and loss account, the balance sheet, and the related notes. These financial statements have been prepared under 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 purposes. 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 on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 statement 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 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its loss for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc
KPMG Audit Plc
Chartered Accountants
Registered Auditor

25 September 2006

Profit and loss account
for the year ended 31 December 2005

	Note	2005 £000	2004 £000
Turnover	1	994	1,910
Cost of sales		(1,145)	(1,477)
Operating (loss)/profit		(151)	433
(Loss)/profit on ordinary activities before taxation	2	(151)	433
Tax on (loss)/profit on ordinary activities	4	45	(130)
(Loss)/profit on ordinary activities after taxation		(106)	303
Dividends paid	5	-	(200)
(Loss)/profit for the financial period		(106)	103
Retained profit brought forward		103	-
Retained (loss)/profit carried forward		(3)	103

The company has no recognised gains or losses other than those included above.


There were no acquisitions or discontinued operations within the company during the year ended 31 December 2005 or the year ended 31 December 2004.

A reconciliation of movements in shareholders' deficit is given in note 10.

Balance sheet
as at 31 December 2005

	<i>Note</i>	2005 £000	2004 £000
Stock	6	-	77
Debtors	7	242	1,445
Creditors: amounts falling due within one year	8	(245)	(1,419)
Net (liabilities)/assets		(3)	103
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account		(3)	103
Equity shareholders' (deficit)/funds	10	(3)	103

These financial statements were approved by the board of directors on *13th September* 2006 and were signed on its behalf by:



NI Hole
 Director

Notes

(forming part of the financial statements)

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, except as noted below:

In these financial statements the following new standards have been adopted for the first time

- FRS 21 'events after the balance sheet date';
- FRS 28 'corresponding amounts'

The accounting policies under these new standards are set out below with an indication of the effects of their adoption.

FRS 28 'corresponding amounts' has no material effect as it imposes the same requirements for comparatives as required by the Companies Act 1985.

Basis of preparation

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

The going concern assumption has been used on the basis that Rok plc (formerly Rok property solutions plc), as the ultimate controlling party of the company, have confirmed that they will provide such additional financial support as may be required to enable the company to continue trading during the foreseeable future.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As 100% of the company's voting rights are controlled within the group headed by Rok plc, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Rok plc, within which this company is included, can be obtained from the address given in note 11.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Work in progress

Development work in progress is held at the lower of cost and net realisable value.

Turnover

Turnover is recognised on commercial property development activities during the various stages of a development.

Profit is recognised on legal completion. Where a development is pre-sold the fair value of the profit, after allowance for rental guarantees provided on any un-let space, is recognised on legal completion of the land disposal. The remaining profit is recognised as the construction phase is performed and completed.

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Notes (continued)

2 Profit on ordinary activities before taxation

Auditors' remuneration is embodied in a charge payable to the parent company.

3 Remuneration of directors

The directors throughout the year were in the main employment of other group companies and received no emoluments from the company (2004: £nil).

4 Taxation

	2005 £000	2004 £000
<i>UK corporation tax</i>		
Current tax (credit)/charge on (loss)/profit for the period	(45)	130

Factors affecting the tax charge for the current period:

The current tax charge for the period represents the standard rate of corporation tax in the UK of 30% (2004: 30%). There is no provided or unprovided deferred taxation (2004: £nil).

5 Dividends

	2005 £000	2004 £000
Final dividend	-	200

6 Stock

	2005 £000	2004 £000
Work in progress	-	77

7 Debtors

	2005 £000	2004 £000
Corporation Tax	45	-
Prepayments and accrued income	197	1,445
	242	1,445

Notes (continued)

8 Creditors: amounts falling due within one year

	2005 £000	2004 £000
Amounts owed to group companies	245	1,289
Corporation tax	-	130
	<u>245</u>	<u>1,419</u>

9 Called up share capital

	2005 £000	2004 £000
<i>Authorised</i>		
1,000 ordinary shares of £1 each	<u>1</u>	<u>1</u>
<i>Allotted and called up</i>		
1 ordinary share of £1	<u>-</u>	<u>-</u>

10 Reconciliation of movements in shareholders' funds

	2005 £000	2004 £000
(Loss)/profit for the financial period	(106)	103
Net (decrease)/increase in shareholders' funds	(106)	103
Opening shareholders' funds	<u>103</u>	<u>-</u>
Closing shareholders' (deficit)/funds	<u>(3)</u>	<u>103</u>

11 Ultimate parent company

The company is a subsidiary undertaking of Rok Development Limited (formerly Rokeagle Limited) incorporated in Great Britain and registered in England and Wales.

The largest group in which the results of the company are consolidated is that headed by Rok plc (formerly Rok property solutions plc), incorporated in Great Britain and registered in England and Wales.

The consolidated accounts of Rok plc are available to the public and may be obtained from Rok Centre, Guardian Road, Exeter Business Park, Exeter, EX1 3PD.

