

BRITEL BURLINGTON GARDENS GP LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2006



Registered No. 5139949

BRITEL BURLINGTON GARDENS GP LIMITED

DIRECTORS' REPORT

Directors T M V Lineham
 T W J Turnbull (appointed 6 January 2006)
 A Dewhurst (resigned 6 January 2006)
 E A Adams (resigned 6 January 2006)

Secretary Hermes Secretariat Limited

ACCOUNTS

The directors' submit their annual report and financial statements for the year ending 31 December 2006

This director's report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985

PRINCIPAL 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 year (2005 nil)

RESULTS

The results for the year are shown in the attached profit and loss account on page 6. The Directors do not recommend payment of a dividend (2005 £nil)

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

DIRECTORS' REPRESENTATIONS

Each of the persons who is a director at the date of approval of this report confirms that

- a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- b) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

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

The company 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

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

7 June 2007

BRITEL BURLINGTON GARDENS GP LIMITED**Statement of Directors' Responsibilities**

The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 that disclose with reasonable accuracy at any time the financial position of the company and 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.

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 2006 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

The directors' responsibilities for preparing of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 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 and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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.

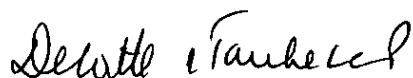
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRITEL BURLINGTON
GARDENS GP LIMITED (CONTINUED)**

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 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Director's Report is consistent with the financial statements



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London, United Kingdom

Date

7/6 / 2007

BRITEL BURLINGTON GARDENS GP LIMITED**PROFIT AND LOSS ACCOUNT
FOR YEAR ENDED 31 DECEMBER 2006**

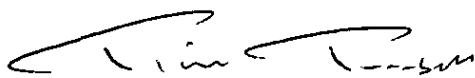
	Note	2006 £	2005 £
TURNOVER	2	2,380	2,098
OPERATING PROFIT	3	<u>2,380</u>	<u>2,098</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>2,380</u>	<u>2,098</u>
Taxation on profit on ordinary activities	4	<u>(714)</u>	<u>188</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED FOR THE YEAR		1,666	2,286
Retained loss at start of year		(436)	(2,722)
RETAINED PROFIT / (LOSS) AT END OF THE YEAR	11	<u>1,230</u>	<u>(436)</u>

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 2006**

	Note	2006 £	2005 £
FIXED ASSETS			
Investments	5	-	-
CURRENT ASSETS			
Debtors	6	1,757	189
CREDITORS – amounts falling due within one year	7	(526)	(624)
NET CURRENT ASSETS / (LIABILITIES)		1,231	(435)
NET ASSETS / (LIABILITIES)		1,231	(435)
CAPITAL AND RESERVES			
Called up share capital	8	1	1
Profit and loss account		1,230	(436)
SHAREHOLDERS' FUNDS / (DEFICIT)	11	1,231	(435)

The financial statements were approved by the Board of Directors and authorised for issue on 2007. They were signed on its behalf by



T W J Turnbull
Director

7 June 2007

BRITEL BURLINGTON GARDENS GP LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2006

1 ACCOUNTING POLICIES

(a) Basis of Accounting

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 consistently throughout the year and the preceding year.

(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) Current tax

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

(e) 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 as amended by SI 2005 No 1987 The Partnerships and Unlimited Companies (Accounts) (Amendment) Regulations 2005. Advantage has been taken of the exemption from preparing consolidated accounts, as the Group (formed by the Company and BBGLP) is medium sized.

(f) Cash flow statement

The accounts do not include a Cash Flow Statement because the company does not fall within the scope of FRS1 (Revised 1996), as it meets the small company definition in Section 247 to 249 of the Companies Act 1985, for the purpose of filing accounts with the Registrar of Companies.

BRITEL BURLINGTON GARDENS GP LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2006 (continued)
2 TURNOVER

Turnover represents profit share in respect of the company's investment in BBGLP. Income from investment is recognised in line with the results of the underlying investments, reflecting the substance of the agreement.

3 OPERATING PROFIT

The auditors' remuneration for the current year is £4,160 (2005 £4,000) this has been borne by Britel Burlington Gardens Limited Partnership.

