

BRITEL BURLINGTON GARDENS GP LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDING 31 DECEMBER 2005



Registered No. 5139949

21

BRITEL BURLINGTON GARDENS GP LIMITED

DIRECTORS' REPORT

Directors: T M V Lineham
 T W J Turnbull (appointed 6 January 2006)
 Q J N Burgess (resigned 31 March 2005)
 A Dewhirst (appointed 30 March 2005 and resigned 6 January 2006)
 E A Adams (appointed 30 March 2005 and resigned 6 January 2006)

Secretary: Hermes Secretariat Limited

This directors' report has been prepared in accordance with the special provisions of the Companies Act 1985 relating to small companies.

ACCOUNTS

The directors' submit their report and audited financial statements for the year ending 31 December 2005.

ACTIVITY

The principal activity of the company is that of managing the operations and safeguarding the assets of Britel Burlington Gardens Limited Partnership. The company had no employees during the period.

RESULTS

The results for the year are shown in the attached Profit and Loss Account. The Directors' do not recommend payment of a dividend.

STATUS

The company has passed the following elective resolutions on 19 May 2005:

- that pursuant to S366A to the Companies Act 1985, the company hereby elects to dispense with the holding of Annual General Meetings;
- that pursuant to S252 to the Companies Act 1985, the company hereby elects to dispense with the laying of accounts and reports before the company in general meeting; and
- that pursuant to S386(1) to the Companies act 1985, the company hereby elects to dispense with the obligation to appoint auditors annually.

DIRECTORS

The directors of the company, throughout the period, were those listed above.

DIRECTORS' INTERESTS

No director had interests during the period in the share capital of the company nor any group company.

BRITEL BURLINGTON GARDENS GP LIMITED**DIRECTORS' REPORT (Continued)****AUDITORS**

Deloitte & Touche LLP, Chartered Accountants, having previously consented to act as auditors, have expressed their willingness to continue in office.

By order of the Board



Hermes Secretariat Limited
Secretary

31 October 2006

BRITEL BURLINGTON GARDENS GP LIMITED**DIRECTORS' STATEMENT OF RESPONSIBILITIES**

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that year. 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; 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 the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BRITEL BURLINGTON GARDENS GP LIMITED

Independent auditors' report to the members of Britel Burlington Gardens GP Limited

We have audited the financial statements of Britel Burlington Gardens GP Limited for the year ended 31 December 2005 which comprise the profit and loss account, the balance sheet and the related notes 1 to 11. 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 auditors' 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 the 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 United Kingdom Generally Accepted Accounting Practice.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom 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 in accordance with the relevant framework 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 for the above year and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

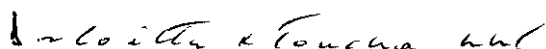
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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.

BRITEL BURLINGTON GARDENS GP LIMITED**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 profit for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.

**Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors
London

Date :

26/10 ,2006

BRITEL BURLINGTON GARDENS GP LIMITED**PROFIT AND LOSS ACCOUNT
FOR YEAR ENDING 31 DECEMBER 2005**

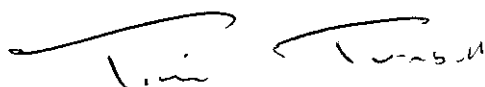
			27 May 2004 To 31 Dec 2004
	Note	2005 £	£
TURNOVER	2	2,098	1,278
Administrative expenses		-	(4,000)
		<hr/>	<hr/>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		2,098	(2,722)
		<hr/>	<hr/>
Taxation on profit on ordinary activities	4	188	-
		<hr/>	<hr/>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED FOR THE YEAR		2,286	(2,722)
		<hr/>	<hr/>
Retained loss at start of year		(2,722)	-
		<hr/>	<hr/>
RETAINED LOSS AT END OF THE YEAR	11	(436)	(2,722)
		<hr/>	<hr/>

There are no recognised gains or losses or movements in reserves other than those shown above, hence no statement of total recognised gains and losses is given. All operations are continuing operations.

