

MEPC MILTON PARK NO 2 LIMITED
Financial Statements 2005

Co. Reg. No. 5491806



MEPC MILTON PARK NO 2 LIMITED
Directors' report

The directors present their report and financial statements for the period from incorporation on 27 June 2005 to 30 September 2005. During the period the company received no income and incurred no expenditure. Consequently, a profit and loss account is not presented.

The principal activity of the company is property investment. The directors foresee no material change in the scope or nature of the company's activities.

Directors who have served during the period were:

Mr S Allen	(appointed 9 January 2006)
Mr J A Bateman	(appointed 1 August 2005, resigned 17 February 2006)
Mr J M Brady	(appointed 27 June 2005, resigned 8 February 2006)
Mr D W Burrowes	(appointed 9 January 2006)
Mr R A Harrold	(appointed 1 August 2005, resigned 8 December 2005)
Mr G A Lewis	(appointed 27 June 2005, resigned 8 February 2006)
Ms E A Mousley	(appointed 9 January 2006)

The company secretary is MEPC Secretaries Limited who was appointed on 27 June 2005.

Directors' responsibilities in respect of the preparation of financial statements

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 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 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;
- 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 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 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.

By order of the board

S. Allen

S Allen
Director
30 April 2006

**Auditors report to the members of
MEPC MILTON PARK NO 2 LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MEPC MILTON PARK NO 2
LIMITED**

We have audited the financial statements on pages 3 to 4.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

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.

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 affairs of the company as at 30 September 2005 and have been properly prepared in accordance with the Companies Act 1985.



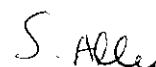
RSM Robson Rhodes LLP
Chartered Accountants and Registered Auditors
London, England

22/5/06

MEPC MILTON PARK NO 2 LIMITED**Balance sheet****As at 30 September 2005**

	<u>Note</u>	<u>2005</u> £
Current assets		
Debtors Amount due in more than one year from intermediate holding company MEPC Limited		1
		<hr/>
		1
		<hr/>
Capital and reserves		
Called up share capital	3	1
		<hr/>
Shareholders' funds		1
		<hr/>

Approved by the Board of Directors
on 30 April 2006
and signed on its behalf by:



S Allen
Director

MEPC MILTON PARK NO 2 LIMITED
Notes (forming part of the financial statements)

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with section 226 of, and Schedule 4 to, the Companies Act 1985 and applicable accounting standards.

Taxation

With effect from 1 October 1997, the taxation charges or credits attributable to the results of all wholly owned UK subsidiaries of MEPC Limited are charged or credited in a single subsidiary company, MEPC UK Holdings as part of a group arrangement. No deferred taxation is provided in these accounts since any future corporation tax liability or asset that might crystallise will be reflected in the accounts of MEPC UK Holdings in accordance with the arrangement referred to above. Provision for deferred taxation has been made in the accounts of MEPC UK Holdings, having regard to the group deferred taxation position.

Cash flow

Under FRS1 Cash Flow Statement (revised 1996), the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly-owned subsidiary undertaking.

Related party transactions

Under FRS 8 the company is exempt from the requirement to disclose related party transactions with MEPC Limited and its associated undertakings on the grounds that it is a wholly owned subsidiary undertaking.

2 Administrative expenses

The directors of the company received no remuneration during the period. The company did not employ any other persons as it is administered by the employees of MEPC Limited. Audit fees are paid by MEPC Limited and are accounted for on a group basis.

3 Called up share capital

	Authorised 2005	Allotted, issued and fully paid 2005	
		No	£
Ordinary shares of £1 each	£1,000	1	£1

4 Ultimate parent company and intermediate holding company

The ultimate parent company and largest group in which the results of the company are consolidated is that headed by BT Pension Scheme. The consolidated accounts of this group are available from Lloyd's Chambers, Portsoken Street, London, E1 8HZ.

The intermediate holding company and smallest group in which the results of the company are consolidated is that headed by MEPC Limited. The consolidated accounts of this group are available from 4th Floor, Lloyd's Chambers, 1 Portsoken Street, London, E1 8LW.