

Helical Properties (Capital House) Jersey Limited

Report and Financial Statements

31 December 2004



REPORT AND FINANCIAL STATEMENTS 2004

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Helical Properties (Capital House) Jersey Limited

REPORT AND FINANCIAL STATEMENTS 2004

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

INDEPENDENT AUDITORS

Deloitte & Touche LLP
Chartered Accountants & Registered Auditors
Edinburgh

Helical Properties (Capital House) Jersey Limited

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year to 31 December 2004.

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 has not traded throughout the current year. The directors are satisfied with the company's state of affairs and its future prospects.

RESULTS AND DIVIDENDS

The results after taxation for the year to 31 December 2004 amounted to £nil (2003: loss of £642,000). The directors do not recommend payment of a dividend (2003: £358,000).

DIRECTORS AND THEIR INTERESTS

The directors in office during the year and to the date of this report were as follows:

A Fullerton
R Barry

Neither of the directors held any interest in the shares of the company at any time during the year.

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 LLP have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

On behalf of the board

A Fullerton



Director

25th April 2005

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 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 year ended 31 December 2004 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 year and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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 2004 and of its result for the year then ended and have been properly prepared in accordance with the Companies (Jersey) Law 1991.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Edinburgh

29 April 2005

PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2004

	Note	Year ended 31 December 2004 £000	24 October 2002 to 31 December 2003 £000
TURNOVER: discontinued operations	2	-	42,032
Cost of sales		-	(42,000)
GROSS PROFIT		-	32
Administrative expenses		-	(12)
Write down of investment		-	(1,000)
OPERATING LOSS: discontinued operations	3	-	(980)
Income from shares in group undertaking	6	-	358
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		-	(622)
Tax on loss on ordinary activities	5	-	(20)
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		-	(642)
Dividends paid and proposed	6	-	(358)
RETAINED LOSS FOR THE FINANCIAL YEAR	10	-	(1,000)

There were no recognised gains or losses for the year other than those included in the profit and loss account, accordingly no statement of total recognised gains or losses is presented.

Helical Properties (Capital House) Jersey Limited

BALANCE SHEET 31 December 2004

	Note	2004 £000	2003 £000
FIXED ASSETS			
Investment	7	41,000	41,000
CURRENT ASSETS			
Cash at bank and in hand		75	-
CREDITORS: amounts falling due within one year	8	(75)	-
NET CURRENT ASSETS		-	-
NET ASSETS		41,000	41,000
CAPITAL AND RESERVES			
Called up share capital	9	1,000	1,000
Share premium	10	41,000	41,000
Profit and loss account	10	(1,000)	(1,000)
TOTAL EQUITY SHAREHOLDERS' FUNDS	10	41,000	41,000

These financial statements were approved by the Board of Directors on 29th April 2005.

Signed on behalf of the Board of Directors



A Fullerton

Director

NOTES TO THE ACCOUNTS

For the year ended 31 December 2004

1. ACCOUNTING POLICIES

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

Investments

Investments are included at cost. The company has not prepared consolidated accounts on the basis that it is a wholly owned subsidiary of a company which is incorporated in the United Kingdom, as permitted by FRS 2, Accounting for Subsidiary Undertakings. The information in these accounts is presented for the individual company not its group.

Taxation

Current tax, comprising 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.

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 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. All amounts are generated in the United Kingdom.

Cash flow

The company is a wholly owned subsidiary and has therefore taken advantage of the exemption outlined in paragraph 5 of FRS 1 Cash flow Statements. As such no cash flow statement has been prepared.

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 LOSS

The audit fee was borne by another group company in both periods.

4. DIRECTORS AND EMPLOYEES

No director received emoluments from the company during the year or the prior period.

There were no employees during either period.

Helical Properties (Capital House) Jersey Limited

NOTES TO THE ACCOUNTS (continued)

For the year ended 31 December 2004

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Year ended 31 December 2004 £000	24 October 2002 to 31 December 2003 £000
Corporation tax charge	-	20

The standard rate of tax for the prior year, based on UK standard rate of corporation tax, was 30% (2003: 30%). The actual tax charge for the prior year was different to the standard rate for the reasons set out in the following reconciliation:

	Year ended 31 December 2004 £000	4 November 2002 to 31 December 2003 £000
Loss before tax	-	(622)
Tax charge at standard rate	-	(187)
UK dividends received	-	(107)
Group relief received for no payment	-	14
Disallowable expenses	-	300
Current tax charge for period	-	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 2004.

6. DIVIDENDS

	Year ended 31 December 2004 £000	24 October 2002 to 31 December 2003 £000
Equity		
2003 Final dividend paid on ordinary shares of £357,604 (35.8p per ordinary share)	-	(358)
2003 Final dividend received from Helical Properties (Capital House) Jersey No. 2 Limited of £357,604	-	358

The dividend paid in the prior period was paid when there were sufficient distributable reserves.

Helical Properties (Capital House) Jersey Limited

NOTES TO THE ACCOUNTS (continued)

For the year ended 31 December 2004

7. INVESTMENTS

	2004 £000
Shares in subsidiary undertaking	
Cost and net book value	
At 1 January 2004 and 31 December 2004	41,000

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. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £000	2003 £000
Amounts owed to group undertakings	75	-

9. CALLED UP SHARE CAPITAL

	2004 £000	2003 £000
Authorised		
1,000,000 Ordinary shares of £1 each	1,000	1,000
Called up, allotted, and fully paid		
1,000,000 Ordinary shares of £1 each	1,000	1,000

10. STATEMENT OF MOVEMENT IN RESERVES AND SHAREHOLDERS' FUNDS

	Share capital £000	Share Premium £000	Profit & loss account £000	Total shareholders' funds £000
As at 1 January 2004 and 31 December 2004	1,000	41,000	(1,000)	41,000

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

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 year ended 31 December 2004.

There is a cross guarantee in place across all group companies. The maximum exposure is £29,850,000 (2003: £87,615,513).