BRITEL BURLINGTON GARDENS GP LIMITED**BALANCE SHEET - 31 DECEMBER 2005**

	Note	2005 £	2004 £
FIXED ASSETS			
Investments	5	-	-
CURRENT ASSETS			
Debtors	6	189	1,279
CREDITORS – amounts falling due within one year	7	(624)	(4,000)
NET CURRENT LIABILITIES		(435)	(2,721)
TOTAL ASSETS LESS LIABILITIES		(435)	(2,721)
CAPITAL AND RESERVES			
Called up share capital	8	1	1
Profit and loss account – deficit		(436)	(2,722)
EQUITY SHAREHOLDERS' DEFICIT	11	(435)	(2,721)

The financial statements were approved by the Board of Directors on 31 October 2006 and signed on their behalf by:



T W J Turnbull
Director

BRITEL BURLINGTON GARDENS GP LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDING 31 DECEMBER 2005

1. ACCOUNTING POLICIES

(a) Accounting convention

The accounts have been prepared under the historical cost convention, as modified to include the Company's interest in Britel Burlington Gardens Limited Partnership (BBGLP) on a net equity basis, and are in accordance with applicable United Kingdom accounting standards and law. The following principal accounting policies have been applied.

(b) Investments

Investments represents an interest in BBGLP. This is accounted for on a net equity basis, under which the investment is carried at its original cost as adjusted for the share of any subsequent profits or losses and any distributions made, to reflect the substance of the agreement.

(c) Deferred Tax

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

(d) Basis of Preparation

These financial statements include the Company's interest in the results and financial position of BBGLP. Accordingly, advantage has been taken of the exemptions provided by Regulation 7 of the Partnerships and Unlimited Companies (Accounts) Regulations 1993. Advantage has been taken of the exemption from preparing consolidated accounts, as the Group (formed by the Company and BBGLP) is medium sized.

(e) Cash flow statement

The accounts do not include a Cash Flow Statement as none occurred during the current year as the company had no open bank accounts during the year.

2. TURNOVER

Turnover represents profit share in respect of the company's investment in BBGLP.

BRITEL BURLINGTON GARDENS GP LIMITED**NOTES TO THE ACCOUNTS**

FOR THE YEAR ENDING 31 DECEMBER 2005 (continued)

3. OPERATING PROFIT/(LOSS)

	2005 £	27 May 2004 To 31 Dec 2004 £
This is arrived at after charging:		
Auditors' remuneration	-	4,000

The audit fee has been borne by the BBGLP.

4. TAXATION ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	2005 £	27 May 2004 To 31 Dec 2004 £		
a) Profit and loss account				
Analysis of tax charge in the period				
Current tax:				
UK Corporation tax at 30% (2004 – 30%)	-	-		
Total current tax charge (note 4b)	-	-		
Deferred tax:				
Origination and reversal of timing differences	188	-		
Total deferred tax charge (note 4c)	188	-		
Tax on profit on ordinary activities	188	-		
b) Reconciliation of the current year tax charge				
The tax charge for the period is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:				
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%.	629	(817)		
(Utilisation of) / unrelieved losses	(629)	817		
Current tax charge for year / period	-	-		
	Provided 2005 £	Provided 2004 £	Unprovided 2005 £	Unprovided 2004 £
c) Deferred Tax Asset				
Tax losses	188	-	-	817
	188	-	-	817

BRITEL BURLINGTON GARDENS GP LIMITED**NOTES TO THE ACCOUNTS**

FOR THE YEAR ENDING 31 DECEMBER 2005 (continued)

5. INVESTMENTS

	31 Dec 2005 £	31 Dec 2004 £
Share of profit in BBGLP	2,286	1,278
Distributions receivable	<u>(2,286)</u>	<u>(1,278)</u>
As at 31 December 2005	<u>-</u>	<u>-</u>

Investments comprise the Company's interest in Britel Burlington Gardens Limited Partnership.

