

2407942

CREDIT LYONNAIS PROPERTIES LIMITED
DIRECTORS REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1996



CREDIT LYONNAIS PROPERTIES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1996

DIRECTORS' REPORT

The directors have pleasure in submitting their report and the financial statements for the year ended 31 December 1996.

PRINCIPAL ACTIVITIES

The company is the holding company of a group of companies whose principal activity is that of property management.

RESULTS AND DIVIDENDS

The company itself has undertaken no activity during the period and has received no income and incurred no expenses. Accordingly, no profit and loss account has been prepared for the company. The directors do not recommend the payment of a dividend (1995: £NIL). The directors consider the state of affairs of the company to be satisfactory.

TAXATION STATUS

The company is not a close company within the meaning of the Income and Corporation Taxes Act 1988.

DIRECTORS

The directors during the period ended 31 December 1996 were as follows:

BF Armstrong

G Bonnet

G-M A Le G de Kerangal (Resigned 24 January 1996, Re-appointed 24 January 1996)

C Ganier (Resigned 24 January 1996)

FMC Lecherbourg

FC Mélul

BLG Darmayan (Appointed 24 January 1996)

DIRECTORS' INTERESTS

BF Armstrong holds one ordinary share of the company as a trustee. None of the other directors had an interest in the shares of the company at 31 December 1996.

CREDIT LYONNAIS PROPERTIES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1996

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss for the financial year.

The directors consider that in preparing the financial statements on pages 4 to 7, the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The directors have responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors 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.

AUDITORS

The auditors, Price Waterhouse, have indicated their willingness to continue in office and resolutions relating to their reappointment and remuneration will be submitted to the Annual General Meeting.

REGISTERED NUMBER

The company's registered number is 2407942

By Order of the Board


BF Armstrong
Director

28 February 1997

Registered office
Broadwalk House
5 Appold Street
London
EC2A 2DA

Price Waterhouse



**AUDITOR'S REPORT TO THE MEMBERS OF CREDIT LYONNAIS PROPERTIES LIMITED
FOR THE YEAR ENDED 31 DECEMBER 1996**

We have audited the financial statements on pages 4 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described 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 judgments 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 as at 31 December 1996 and of the result of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PRICE WATERHOUSE
Chartered Accountants
and Registered Auditors
London

28 February 1997

CREDIT LYONNAIS PROPERTIES LIMITED

BALANCE SHEETS AS AT 31 DECEMBER 1996

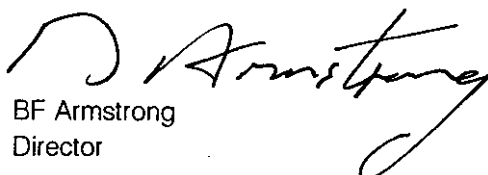
| | <u>Notes</u> | The Company | |
|--------------------------------------|--------------|---------------|---------------|
| | | <u>1995</u> | <u>1995</u> |
| | | £'000 | £'000 |
| FIXED ASSETS | | | |
| Investments | 2 | <u>83,500</u> | <u>83,500</u> |
| TOTAL ASSETS LESS LIABILITIES | | <u>83,500</u> | <u>83,500</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 3 | <u>83,500</u> | <u>83,500</u> |
| SHAREHOLDERS' FUNDS | | <u>83,500</u> | <u>83,500</u> |

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 1996

During the financial year and the preceding financial year the company did not trade and received no income and incurred no expenditure. Consequently during those years the company made neither a profit or a loss.

There were also no other recognised gains nor losses during the current nor the preceding financial year.

Approved by the board of directors on 28 February 1997.


BF Armstrong
Director


FC Méliu
Director

The notes on pages 5 to 7 form an integral part of the financial statements.

CREDIT LYONNAIS PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996

1 ACCOUNTING POLICIES

The following are the principal accounting policies adopted by the company:

(a) **Accounting convention**

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

(b) **Consolidation**

The profit and loss account and balance sheet are those of the company. Group financial statements have not been prepared as the company is a wholly owned subsidiary of another company incorporated in Great Britain.

(c) **Investments held as fixed assets**

Fixed asset investments are stated at the lower of cost or directors' valuation.

Investments in group undertakings are stated at cost.

2 INVESTMENTS IN SUBSIDIARY UNDERTAKING

| | <u>1996</u> | <u>1995</u> |
|-----------------------------|---------------|---------------|
| | <u>£'000</u> | <u>£'000</u> |
| Shares in group undertaking | <u>83,500</u> | <u>83,500</u> |

The details of subsidiary companies are as follows:

| | <u>Country of</u> | <u>Percentage</u> | <u>Accounting</u> |
|--|---------------------|---------------------|-------------------|
| | <u>Registration</u> | <u>of equity</u> | <u>Year end</u> |
| | | <u>capital held</u> | |
| Credit Lyonnais Property (Broadwalk) | England | 100% | 31 December |
| Credit Lyonnais Construction Company Limited | England | 100% | 31 December |
| Credit Lyonnais Property (Broadgate Phases 9&10) PLC | England | 100% | 30 June |

Credit Lyonnais Property (Broadwalk) is directly owned whilst the other subsidiaries are indirectly owned.

In the opinion of the directors, the value of the investment in the subsidiary is at least the amount at which it is stated in these accounts.

CREDIT LYONNAIS PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996

3 SHARE CAPITAL

| | <u>1996</u> £'000 | <u>1995</u> £'000 |
|---|----------------------|----------------------|
| Authorised, issued and fully paid: | | |
| 100,000 ordinary shares of £1 each | 100 | 100 |
| 100,000 'A' ordinary shares of £1 | 100 | 100 |
| 59,800,000 preference shares of £1 each | 59,800 | 59,800 |
| 23,500,000 'A' preference shares of £1 each | <u>23,500</u> | <u>23,500</u> |
| | <u>83,500</u> | <u>83,500</u> |

Summary of the rights and restrictions attaching to each class of share:

(1) Rights to dividends

- (a) Preference and 'A' Preference shareholders are entitled to receive out of profits a fixed non-cumulative preferential dividend at a rate of 10% and 5% respectively (ranked pari passu).
- (b) Ordinary and 'A' ordinary shareholders are entitled to receive a fixed non-cumulative dividend at a rate of 12% and 3% respectively.

(2) Redemption

- (a) The Company is entitled to redeem all or any part of the Preference shares and 'A' Preference shares at par (after providing 30 days notice of intention).

(3) Voting rights

- (a) Preference shares and 'A' Preference shares do not confer any right to attend or vote at any general meeting of the Company.
- (b) Holders of 'A' Ordinary shares have one vote for each share held.
- (c) Holders of Ordinary shares have four votes for each share held.

(4) Winding up

On winding up, (or any other return of capital) the assets of the Company available for distribution shall be applied to the nominal amount of Preference and 'A' Preference share capital then a dividend on a pro rata basis shall be applied 80% to Ordinary shares and 20% to 'A' Ordinary shares.

CREDIT LYONNAIS PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996

4 DIRECTORS AND EMPLOYEES

During the year to 31 December 1996 the company had no employees (1995: nil employees) and none of the directors received any emoluments in respect of their services to the company (1995: £nil).

5 AUDITORS' REMUNERATION

For the years ended 31 December 1996 and 1995 auditors' remuneration has been borne by a fellow group undertaking.

6 HOLDING COMPANY

The company's ultimate holding company is Credit Lyonnais SA, a company registered in France. Group financial statements can be obtained from 19 Boulevard des Italiens, 75002 Paris, France.