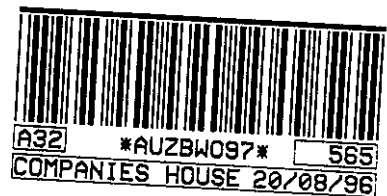


**GROSVENOR INVESTMENTS LIMITED**

Company No: 542917

**REPORT &  
FINANCIAL STATEMENTS**

**31ST DECEMBER 1995**



**GROSVENOR INVESTMENTS LIMITED****DIRECTORS' REPORT**

The directors submit their report together with the financial statements for the year ended 31st December 1995.

1. **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the Company is property management.

The directors do not anticipate any significant change in the activity of the Company and its profitability.

2. **DIRECTORS**

The directors of the Company who served during the year were:-

G I M Cockburn  
D R J de Broekert  
J O Hagger  
G Hammond  
R S Handley  
J H M Newsum  
C J Redman  
R C Williams  
J G Wright

3. **RESULTS AND DIVIDENDS**

The loss on ordinary activities before taxation was £430,331. The directors do not propose the payment of a dividend. The loss after taxation has been added to the profit and loss account deficit.

The state of the Company's affairs at 31st December 1995 is fully set out in the attached balance sheet.

4. **DIRECTORS' INTERESTS IN SHARE CAPITAL**

The directors, according to the register required to be kept under Section 325 of the Companies Act 1985, held no interest in shares and loans which are required by the Act to be notified to the company.

Mr J H M Newsum held the following non-beneficial interest in the share and loan capital of Grosvenor Estate Holdings at 1st January 1995 and 31st December 1995:

2,572,302	ordinary shares of £1 each
20,578,416	non-voting ordinary shares of £1 each
2,572,302	12% non-cumulative irredeemable preference shares of £1 each

GROSVENOR INVESTMENTS LIMITED

DIRECTORS' REPORT

5. DIRECTORS' RESPONSIBILITIES

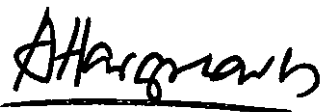
The directors have responsibility for preparing financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss for the period.

The directors have adopted the going concern basis in preparing the accounts.

In preparing the financial statements, the directors are required to ensure that suitable accounting policies are selected and consistently applied, that the judgements and estimates made are reasonable and prudent, and that applicable accounting standards are followed.

The directors are also 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 Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

By Order of the Board



A A Hargreaves  
Secretary

13 March 1996

**GROSVENOR INVESTMENTS LIMITED**

**AUDITORS' REPORT**

**TO THE MEMBERS OF THE COMPANY**

We have audited the financial statements on pages 4 to 7.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described in the directors' report on page 2, the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

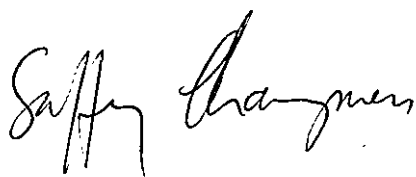
**BASIS OF OPINION**

We conducted our audit in accordance with 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 affairs of the Company at 31st December 1995 and of the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Saffery Champness  
Chartered Accountants  
Registered Auditors  
London

13 March 1996

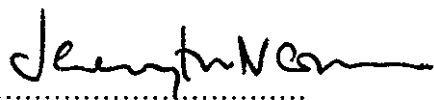
**GROSVENOR INVESTMENTS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31ST DECEMBER 1995**

<b><u>Results of continuing operations:</u></b>	<b><u>Note</u></b>	<b><u>1995</u></b>	<b><u>1994</u></b>
<b><u>Turnover - Property management fees receivable:-</u></b>			
Group companies		220,044	216,599
Other		263,260	289,571
		<u>483,304</u>	<u>506,170</u>
<b><u>Gross profit</u></b>		<b><u>483,304</u></b>	<b><u>506,170</u></b>
Administrative expenses		( 622,790)	( 474,862)
		<u>( 139,486)</u>	<u>31,308</u>
<b><u>Operating (loss)/profit</u></b>		<b><u>( 139,486)</u></b>	<b><u>31,308</u></b>
Interest payable	3	( 290,845)	( 201,412)
		<u>( 430,331)</u>	<u>( 170,104)</u>
<b><u>Loss on ordinary activities before taxation</u></b>	2	<b><u>( 430,331)</u></b>	<b><u>( 170,104)</u></b>
Taxation	4	143,477	56,903
		<u>143,477</u>	<u>56,903</u>
<b><u>Loss for the financial year</u></b>	8	<b><u>£( 286,854)</u></b>	<b><u>£( 113,201)</u></b>

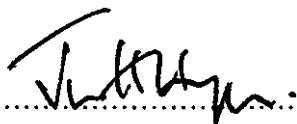
There are no recognised gains and losses other than the loss for the financial year.

