

BPP (Farringdon Road) Limited

(formerly Dragoncove Limited)

Report and Financial Statements

31 May 2007

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COMPANIES HOUSE

BPP (Farringdon Road) Limited

Registered No 05879261

Directors

J R Marcus
D K Gateley

Secretary

S A Brown

Auditors

Ernst & Young LLP
1 Bridgewater Place
Water Lane
Leeds
LS11 5QR

Bankers

Bank of Scotland Plc
Gordon Street
Glasgow
G3RS1

Solicitors

Clifford Chance
200 Aldersgate Street
London
EC1A 4SS

Registered Office

105 Wigmores Street
London
W1U 1QY

Directors' report

The directors present their report and financial statements for the period from 18 July 2006 to 31 May 2007

Results and dividends

The profit for the period after tax amounted to £nil. The directors do not recommend the payment of any dividends.

Principal activities

The principal activity of the company during the period was the management of real estate.

Review of the business and future developments

The company was incorporated on 18 July 2006 as Dragoncove Limited. It changed its name to BPP (Farringdon Road) Limited on 3 October 2006. The company commenced trading during the period.

The results and future prospects for the period are considered by the directors to be satisfactory.

Principal risks and uncertainties

Strategic, financial, commercial, operational, social, environmental and ethical risks are all considered as part of the company's controls, which are designed to manage rather than eliminate risk of failure to achieve business objectives. Therefore they can only provide reasonable, not absolute, assurance against material misstatement or loss.

Although at present there are no immediate risks considered likely to have a significant impact on the short or long term value of the company, the principal risks identified are property market risk, treasury risk, in particular a change in interest rate, health and safety risks, and impact of changes in legislation, in particular planning legislation.

Key performance indicators

Due to the nature of the business key performance indicators are not applicable.

Directors

The directors who served the company during the period were as follows:

D J Pudge (appointed 18 July 2006, resigned 29 August 2006)
A Levy (appointed 18 July 2006, resigned 29 August 2006)
J R Marcus (appointed 29 August 2006)
D K Gateley (appointed 29 August 2006)

Disclosure of information to the auditors

As at the date of this report, so far as each director is aware there is no relevant audit information of which the company's auditors are unaware and each director has taken such steps as he should have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

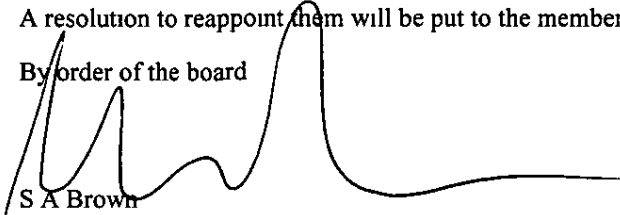
Directors' report

Auditors

Ernst & Young were appointed as the company's first auditors

A resolution to reappoint them will be put to the members at the Annual General Meeting

By order of the board



S A Brown
Secretary

7 March 2008

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable laws 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 and loss of the company for that period. 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, 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.

Independent auditors' report

to the members of BPP (Farringdon Road) Limited

We have audited the company's financial statements for the period ended 31 May 2007 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 13. These financial statements have been prepared on the basis of 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 are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as 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.

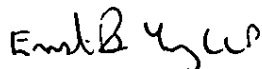
Independent auditors' report

to the members of BPP (Farringdon Road) 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 May 2007 and of its result for the period then ended,
- 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



Ernst & Young LLP
Registered Auditor
Leeds

28 March 2008

Profit and loss account

for the period from 18 July 2006 to 31 May 2007

	Notes	£
Turnover	2	578,740
Cost of sales		(107,006)
		<hr/>
Gross profit		471,734
Administrative expenses		(477,390)
		<hr/>
Operating loss	3	(5,656)
Bank interest receivable		5,656
		<hr/>
Profit on ordinary activities before taxation		-
Tax on profit on ordinary activities	5	-
		<hr/>
Profit for the financial period		-
		<hr/> <hr/>

Statement of total recognised gains and losses

for the period from 18 July 2006 to 31 May 2007

There are no recognised gains or losses other than the profit of £nil attributable to the shareholders for the period ended 31 May 2007