The company had no employees during the current year and prior year.

The directors received no emoluments in respect of their services to the company during the current year and prior year.

4 TAXATION ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	2006 £	2005 £		
a) Profit and loss account				
Analysis of tax charge in the period				
Current tax				
UK Corporation tax at 30% (2005 – 30%)	(526)	-		
Total current tax charge (note 4b)	(526)	-		
Deferred tax				
Origination and reversal of timing differences	(188)	188		
Total deferred tax charge (note 4c)	(188)	188		
Tax on profit on ordinary activities	(714)	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 on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	714	629		
Utilisation of losses	(188)	(629)		
Current tax charge for year	526	-		
	Provided 2006 £	Provided 2005 £	Unprovided 2006 £	Unprovided 2005 £
c) Deferred Tax Asset				
Tax losses	-	188	-	-
	-	188	-	-

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

FOR THE YEAR ENDED 31 DECEMBER 2006 (continued)

5 INVESTMENTS

	31 Dec 2006	31 Dec 2005
	£	£
Share of profit in BBGLP	2,380	2,098
Distributions receivable	(2,380)	(2,098)
As at 31 December 2006	-	-

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 in BBGLP is accounted for on a net equity basis as described in note 1(b)

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 2006 for BBGLP are set out below, in which Britel Burlington Gardens GP Limited has a 0.1% profit share

BALANCE SHEET

	2006	2005
	£	£
FIXED ASSETS		
Investment property	73,625,000	55,200,000
CURRENT ASSETS		
Debtors	1,216,992	672,589
Cash at Bank	2,954,978	-
	4,171,970	672,589
CREDITORS – amounts falling due within one year	(4,253,139)	(753,758)
NET CURRENT LIABILITIES	(81,169)	(81,169)
NET ASSETS	73,543,831	55,118,831
CAPITAL AND RESERVES		
Partners' accounts	46,322,455	46,322,455
Revaluation reserve	27,221,376	8,796,376
PARTNERSHIP FUNDS	73,543,831	55,118,831

BRITEL BURLINGTON GARDENS GP LIMITED**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 DECEMBER 2006 (continued)****5 INVESTMENTS (continued)****PROFIT AND LOSS ACCOUNT**

	2006 £	2005 £
Rental income	2,481,191	2,459,579
Net property costs	(67,096)	(303,974)
Gross profit	2,414,095	2,155,605
Administrative expenses	(72,518)	(57,611)
Operating profit	2,341,577	2,097,994
Interest receivable	38,078	-
Profit on ordinary activities	2,379,655	2,097,994
Distributions payable to Partners	(2,379,655)	(2,097,994)
Retained profit for the financial year	-	-

6 DEBTORS – amounts falling due within one year

	2006 £	2005 £
Amounts owed by BBGLP	1,756	-
Called up share capital not paid	1	1
Deferred tax	-	188
	<u>1,757</u>	<u>189</u>

7 CREDITORS – amounts falling due within one year

	2006 £	2005 £
Corporation Tax	526	-
Amounts owed to BBGLP	-	624
	<u>526</u>	<u>624</u>

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

FOR THE YEAR ENDED 31 DECEMBER 2006 (continued)

8 CALLED UP SHARE CAPITAL

	2006 £	2005 £
Authorised		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Alotted, 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 £2,380 (2005: £2,098) from BBGLP. At 31 December 2006 and 2005 the following amounts were outstanding:

	2006 £	2005 £
Amounts owed to BBGLP	<u>-</u>	<u>624</u>
Amounts owed by BBGLP	<u>1,756</u>	<u>-</u>

11 RECONCILIATION IN MOVEMENT IN EQUITY SHAREHOLDERS FUNDS / (DEFICIT)

	Called up share capital £	Profit and Loss account £	Total £
At 1 January 2006	1	(436)	(435)
Profit for the year	<u>-</u>	<u>1,666</u>	<u>1,666</u>
As at 31 December 2006	<u>1</u>	<u>1,230</u>	<u>1,231</u>