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COMPANY REGISTRATION NUMBER 3277439

**MARLBOROUGH PARK
INVESTMENTS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER 2004**



ROSS BROOKE LIMITED

Chartered Accountants & Registered Auditors
37 London Road
Newbury
Berkshire
RG14 1JL

MARLBOROUGH PARK INVESTMENTS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2004

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MARLBOROUGH PARK INVESTMENTS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

K.J. Tilley F.R.I.C.S
D.M. Charles F.R.I.C.S
B.D. Oram F.C.I.I
M.J.C. Hawkes F.R.I.C.S

Company secretary

Seymour Macintyre Limited and HLF Nominees Limited

Registered office

Normandy Hill House
Normandy Common Lane
Normandy
Surrey
GU3 2AP

Auditors

Ross Brooke Limited
Chartered Accountants
& Registered Auditors
37 London Road
Newbury
Berkshire
RG14 1JL

Bankers

Bank of Scotland
41 South Gyle Crescent
Edinburgh
EH12 9XD

Solicitors

Horse Lightly Fynn & Partners
20 West Mills
Newbury
Berkshire
RG14 5HG

MARLBOROUGH PARK INVESTMENTS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31ST DECEMBER 2004

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st December 2004.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year continues to be that of development and improvement of property.

FUTURE DEVELOPMENTS

The company will continue to develop its business in line with current activities.

RESULTS AND DIVIDENDS

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

DIRECTORS

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

K.J. Tilley F.R.I.C.S
D.M. Charles F.R.I.C.S
B.D. Oram F.C.I.I
M.J.C. Hawkes F.R.I.C.S

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company.

POLICY ON THE PAYMENT OF CREDITORS

The company's policy and practice towards its trade suppliers is to settle within the terms of payment agreed with those suppliers.

DIRECTORS' RESPONSIBILITIES

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 at the end of the year and of the profit or loss for the year then ended. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on page 7, 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; 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. The directors 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.

MARLBOROUGH PARK INVESTMENTS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31ST DECEMBER 2004

AUDITORS

A resolution to re-appoint Ross Brooke Limited as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed on behalf of the directors



D.M. Charles F.R.I.C.S
Director

Approved by the directors on 15/3/2005.

MARLBOROUGH PARK INVESTMENTS LIMITED
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
MARLBOROUGH PARK INVESTMENTS LIMITED
YEAR ENDED 31ST DECEMBER 2004

We have audited the financial statements of Marlborough Park Investments Limited for the year ended 31st December 2004 on pages 5 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

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

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 law and United Kingdom Accounting Standards.

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.

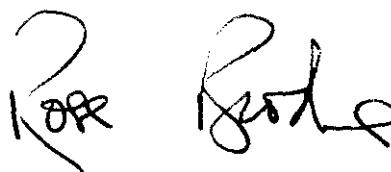
OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 2004 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

37 London Road
Newbury
Berkshire
RG14 1JL

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ROSS BROOKE LIMITED
Chartered Accountants
& Registered Auditors



MARLBOROUGH PARK INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST DECEMBER 2004

	Note	2004 £	2003 £
TURNOVER	2	262,458	256,416
Cost of sales		<u>876</u>	<u>4,118</u>
GROSS PROFIT		261,582	252,298
Administrative expenses		<u>71,518</u>	<u>74,499</u>
OPERATING PROFIT	3	190,064	177,799
Interest receivable		9,820	4,598
Interest payable and similar charges	5	<u>(39,089)</u>	<u>(87,158)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		160,795	95,239
Tax on profit on ordinary activities	6	<u>38,910</u>	<u>18,095</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR		<u>121,885</u>	<u>77,144</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 7 to 10 form part of these financial statements.

MARLBOROUGH PARK INVESTMENTS LIMITED

BALANCE SHEET

31ST DECEMBER 2004

	Note	2004 £	2003 £
CURRENT ASSETS			
Stocks	7	2,405,267	2,405,267
Debtors due within one year	8	1,195	18,748
Cash at bank		382,018	137,109
		<u>2,788,480</u>	<u>2,561,124</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
	9	<u>1,684,144</u>	<u>1,559,923</u>
NET CURRENT ASSETS		<u>1,104,336</u>	<u>1,001,201</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,104,336</u>	<u>1,001,201</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
	10	<u>536,000</u>	<u>554,750</u>
		<u>568,336</u>	<u>446,451</u>
CAPITAL AND RESERVES			
Called-up equity share capital	12	2	2
Profit and loss account	13	<u>568,334</u>	<u>446,449</u>
SHAREHOLDERS' FUNDS	14	<u>568,336</u>	<u>446,451</u>

These financial statements were approved by the directors on the 15/3/05 and are signed on their behalf by:


K J TILLEY F.R.I.C.S.


