

Babcock & Brown Properties No. 2 Limited
Company Number 05049457

Directors Report

The Directors hereby submit the Report and Financial Statements of the Company for the period from incorporation on 19 February 2004 to 31 December 2004.

The Directors of the Company during the Financial Period were:

DWS Directors Limited (appointed 19 February 2004 and resigned 30 March 2004)
Timothy Scott Wheeldon (appointed 30 March 2004)
Giles James Frost (appointed 30 March 2004)
Hugh Luke Blaney (appointed 30 March 2004)
Michael John Gregory (27 April 2005)

The company owned the entire share capital of Derbyshire Schools Phase Two Limited, Babcock & Brown Properties (Derbyshire Schools Phase Two) Limited and Long Eaton School Limited. These companies are the General Partner and Limited Partners respectively in the Derbyshire Schools Phase Two Partnership which is involved in the development, construction and management of serviced premises. The company also owned the entire share capital of Newbold (Derbyshire Schools Phase Two) Limited, a property co-trustee company. The company carried out no transactions on its own behalf and is therefore dormant.

The Company is exempt under Section 228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consideration in the financial statements of its parent, Babcock & Brown (PPP) Limited.

Balance Sheet at 31 December 2004

	£
<u>Assets</u>	
Owed by Parent Company	1
Shares in Subsidiaries	4
	<u>5</u>
Owed to Subsidiary undertakings	(4)
	<u>1</u>

Share Capital

Authorised
100 shares of £1 each

Issued and Fully Paid
1 Ordinary Share of £1 each 1

Statement of the Directors

For the period ended 31 December 2004 the company was entitled to exemption under section 249aa(1) of the Companies Act 1985.

No members have required the company to obtain an audit of its accounts for the period in question in accordance with section 249b(2) of the Companies Act 1985.

The directors acknowledge their responsibility for:

- (i) Ensuring the company keeps accounting records which comply with section 221; and
- (ii) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial period, and of its profits and loss for the financial period in accordance with section 226, and which otherwise comply with requirements of the Companies Act relating to accounts, so far as applicable to the company.

Signed.....Director

Date.....25 August 2005.....

