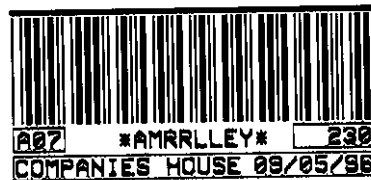


MORGAN GRENFELL PROPERTY ASSET MANAGEMENT LIMITED

Company Number: 2478500

REPORTS AND FINANCIAL STATEMENTS

31 December 1995



REPORT OF THE DIRECTORS

For the year ended 31 December 1995

The Directors submit the Audited Financial Statements for the year ended 31 December 1995.

ACTIVITIES AND REVIEW OF BUSINESS

The Company acts as a property investment management and advisory company and is a member of the Investment Management Regulatory Organisation Limited, a recognised self-regulatory organisation pursuant to Section 10 of the Financial Services Act 1986.

The business of the Company has developed satisfactorily and has not changed materially in nature during the financial year. The Company's position as at the end of the year is reflected in the audited balance sheet set out on page 5. The Board expects that, subject to market conditions, business will continue to develop during the current financial year.

The whole of the issued share capital of the Company is owned by Morgan Grenfell Asset Management Limited, whose ultimate parent undertaking is Deutsche Bank AG.

RESULTS AND DIVIDENDS

The results of the Company for the year ended 31 December 1995, after providing for taxation show a profit of £95,000 (1994 - £572,000). The Directors do not recommend the payment of a dividend for the year ended 31 December 1995 (1994 - Nil) leaving a retained profit of £73,000 (1994 - loss £22,000) to be carried forward.

DIRECTORS

The Directors of the Company at 31 December 1995 were as follows:

R.P. Morris (Chairman)
S.J. Cooke (Managing Director)
N.A.O. Bennett
H.C. Benson
M. Bullock
R.J. Cundall
N.K.C. Horlick
K.E. Percy
J.W. Petit

Mr. K.E. Percy resigned as Chairman of the Company on 8 June 1995 and Mr. R.P. Morris was appointed Chairman in his place. Mr. S.J. Cooke replaced Mr. R.J. Cundall as Managing Director of the Company on the same date and with effect from 1 July 1995 Mr. R.J. Cundall was appointed a Non-Executive Director.

Appointments and resignations during the year and subsequent to the year end were as follows:

APPOINTMENTS

N.A.O. Bennett 12 October 1995
N.K.C. Horlick 15 November 1995
J.W. Petit 15 November 1995

RESIGNATIONS

None

REPORT OF THE DIRECTORS (cont'd)
For the year ended 31 December 1995

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; and
- 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 which 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.

DIRECTORS' INTERESTS

None of the Directors had an interest in the share capital of the Company during the year.

The interests of Messrs M. Bullock and R.P. Morris, Directors of the parent undertaking of the Company, Morgan Grenfell Asset Management Limited, in the loan notes of DB Investments (GB) Limited are shown in the Report and Accounts of Morgan Grenfell Asset Management Limited.

Except as stated above, none of the Directors had any disclosable interest in the shares or debentures of any group company at the end of the year, or were granted or exercised any right to subscribe for shares in, or debentures of, any group company during the year.

AUDITORS

Our auditors, KPMG, have indicated that a limited liability company, KPMG Audit Plc, is to assume responsibility for certain aspects of their audit business. Accordingly, they have indicated their intention to resign and the directors intend to appoint KPMG Audit Plc as auditors.

By Order of the Board of Directors this 24 day of April 1996

A.K.G. Withington
Secretary



20 Finsbury Circus
London EC2M 1NB

AUDITORS' REPORT TO THE MEMBERS OF MORGAN GRENFELL PROPERTY ASSET MANAGEMENT LIMITED

We have audited the financial statements on pages 4 to 9.

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 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 at 31 December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG



*Chartered Accountants and
Registered Auditors*

8 Salisbury Square
London
EC4Y 8BB

2 + Apr - 1 1996

MORGAN GRENFELL PROPERTY ASSET MANAGEMENT LIMITED
 PROFIT AND LOSS ACCOUNT
 For the year ended 31 December 1995

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	Note	<u>1995</u> <u>£000</u>	<u>1994</u> <u>£000</u>
TURNOVER	1(b)	2,651	2,883
GROSS PROFIT		2,651	2,883
Administrative expenses		(2,592)	(2,036)
OPERATING PROFIT		59	847
Other interest receivable from group undertakings		102	23
Other interest payable to group undertakings		(8)	(7)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2-3	153	863
Tax on profit on ordinary activities	4	(58)	(291)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		95	572
RETAINED LOSS BROUGHT FORWARD		(22)	(594)
RETAINED PROFIT/(LOSS) CARRIED FORWARD		73	(22)