**GROSVENOR INVESTMENTS LIMITED****BALANCE SHEET****31ST DECEMBER 1995**

	<u>Note</u>	<u>1995</u>	<u>1994</u>
<b><u>Current Assets</u></b>			
Debtors	5	11,545,421	10,723,057
<b><u>Creditors:</u></b> amounts falling due within one year	6	(12,132,680)	(11,023,462)
<b><u>Net Current Liabilities</u></b>		<u>£( 587,259)</u>	<u>£( 300,405)</u>
<b><u>Capital And Reserves</u></b>			
Called up share capital	7	100	100
Profit and loss account	8	( 587,359)	( 300,505)
<b><u>Shareholders' Funds</u></b>	9	<u>£( 587,259)</u>	<u>£( 300,405)</u>

Approved by the Board on 13 March 1996


Directors



**GROSVENOR INVESTMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31ST DECEMBER 1995**

1. **ACCOUNTING POLICIES**

**Basis of Accounting**

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

2. **LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**

The loss on ordinary activities before taxation is stated after charging:-

	<b><u>1995</u></b>	<b><u>1994</u></b>
Auditors' remuneration	-	-
Directors' emoluments	-	-
Staff costs	-	-
	<u>          </u>	<u>          </u>

Auditors' remuneration is borne by a fellow subsidiary.

3. **INTEREST**

Interest payable to group undertakings	£( 290,845)	£( 201,412)
	<u>          </u>	<u>          </u>

4. **TAXATION**

Group relief receivable	143,444	56,100
Adjustments re prior years	33	803
	<u>          </u>	<u>          </u>
	£ 143,477	£ 56,903
	<u>          </u>	<u>          </u>

5. **DEBTORS**

Due within one year:-

Trade debtors	8,730,734	8,540,557
Other debtors	2,366,606	1,982,980
Group relief receivable	143,444	56,100
Prepayments and accrued income	304,637	143,420
	<u>          </u>	<u>          </u>
	£11,545,421	£10,723,057
	<u>          </u>	<u>          </u>

**GROSVENOR INVESTMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31ST DECEMBER 1995**

<b>6. <u>CREDITORS</u></b>	<b><u>1995</u></b>	<b><u>1994</u></b>
Amounts falling due within one year:		
Amounts owed to group undertakings	9,903,501	9,067,481
Other taxation	3,111	5,347
Other creditors	2,156,068	1,950,634
Accruals	70,000	-
	<u>£12,132,680</u>	<u>£11,023,462</u>
<p>Amounts owed to group undertakings include a loan from the ultimate parent company, Grosvenor Estate Holdings amounting to £2,908,453 (1994 - £1,908,453) which is unsecured, repayable on demand and was subject to interest at 10% per annum.</p>		
<b>7. <u>SHARE CAPITAL</u></b>	<b><u>1995</u></b>	<b><u>1994</u></b>
Authorised, allotted, called up and fully paid		
Shares of £1 each	<u>£100</u>	<u>£ 100</u>
<b>8. <u>PROFIT AND LOSS ACCOUNT</u></b>		
At 1st January 1995	( 300,505)	( 187,304)
Loss for the financial year	( 286,854)	( 113,201)
At 31st December 1995	<u>£( 587,359)</u>	<u>£( 300,505)</u>
<b>9. <u>RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</u></b>	<b><u>1995</u></b>	<b><u>1994</u></b>
Loss for the financial year	( 286,854)	( 113,201)
Opening shareholders' funds	( 300,405)	( 187,204)
Closing shareholders' funds	<u>£( 587,259)</u>	<u>£( 300,405)</u>
<b>10. <u>ULTIMATE PARENT COMPANY</u></b>		

The ultimate parent company is Grosvenor Estate Holdings, an unlimited company registered in England and Wales.