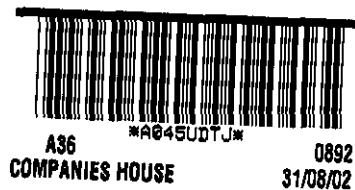


Twenty-Seven Albert Embankment Limited

**Directors' report and financial
statements**

Registered number 621133

31 December 2001



Directors' report and financial statements

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2001.

Principal activity

The company did not trade during the year.

Directors and directors' interests

The directors who held office during the year, and who are still in office, are:

Mr BSE Freshwater
Mr D Davis

The Articles of Association of the company do not require the directors to retire by rotation.

The directors do not have service contracts nor do they receive any emoluments from the company.

The whole of the issued share capital of the company is owned by Barranquilla Properties Limited.

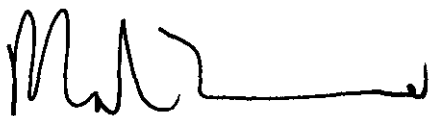
Mr BSE Freshwater and Mr D Davis are also directors of the intermediate parent undertaking, Metropolitan Properties Company Limited and Mr BSE Freshwater's interest therein is set out in the director's report of that company.

Apart from the aforementioned, at 31 December 2001, neither of the directors had any interest in the share capital of the company, the company's parent undertaking, subsidiary undertaking or any subsidiary of the company's parent undertaking.

Auditors

Our auditors KPMG have indicated to the directors that their business has transferred to a limited liability partnership, KPMG LLP. Accordingly, a resolution is to be proposed at the annual general meeting for the appointment of KPMG LLP as auditors of the company.

By order of the board



MRM Jenner
Secretary

Freshwater House
158/162 Shaftesbury House
London WC2H 8HR

12 June 2002

Statement of 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;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 ensuring that the company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which 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.



PO Box 695
8 Salisbury Square
London
EC4Y 8BB

Independent auditor's report to the members of Twenty-Seven Albert Embankment Limited

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

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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.

Basis of audit 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 the company's affairs as at 31 December 2001 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG
Chartered Accountants
Registered Auditors
London

12 June 2002

Balance sheet
at 31 December 2001

	<i>Note</i>	2001	2000
		£	£
Fixed assets			
Investment in subsidiary undertaking	4	2,800	2,800
Current assets			
Debtors	5	8,915,184	8,915,184
Creditors: amounts falling due within one year	6	(826,173)	(826,173)
Net current assets		8,089,011	8,089,011
Net assets		8,091,811	8,091,811
Capital and reserves			
Called up share capital	7	200	200
Profit and loss account		8,091,611	8,091,611
Equity shareholders' funds		8,091,811	8,091,811

The company has not traded and has made neither a profit nor a loss in the current or preceding year. Consequently no profit and loss account is presented.

There are no recognised gains or losses for the current or preceding year.

These financial statements were approved by the board of directors on 12 June 2002 and were signed on its behalf by:


BSE Freshwater
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

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

The company is exempt by virtue of s248 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Cash flow statement

The company is exempt from the requirement to prepare a cash flow statement (in accordance with Financial Reporting Standard No. 1 (revised 1996)) on the grounds that it is a wholly owned subsidiary undertaking of an intermediate holding company registered in England and Wales which prepares consolidated financial statements that include a consolidated cash flow statement.

Related party transactions

The company has taken advantage of the exemption in FRS8 Related Party Disclosures in order to dispense with the requirement to disclose transactions with other Metropolitan Properties Company Limited Group companies.

2 Profit and loss account

During the year and the preceding year the company did not trade and incurred no income or expenditure. Consequently during those years the company made neither a profit nor a loss and therefore a profit and loss account has not been prepared.

3 Remuneration of directors

The directors did not receive any emoluments during the year or in the previous year.

Apart from the directors there were no other employees of the company during the year or in the previous year.

4 Investment in subsidiary undertaking

The company owns a 100% interest in the ordinary equity share capital of Alberment Properties Limited, a non-trading company registered in England and Wales.

The directors are of the opinion that the value of the investment is not less than the amount at which it is stated in the financial statements.

Notes (continued)

5 Debtors

	2001 £	2000 £
Amounts owed by intermediate parent undertaking	8,861,955	8,861,955
Amounts owed by subsidiary undertaking	53,229	53,229
	<u>8,915,184</u>	<u>8,915,184</u>

6 Creditors: amounts falling due within one year

	2001 £	2000 £
Amounts owed to immediate parent undertaking	826,173	826,173
	<u>826,173</u>	<u>826,173</u>

7 Called up share capital

	2001 £	2000 £
<i>Authorised, allotted, called up and fully paid</i>		
200 Ordinary shares of £1 each	200	200
	<u>200</u>	<u>200</u>

8 Contingent liabilities

In January 1990 the company executed a debenture creating a floating charge over all its assets in support of an unlimited guarantee in respect of bank facilities granted to Metropolitan Properties Company Limited, an intermediate parent undertaking. At 31 December 2001, the aggregate indebtedness under these facilities amounted to £36,481,000 (2000: £38,053,000).

Notes *(continued)*

9 Ultimate parent undertaking

The parent undertaking of the largest group of undertakings for which group financial statements are drawn up is Centremanor Limited, a company registered in England and Wales.

The parent undertaking of the smallest group of undertakings for which group financial statements are drawn up is Metropolitan Properties Company Limited, a company registered in England and Wales.

Copies of these financial statements can be obtained from the following address: Freshwater House, 158/162 Shaftesbury Avenue, London WC2H 8HR.

The ultimate parent undertaking is Linnet Limited, a company incorporated in the Isle of Man and controlled by trusts.