In order to reflect the nature of the management relationship between Britel Burlington Gardens GP Limited and BBGLP, the share of profit share in BBGLP is accounted for on a net equity basis as described in note 1(c).

BBGLP acquires retail and related investment properties substantially let on income producing leases. Britel Burlington Gardens GP Limited holds a 0.1% profit share in BBGLP.

The accounts at 31 December 2005 for BBGLP are set out below, in which Britel Burlington Gardens GP Limited has a 0.1% profit share.

BALANCE SHEET

	31 Dec 2005 £	31 Dec 2004 £
FIXED ASSETS		
Investment property	55,200,000	47,700,000
CURRENT ASSETS		
Debtors	672,589	747,643
CREDITORS – amounts falling due within one year	(753,758)	(747,643)
NET CURRENT LIABILITIES	<u>(81,169)</u>	<u>-</u>
NET ASSETS	<u>55,118,831</u>	<u>47,700,000</u>
CAPITAL AND RESERVES		
Partners' accounts	46,322,455	46,322,455
Revaluation surplus	8,796,376	1,377,545
PARTNERSHIP FUNDS	<u>55,118,831</u>	<u>47,700,000</u>

BRITEL BURLINGTON GARDENS GP LIMITED**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDING 31 DECEMBER 2005 (continued)****5. INVESTMENTS (continued)****PROFIT AND LOSS ACCOUNT**

	2005	7 June 2004 to 31 Dec
	£	2004
	£	£
Rental income	2,459,579	1,286,453
Net property costs	(303,974)	(4,708)
Gross profit	2,155,605	1,281,745
Administrative expenses	(57,611)	(4,000)
Operating profit	2,097,994	1,277,745
Interest receivable	-	-
Interest payable	-	-
Profit on ordinary activities	2,097,994	1,277,745
Distributions payable to Partners	(2,097,994)	(1,277,745)
Retained profit for the financial year	-	-

6. DEBTORS – amounts falling due within one year

	31 Dec 2005	31 Dec 2004
	£	£
Amounts owed by BBGLP	-	1,278
Called up share capital not paid	1	1
Deferred tax	188	-
	<u>189</u>	<u>1,279</u>

7. CREDITORS – amounts falling due within one year

	31 Dec 2005	31 Dec 2004
	£	£
Amounts owed to BBGLP	624	-
Accruals	-	4,000
	<u>624</u>	<u>4,000</u>

BRITEL BURLINGTON GARDENS GP LIMITED**NOTES TO THE ACCOUNTS**

FOR THE YEAR ENDING 31 DECEMBER 2005 (continued)

8. CALLED UP SHARE CAPITAL

	31 Dec 2005 £	31 Dec 2004 £
Authorised:		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and not paid up:		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

9. ULTIMATE PARENT CONTROLLING PARTY

The directors regard the BT Pension Scheme as the company's immediate and ultimate parent controlling entity. It is also the parent of the smallest and largest group of which Britel Burlington Gardens GP Limited is a member to prepare group accounts.

10. RELATED PARTY TRANSACTIONS

Britel Burlington Gardens GP Limited is the General Partner of BBGLP. During the year the Company derived turnover of £2,098 (2004 : £1,278) from BBGLP. At 31 December 2004 and 2005 the following amounts were outstanding.

	2005 £	2004 £
Amounts owed by BBGLP	<u>-</u>	<u>1,278</u>
Amounts owed to BBGLP	<u>624</u>	<u>-</u>

11. RECONCILIATION IN MOVEMENT IN EQUITY SHAREHOLDERS FUNDS

	Called up share capital £	Profit and Loss account £	Total £
At 1 January 2005	1	(2,722)	(2,721)
Profit for the period	-	2,286	2,286
As at 31 December 2005	<u>1</u>	<u>(436)</u>	<u>(435)</u>