Balance sheet

at 31 May 2007

	Notes	£
Current assets		
Debtors	6	162,975
Cash at bank		337,655
		<hr/>
		500,630
Creditors: amounts falling due within one year	7	(500,629)
		<hr/>
Net current assets		1
		<hr/>
Net assets		1
		<hr/> <hr/>
Capital and reserves		
Called up share capital	8	1
Profit and loss account	9	-
		<hr/>
		1
		<hr/> <hr/>



J R Marcus
Director

7 March 2008

Notes to the financial statements

at 31 May 2007

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes consolidated financial statements

Related parties transactions

The company is a wholly owned subsidiary of Thornfield Capital Limited, the consolidated accounts of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members or investees of the Thornfield Capital Limited group

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax. However, deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Leasing commitments

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Rental income

Rental income is accounted for on a straight line basis over the lease term on ongoing leases.

2. Turnover

Turnover, which is stated net of value added tax, represents amounts derived from the provision of services to third parties. Turnover is attributable to the company's continuing activities of the management of real estate and arises wholly within the UK.

Notes to the financial statements

at 31 May 2007

3. Operating loss

This is stated after charging/(crediting)

	£
Operating Lease rentals – land and buildings	489,890
Rental income	(578,740)
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Auditors' remuneration is borne by a fellow group company

4. Staff costs

No salaries or wages have been paid to the directors who are the only employees of the Company

5. Tax on profit on ordinary activities

(a) Tax on profit on ordinary activities

There is no current or deferred tax for the period ended 31 May 2007

There is no deferred tax in the balance sheet

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period ended 31 May 2007 is the same as the standard rate of corporation tax in the UK of 30%

6. Debtors

	£
Trade debtors	6,252
Amounts owed by group undertakings	113,890
Other debtors and prepayments	42,833
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	162,975
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7. Creditors: amounts falling due within one year

	£
Trade creditors	21,283
Other creditors	38,341
Deferred income	45,177
Amounts owed to group undertakings	395,828
	<hr/>
	500,629
	<hr/>

Notes to the financial statements

at 31 May 2007

8. Share capital

	<i>Authorised</i> £
Ordinary shares of £1 each	100
	<u> </u>
	<i>Allotted, called up and fully paid</i> No £
Ordinary shares of £1 each	1 1
	<u> </u> <u> </u>

9. Reconciliation of shareholders' funds and movement on reserves

	<i>Share capital</i> £	<i>Profit and loss account</i> £	<i>Total share- holders' funds</i> £
Issue of new shares	1	-	1
Profit for the period	-	-	-
At 31 May 2007	<u> </u> 1	<u> </u> -	<u> </u> 1
	<u> </u>	<u> </u>	<u> </u>

10. Contingent liability

The company is party to a joint bank guarantee with a group undertaking, Thornfield Ventures Limited, and certain fellow subsidiaries. The contingent liability at 31 May 2007 was £28,909,223.

11. Other financial commitments

At 31 May 2007 the company had annual commitments under non-cancellable operating leases as set out below:

	<i>Land and buildings</i> £
Operating leases which expire Within one year	3,125
	<u> </u>

The £3,125 is base rent. In addition to the base rent the company has an obligation to pay a balancing rent. The balancing rent is all revenue derived by the company from underlessees less the base rent.

12. Related party

The company banks with Bank of Scotland Plc. This is the intermediate parent company of Uberior Ventures Limited which is a shareholder of the company's ultimate parent undertaking at 31 May 2007, Thornfield Capital Limited. Cash at bank on the balance sheet at 31 May 2007 is an amount of £337,655 due from the Bank of Scotland Plc. Interest received in the year was £5,656.

Notes to the financial statements

at 31 May 2007

13. Ultimate parent company

The company's immediate parent undertaking is Thornfield Properties plc

At 31 May 2007 the company's ultimate parent undertaking and controlling party was Thornfield Capital Limited. It has included the company in its group financial statements, copies of which are available from its registered office 105 Wigmore Street, London W1U 1QY.