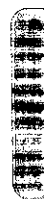


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Helical Properties (Capital House) Jersey Limited

Report and Financial Statements

For the period 24 October 2002 to 31 December 2003



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REPORT AND FINANCIAL STATEMENTS 2003

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Helical Properties (Capital House) Jersey Limited

REPORT AND FINANCIAL STATEMENTS 2003

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

R Barry
A Fullerton

SECRETARY

Mourant & Co Secretaries Limited

REGISTERED OFFICE

22 Grenville Street
St Helier
Jersey
JE4 8PX

BANKERS

GMAC Commercial Mortgage Investment Limited
Commerzbank House
Guild Street
ISFC
Dublin 1
Ireland

AUDITORS

Deloitte & Touche
Chartered Accountants
Jersey

Helical Properties (Capital House) Jersey Limited

DIRECTORS' REPORT

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the period 24 October 2002 to 31 December 2003.

INCORPORATION

The company was incorporated on 24 October 2002.

ACTIVITIES

The company is a holding company whose operating subsidiary is involved in the business of property trading in the United Kingdom.

REVIEW OF DEVELOPMENTS

The company acquired its only property on 1 November 2002. This property was then transferred to its subsidiary company, Helical Properties (Capital House) Jersey No.2 Limited on 5 November 2002. The company has ceased to trade from this date. On 22 May 2003 the ownership of the company changed from Helical Properties Investment Limited to Capital Knaves Property Investment Limited.

DIVIDENDS

The loss for the period 24 October 2002 to 31 December 2003 after taxation amounted to £1,000,000. The company received dividends from its subsidiary, Helical Properties (Capital House) Jersey No.2 Limited of £357,604 on 20 May 2003. A dividend was declared and paid on 20 May 2003 to the company's then parent company, Helical Properties Investment Limited.

DIRECTORS

The Directors in office during the period 24 October 2002 to 31 December 2003 were as follows:

| | Appointed | Resigned |
|-------------|-----------------|-------------|
| A Fullerton | 22 May 2003 | - |
| R Barry | 22 May 2003 | - |
| M Slade | 24 October 2002 | 22 May 2003 |
| N Scott | 24 October 2002 | 22 May 2003 |
| P Brown | 24 October 2002 | 22 May 2003 |
| J Inwood | 24 October 2002 | 22 May 2003 |
| J Pitman | 24 October 2002 | 22 May 2003 |

Details of Directors' interests in the ultimate parent company, Capital Knaves Property Investment Limited, are disclosed in that company's financial statements.

AUDITORS

Deloitte & Touche were appointed as the company's auditors and a resolution for their reappointment will be proposed at the next Annual General Meeting.

By order of the board



A Fullerton

Director

24 October 2004

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Jersey company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or 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 (Jersey) Law 1991. 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 Helical Properties (Capital House) Jersey Limited

We have audited the financial statements of Helical Properties (Capital House) Jersey Limited for the period from 24 October 2002 to 31 December 2003 which comprise the profit and loss account, the balance sheet and the related notes 1 to 12. 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 article 110 of the Companies (Jersey) Law 1991. 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

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 Jersey law and United Kingdom accounting standards. Our responsibility is to audit the financial statements in accordance with relevant Jersey 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 (Jersey) Law 1991. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read the directors' report for the above period and consider the implications for our report if we become aware of any apparent misstatements.

Basis of 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 the company's affairs as at 31 December 2003 and of its loss for the period then ended and have been properly prepared in accordance with the Companies (Jersey) Law 1991.



Deloitte & Touche
Chartered Accountants
St Helier, Jersey
28 October 2004

Helical Properties (Capital House) Jersey Limited

PROFIT AND LOSS ACCOUNT

For the period 24 October 2002 to 31 December 2003

| | Note | 24 October 2002 to 31 December 2003 £000 |
|--|------|--|
| TURNOVER: continuing operations | 2 | 42,032 |
| Cost of sales | | (42,000) |
| GROSS PROFIT | | <u>32</u> |
| Administrative expenses | | (12) |
| Write down of investment | | (1,000) |
| OPERATING LOSS | 4 | (980) |
| Income from shares in group undertaking | 6 | <u>358</u> |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | | (622) |
| Tax on profit on ordinary activities | 5 | <u>(20)</u> |
| LOSS ON ORDINARY ACTIVITIES AFTER TAXATION | | (642) |
| Dividends paid and proposed | 6 | <u>(358)</u> |
| RETAINED LOSS FOR THE FINANCIAL PERIOD | 10 | <u>(1,000)</u> |

There were no recognised gains or losses for the period other than those included in the profit and loss account, accordingly no statement of total recognised gains or losses is presented. The company's activities are considered discontinuing as the company ceased to trade during the period.

Helical Properties (Capital House) Jersey Limited

BALANCE SHEET 31 December 2003

| | Note | 2003 £000 |
|---|------|--------------|
| FIXED ASSETS | | |
| Investment | 7 | 41,000 |
| NET ASSETS | | 41,000 |
| CAPITAL AND RESERVES | | |
| Called up share capital | 9 | 1,000 |
| Share Premium | 10 | 41,000 |
| Profit and loss account | 10 | (1,000) |
| TOTAL EQUITY SHAREHOLDERS' FUNDS | | 41,000 |

These financial statements were approved by the Board of Directors on 21st October 2004.