D M CHARLES F.R.I.C.S.

The notes on pages 7 to 10 form part of these financial statements.

MARLBOROUGH PARK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2004

1. ACCOUNTING POLICIES

(i) Basis of accounting

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

(ii) Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

(iii) Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

(iv) Fixed assets

All fixed assets are initially recorded at cost.

(v) Stock - property for resale

The company holds properties for resale and not for investment and they are accordingly shown as current assets valued at the lower of cost and net realisable value. Net realisable value is determined by directors holding professional qualifications. Properties are included in stocks from the date of exchange of contract and proceeds from the sale of properties are taken into account on exchange of contract

(vi) 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, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

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.

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2004	2003
	£	£
United Kingdom	<u>262,458</u>	<u>256,416</u>

MARLBOROUGH PARK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2004

3. OPERATING PROFIT

Operating profit is stated after charging:

	2004 £	2003 £
Auditors' remuneration - as auditors	<u>725</u>	<u>600</u>

4. PARTICULARS OF EMPLOYEES

No salaries or wages have been paid to employees, including the directors, during the year.

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2004 £	2003 £
Interest payable on bank borrowing	<u>39,089</u>	<u>87,158</u>

6. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2004 £	2003 £
Current tax:		
UK Corporation tax based on the results for the year at 24% (2003 - 19%)	<u>38,910</u>	<u>18,095</u>
Total current tax	<u>38,910</u>	<u>18,095</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2003 - 19%).

	2004 £	2003 £
Profit on ordinary activities before taxation	<u>160,795</u>	<u>95,239</u>
Profit/(loss) on ord acts by rate of tax	48,239	18,095
Marginal relief	<u>(9,329)</u>	<u>-</u>
Total current tax (note 6(a))	<u>38,910</u>	<u>18,095</u>

7. STOCKS

	2004 £	2003 £
Property for resale	<u>2,405,267</u>	<u>2,405,267</u>

8. DEBTORS

	2004 £	2003 £
Trade debtors	-	17,185
Amounts owed by group undertakings	-	15
Prepayments and accrued income	<u>1,195</u>	<u>1,548</u>
	<u>1,195</u>	<u>18,748</u>

MARLBOROUGH PARK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2004

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004	2003
	£	£
Bank loans and overdrafts	18,750	17,500
Amounts owed to group undertakings	1,546,707	1,439,129
Corporation tax	38,910	18,095
Other taxation	10,868	11,460
Accruals and deferred income	68,909	73,739
	<u>1,684,144</u>	<u>1,559,923</u>

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2004	2003
	£	£
Bank loans and overdrafts	<u>536,000</u>	<u>554,750</u>
	2004	2003
	£	£
Maturity of debt:		
Within one year or on demand	<u>17,500</u>	<u>720,000</u>
One to two years	17,500	17,500
Two to five years	52,500	61,250
More than five years	<u>467,250</u>	<u>497,250</u>
	<u>554,750</u>	<u>576,000</u>
Included in creditors after more than one year are the following amounts repayable after five years:		
	2004	2003
	£	£
Loans	<u>467,250</u>	<u>497,250</u>

The loans are secured by a fixed charge over stock properties and on assignment of rental income.

11. RELATED PARTY TRANSACTIONS

The company has taken advantage of exemptions conferred by Financial Reporting Standard 8 Related Party Disclosures not to disclose transactions with members of the group headed by Bennet Property Plc on the grounds that at least 90% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements.

12. SHARE CAPITAL

Authorised share capital:

	2004	2003
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2004		2003	
	No	£	No	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

MARLBOROUGH PARK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2004

13. PROFIT AND LOSS ACCOUNT

	2004	2003
	£	£
Balance brought forward	446,449	369,305
Retained profit for the financial year	121,885	77,144
Balance carried forward	<u>568,334</u>	<u>446,449</u>

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2004	2003
	£	£
Profit for the financial year	121,885	77,144
Opening shareholders' equity funds	446,451	369,307
Closing shareholders' equity funds	<u>568,336</u>	<u>446,451</u>

15. ULTIMATE PARENT COMPANY

The largest group in which the results of the company are consolidated is that headed by Bennet Property Plc, a company incorporated in England and Wales. The consolidated accounts of this company are available to the public and may be obtained from The Registrar of Companies, Companies House, 8 Crown Way, Cardiff. CF4 3UZ.