

MEPC LEAVESDEN PARK GENERAL PARTNER LIMITED**Report and Financial Statements****for the 15 month period from****1 October 2005 to 31 December 2006****Co Reg. No 5492670**

MEPC LEAVESDEN PARK GENERAL PARTNER LIMITED

Directors' report

The directors present their report and financial statements for the period to 31 December 2006. This report has been prepared in accordance with the special provisions relating to small companies under Section 246 of the Companies Act 1985. During the financial period the company did not trade, received no income and incurred no expenditure. Consequently, a profit and loss account and statement of recognised gains and losses is not presented.

The principal activity of the company during the course of the period is managing the operations and safeguarding the assets of MEPC Leavesden Park Limited Partnership. The directors foresee no material change in the scope or nature of the company's activities.

The directors do not recommend the payment of a dividend (2005: £nil).

Directors and their interests

Directors who have served during the period and to the date of signing were:

Mr J M Brady	(appointed 27 June 2005, resigned 8 February 2006)
Mr R De Blaby	(appointed 19 December 2005)
Mr A D Evans	(appointed 19 December 2005)
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 R Page	(appointed 16 January 2006)
Mr R E Quince	(appointed 1 August 2005)
Mr T W J Turnbull	(appointed 9 January 2006)
Mr A Turner	(appointed 9 January 2006)

The company secretary is MEPC Secretaries Limited.

No directors held any beneficial interest in the shares of the company during the period.

Elective resolutions

At a meeting on 1 August 2005, the Board of MEPC Leavesden Park General Partner Limited used the written resolution procedures pursuant to Section 381A of the Companies Act 1985 to pass the following elective resolutions:

- that pursuant to Section 366A of the Companies Act 1985, the company hereby elects to dispense with the holding of Annual General Meetings (until the election is revoked),
- that pursuant to Section 252 of 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 Section 386 of the Companies Act 1985, the company hereby elects to dispense with the obligation to appoint auditors annually.

Auditors

Deloitte & Touche LLP were appointed as auditors during the period. Deloitte & Touche LLP have expressed their willingness to continue in office as auditors.

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

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- 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 information is given and should be interpreted in accordance with the provisions of Section 234ZA of the Companies Act 1985.

By order of the board

A D Evans

Director

2 April 2007

MEPC LEAVESDEN PARK GENERAL PARTNER LIMITED

Directors' responsibilities in respect of the preparation of financial statements

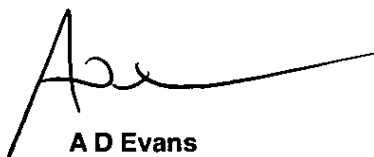
The directors are responsible for preparing the Annual Report including the financial statements. The directors have chosen to prepare the financial statements for the company in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP).

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view, in accordance with UK GAAP, of the state of affairs of the company and of the profit or loss for that period and comply with UK GAAP and the Companies Act 1985. In preparing those 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, 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board



A D Evans
Director
2 April 2007

MEPC LEAVESDEN PARK GENERAL PARTNER LIMITED

Independent auditors' report to the members of MEPC Leavesden Park General Partner Limited

We have audited the financial statements of MEPC Leavesden Park General Partner Limited for the period ended 31 December 2006 which comprise the balance sheet and the related notes 1 to 5. 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 directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statements 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.

MEPC LEAVESDEN PARK GENERAL PARTNER LIMITED

Independent auditors' report to the members of MEPC Leavesden Park General Partner 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,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' report is consistent with the financial statements



Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

Reading, England

2 April 2007

MEPC LEAVESDEN PARK GENERAL PARTNER LIMITED
Balance sheet

As at 31 December 2006

	<u>Note</u>	31 December	30 September
		<u>2006</u>	<u>2005</u>
		£	£
Fixed assets			
Investment	3	1	1
		<hr/>	<hr/>
		1	1
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	4	1	1
		<hr/>	<hr/>
Shareholder's funds		1	1
		<hr/>	<hr/>

Approved by the Board of Directors
on 2 April 2007
and signed on its behalf by



A D Evans
Director

MEPC LEAVESDEN PARK GENERAL PARTNER LIMITED
Notes to the financial statements

1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the period and previous year.

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 United Kingdom accounting standards.

Investment

The unlisted investment represents an interest in MEPC Leavesden Park Limited Partnership. 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 in order to reflect the substance of the agreement.

Taxation

With effect from 1 October 1997, the taxation charges or credits attributable to the results of all wholly owned UK subsidiaries of MEPC (1946) 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 (1946) 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 (1946) Limited and MEPC Limited. Audit fees are paid by MEPC (1946) Limited and are accounted for on a group basis.

3 Investment

The unlisted investment is the company's interest in MEPC Leavesden Park Limited Partnership.

In order to reflect the nature of the management relationship between MEPC Leavesden Park General Partner Limited and MEPC Leavesden Park Limited Partnership, the share of the General Partner's interest in MEPC Leavesden Park Limited Partnership is accounted for on a net equity basis as described in note 1.

MEPC Leavesden Park General Partner Limited contributed a £1 investment in MEPC Leavesden Park Limited Partnership which represents less than a 0.01% interest.

4 Called up share capital

	Authorised 2006 & 2005	Allotted, issued and fully paid 2006 & 2005	
		No	£
Ordinary shares of £1 each	£1,000	1	£1

MEPC LEAVESDEN PARK GENERAL PARTNER LIMITED

Notes to the financial statements (continued)

5 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, Portoken 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 (1946) Limited. The consolidated accounts of this group are available from 4th Floor, Lloyds Chambers, 1 Portoken Street, London, E1 8LW.