Signed on behalf of the Board of Directors



A Fullerton

Director

NOTES TO THE ACCOUNTS

For the period 24 October 2002 to 31 December 2003

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

Stock

Stock of trading properties is stated at the lower of cost and net realisable value. Cost represents original purchase price plus subsequent expenditure to improve the realisable value of the centre.

Deferred taxation

Deferred tax is provided in full on timing differences which 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 is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. 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.

Turnover

Turnover represents the total amount received by the group in the ordinary course of business for rental income excluding value added tax.

Consolidation

The parent undertaking is a wholly-owned subsidiary undertaking and its immediate parent undertaking is incorporated within the European Community. Accordingly, consolidated accounts have not been prepared and the information presented represents the company only.

2. TURNOVER

The turnover is attributable to income generated by the trading property. Turnover represents disposal proceeds of stock properties and rental income.

3. OPERATING PROFIT

The audit fee was borne by another group company.

4. DIRECTORS AND EMPLOYEES

No director received emoluments from the company during the period.

There were no employees during the period.

Helical Properties (Capital House) Jersey Limited

NOTES TO THE ACCOUNTS

For the period 24 October 2002 to 31 December 2003

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

| | 24 October 2002 to 31 December 2003 £000 |
|------------------------|--|
| Corporation tax at 30% | 20 |

The standard rate of tax for the period, based on UK standard rate of corporation tax, is 30%. The actual tax charge for the current period is different to the standard rate for the reasons set out in the following reconciliation:

| | 4 November 2002 to 31 December 2003 £000 |
|--|--|
| Loss before tax | (622) |
| Tax at standard rate | (187) |
| UK dividends received | (107) |
| Group relief paid for above standard tax rate | 14 |
| Disallowable expenses | 300 |
| Current period tax charge | 20 |

Exempt company status in Jersey has been granted for the period and the exempt company charge of £600 has been paid to 31 December 2003.

6. DIVIDENDS

| | 24 October 2002 to 31 December 2003 £000 |
|--|--|
| Equity | |
| Final dividend paid on ordinary shares of £357,604 (35.8p per ordinary share) | (358) |
| Final dividend received from Helical Properties (Capital House) Jersey No. 2 Limited of £357,604 | 358 |

Helical Properties (Capital House) Jersey Limited

NOTES TO THE ACCOUNTS

For the period 24 October 2002 to 31 December 2003

7. INVESTMENTS

| | 2003 £000 |
|---|--------------|
| Shares in subsidiary undertaking | |
| Balance on incorporation at 24 October 2002 | - |
| Additions | 42,000 |
| Investment write down | (1,000) |
| | <hr/> |
| Balance at 31 December 2003 | 41,000 |
| | <hr/> |

The company's principal subsidiary undertaking is set out below:

| Subsidiary Undertaking | Country of incorporation/ registration | Activity |
|--|--|------------------|
| Helical Properties (Capital House) Jersey No.2 Limited | Jersey | Property Trading |

8. STOCK

| | 2003 £000 |
|-----------------------------|--------------|
| At 24 October 2002 | - |
| Additions | 42,000 |
| Disposals | (42,000) |
| | <hr/> |
| Balance at 31 December 2003 | - |
| | <hr/> |

9. CALLED UP SHARE CAPITAL

| | 2003 £000 |
|--|--------------|
| Authorised | |
| 1,000,000 Ordinary shares of £1 each | 1,000 |
| | <hr/> |
| Called up, allotted, and fully paid | |
| 1,000,000 Ordinary shares of £1 each | 1,000 |
| | <hr/> |

On incorporation the company issued 1 million ordinary shares of £1 each.

10. STATEMENT OF MOVEMENT IN RESERVES AND SHAREHOLDERS' FUNDS

| | Share capital £000 | Share Premium £000 | Profit & loss account £000 | Total £000 |
|------------------------|--------------------------|--------------------------|-------------------------------------|---------------|
| Issue of shares | 1,000 | - | - | 1,000 |
| Share premium | - | 41,000 | - | 41,000 |
| Loss for the period | - | - | (1,000) | (1,000) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| As at 31 December 2003 | 1,000 | 41,000 | (1,000) | 41,000 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

NOTES TO THE ACCOUNTS

For the period 24 October 2002 to 31 December 2003

11. PARENT UNDERTAKING

The results of the company are consolidated with the parent company Capital Knaves Property Investment Limited, a company incorporated in the United Kingdom and registered in England and Wales. Copies of the consolidated group financial statements are available from Companies House, Crown Way, Cardiff, CF14 3UZ. The ultimate controlling parties who, together own 100% of Capital Knaves Property Investment Limited are GMAC Commercial Mortgage (Ireland) Limited and Dunedin Property (Capital House) Limited.

12. RELATED PARTY TRANSACTIONS

On 20 May 2003 a dividend was received by the company from its subsidiary, Helical Properties (Capital House) Jersey No. 2 Limited of £357,604. On the same day the company paid a dividend of £357,604 to its then parent company, Helical Properties Investment Limited.

The company has taken advantage of the exemptions available under Financial Reporting Standard 8 with regard to the non disclosure of transactions between group companies which are eliminated in the consolidated financial statements of Capital Knaves Property Investment Limited for the period ended 31 December 2003.

There is a cross guarantee in place across all group companies. The maximum exposure is £87,615,513 as at 31 December 2003.