Company Registration No. 537821 (England and Wales)

ASSOCIATED PROPERTY HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2005

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ASSOCIATED PROPERTY HOLDINGS LIMITED

COMPANY INFORMATION

Directors	A J Errington Col Sir G F Errington Bart S G Errington CBE JP DL
Secretary	W Saville
Company number	537821
Registered office	32 Hamilton Square Birkenhead Merseyside CH41 6AZ
Auditors	Saffery Champness Beaufort House 2 Beaufort Road Clifton Bristol BS8 2AE
Bankers	Barclays Bank plc Wavertree Boulevard Wavertree Tech Park Liverpool L7 9PQ
Solicitors	Davies Wallis Foyster 5 Castle Street Liverpool L2 4XE

ASSOCIATED PROPERTY HOLDINGS LIMITED

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ASSOCIATED PROPERTY HOLDINGS LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2005

The directors present their report and financial statements for the year ended 31 March 2005.

Principal activities
The principal activity of the company continued to be that of an investment company.

Directors
The following directors have held office since 1 April 2004:

A J Errington
Col Sir G F Errington Bart
S G Errington CBE JP DL

Directors' interests
The directors' interests in the shares of the company were as stated below:

	Ordinary shares of 10p each	
	31 March 2005	**1 April 2004**
A J Errington	4,887	4,887
Col Sir G F Errington Bart	2,921	2,921
S G Errington CBE JP DL	1,345	1,345

	2.5% Preference shares of £ 1 each	
	31 March 2005	**1 April 2004**
A J Errington	6,667	6,667
Col Sir G F Errington Bart	6,657	6,657
S G Errington CBE JP DL	6,658	6,658

The 2.5% Preference Shares are non-cumulative fixed dividend shares.

Auditors
In accordance with section 385 of the Companies Act 1985, a resolution proposing that Saffery Champness be reappointed as auditors of the company will be put to the Annual General Meeting.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2005

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 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;

- 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board

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W Saville

Secretary

24.04.05

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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ASSOCIATED PROPERTY HOLDINGS LIMITED

We have audited the financial statements of Associated Property Holdings Limited on pages 5 to 10 for the year ended 31 March 2005. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2 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.

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 auditor's 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.

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 or material inconsistencies with the financial statements.

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.

ASSOCIATED PROPERTY HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ASSOCIATED PROPERTY HOLDINGS LIMITED

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Saffery Champness

Saffery Champness

24 August 2005

Chartered Accountants
Registered Auditors

Beaufort House
2 Beaufort Road
Clifton
Bristol
BS8 2AE

ASSOCIATED PROPERTY HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2005

	Notes	2005 £	2004 £
Administrative expenses		-	(59,530)
Operating loss		-	(59,530)
Investment income	2	135,021	3,671,149
Amounts written off investments	3	-	990
Profit on ordinary activities before taxation		135,021	3,612,609
Tax on profit on ordinary activities	4	-	-
Profit on ordinary activities after taxation		135,021	3,612,609
Dividends		(134,650)	(129,500)
Retained profit for the year	9	371	3,483,109

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

ASSOCIATED PROPERTY HOLDINGS LIMITED

BALANCE SHEET
AS AT 31 MARCH 2005

	Notes	2005 £	2005 £	2004 £	2004 £
Fixed assets					
Investments	5		17,767		17,767
Current assets					
Debtors	6	1,683,465		1,908,465	
Cash at bank and in hand		4,867		4,496	
		1,688,332		1,912,961	
Creditors: amounts falling due within one year	7	(500)		(225,500)	
Net current assets			1,687,832		1,687,461
Total assets less current liabilities			1,705,599		1,705,228
Capital and reserves					
Called up share capital	8		21,646		21,646
Capital redemption reserve	9		354		354
Profit and loss account	9		1,683,599		1,683,228
Shareholders' funds			1,705,599		1,705,228

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

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

The financial statements were approved by the Board on 24.06.05

A J Errington
Director

S G Errington CBE JP DL
Director

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Investments

Fixed asset investments are stated at cost less provision for diminution in value and credit is taken for investment income as it becomes payable.

1.4 *Group accounts*

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

2 Investment income

	2005 £	2004 £
Income from shares in group undertakings	135,021	3,671,149

3 Amounts written off investments

	2005 £	2004 £
Amounts written off fixed asset investments:		
- permanent movement in value	-	990

4 Taxation

The company has no profits chargeable to corporation tax. The investment income received during the year was in respect of Dividends from Subsidiary undertakings, therefore no corporation tax arises on this income.

5 Fixed asset investments

	Shares in group undertakings and participating interests £
Cost	
At 1 April 2004 & at 31 March 2005	17,767

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Associated Property Owners Limited	England and Wales	Ordinary	99
British Standard Association Limited *	England and Wales	Ordinary	99
Palmeira Properties Limited *	England and Wales	Ordinary	99

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	*Profit for the year*
Associated Property Owners Limited	£16,463,990	£423,846
British Standard Association Limited *	£1,000	-
Palmeira Properties Limited *	£100	-

* These companies are owned by Associated Property Owners Limited. They are included in the above list according to the control exercised over them by Associated Property Holdings Limited.

6 Debtors

	2005 £	2004 £
Amounts owed by group undertakings and undertakings in which the company has a participating interest	1,683,465	1,908,465

7 Creditors: amounts falling due within one year	2005 £	2004 £
Other creditors	500	225,500

8 Share capital	2005 £	2004 £
Authorised		
20,000 Ordinary shares of 10p each	2,000	2,000
20,000 2.5% Preference shares of £1 each	20,000	20,000
	22,000	22,000
Allotted, called up and fully paid		
16,460 Ordinary shares of 10p each	1,646	1,646
20,000 2.5% Preference shares of £1 each	20,000	20,000
	21,646	21,646

The holders of the preference shares are entitled to a non-cumulative fixed dividend thereon each year of 2 1/2% but shall not be entitled to any further share of the profits of the Company available for distribution as dividend. On a winding up the holders of the preference shares shall be entitled to be repaid £1 in respect of their preference shares but shall not be entitled to any further participation in the distribution of the surplus assets of the Company. The holders of the preference shares shall not be entitled to attend and vote either in person or by proxy at or receive notice of any general meetings of the Company. The preference shares rank equal to the ordinary shares in all other respects.

9 Statement of movements on reserves

	Capital redemption reserve £	Profit and loss account £
Balance at 1 April 2004	354	1,683,228
Retained profit for the year	-	371
Balance at 31 March 2005	354	1,683,599

10 Contingent liabilities

The company has entered into an unlimited cross guarantee with Barclays Bank plc in favour of certain related undertakings. At 31 March 2005 the maximum potential liability was £Nil (2004: £Nil).

11 Control

The controlling parties are the directors and shareholders as disclosed in the directors' report by virtue of their majority ownership of the issued ordinary share capital.

12 Related party transactions

At 31 March 2005, the company was owed £1,683,465 (2004: £1,908,465) by Associated Property Owners Limited, a subsidiary company.