BALANCE SHEET
31 December 1995

	Note	<u>1995</u> <u>£000</u>	1994 £000
CURRENT ASSETS			
Debtors	5	589	798
Cash at bank and in hand	6	1,389	1,081
		1,978	1,879
CREDITORS: amounts falling due within one year	7	1,255	1,251
NET CURRENT ASSETS		723	628
NET ASSETS		723	628
CAPITAL AND RESERVES			
Called up share capital	8	650	650
Profit and loss account		73	(22)
		723	628

These financial statements were approved by the Board of Directors on the 24th day of April 1996

Signed by R.P. Morris for and on behalf of the Board
of Directors this 24th day of April 1996



STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the year ended 31 December 1995

	<u>1995</u> <u>£000</u>	<u>1994</u> <u>£000</u>
Profit for the financial year	95	572
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Total recognised gains and losses relating to the year	95	572
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RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

For the year ended 31 December 1995

	<u>1995</u> <u>£000</u>	<u>1994</u> <u>£000</u>
Balance at 1 January	628	56
Earnings attributable to ordinary shareholders	95	572
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Balance at 31 December	723	628
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NOTES TO THE ACCOUNTS

For the year ended 31 December 1995

1. ACCOUNTING POLICIES

These financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies are described below.

(a) CONVENTION

These financial statements are prepared in accordance with the historical cost convention.

(b) TURNOVER

Turnover represents management fees, commissions and other income receivable, exclusive of Value Added Tax. All turnover falls within the Company's continuing ordinary activities.

(c) DEFERRED TAXATION

Deferred taxation is provided in full, at the rate at which it is estimated that tax will be payable, in respect of all timing differences to the extent that it is probable that a liability or asset will crystallise in the future.

(d) FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at market rates of exchange ruling at the balance sheet date. Income and expenditure in foreign currencies are translated into sterling at the rate of exchange ruling on the date of the transaction or at contracted rates, where such rates exist. These translation differences are taken to the profit and loss account.

(e) PENSION SCHEMES

Directors of the Company are members of group schemes operated by Morgan Grenfell Group plc, details of which are disclosed in the financial statements of that company.

The expected cost of pensions payable under the Group's fully funded defined benefit schemes and other post retirement benefits is charged to the Profit and Loss Account so as to spread this cost over the service lives of employees in the schemes. Variations from regular cost are spread over the expected remaining service lives of current employees in the schemes. The pension cost is assessed annually in accordance with the advice of qualified actuaries.

(f) CASH FLOW STATEMENT

A cash flow statement has not been prepared as the Company is a wholly owned subsidiary of Morgan Grenfell Group Plc and is therefore exempt from the requirement.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1995</u> <u>£000</u>	<u>1994</u> <u>£000</u>
Profit before taxation is arrived at after charging:		
Auditors remuneration:		
Audit work	7	6

NOTES TO THE ACCOUNTS

For the year ended 31 December 1995

3. DIRECTORS' EMOLUMENTS

The aggregate emoluments of persons who were Directors of the Company during the year ended 31 December 1995, paid by the Company, its parent undertaking or its fellow subsidiary undertakings, including pension contributions, were £160,000 (1994 - £285,000).

Particulars of emoluments in respect of duties wholly or mainly discharged in the UK, excluding pension contributions, were:

Chairman: £Nil (1994 - £Nil)

Highest paid Director: £52,000 (1994 £272,000)

The number of Directors, including the Chairman and highest paid Director, in the following ranges was:

	<u>1995</u> <u>£000</u>	<u>1994</u> <u>£000</u>
£0 - £5,000	5	5
£25,001 - £30,000	1	-
£30,001 - £35,000	1	-
£35,001 - £40,000	1	-
£50,001 - £55,000	1	-
£270,001 - £275,000	-	1

4. TAX ON PROFIT ON ORDINARY ACTIVITIES:

<u>1995</u>	<u>1994</u>
<u>£000</u>	<u>£000</u>

Taxation is based on the results for the year and comprises:

Group relief payable at 33% (1994 - 33%)	58	291
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5. DEBTORS

<u>1995</u>	<u>1994</u>
<u>£000</u>	<u>£000</u>

Trade debtors	403	387
Amounts owed by fellow subsidiary undertakings	183	411
Sundry debtors	3	-

589	798
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6. CASH AT BANK AND IN HAND

Cash at bank represents balances held with Morgan Grenfell & Co. limited.

NOTES TO THE ACCOUNTS

For the year ended 31 December 1995

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1995</u> <u>£000</u>	<u>1994</u> <u>£000</u>
Amounts owed to parent and fellow subsidiary undertakings	1,064	585
Other creditors	91	566
Subordinated loan	100	100
	<hr/>	<hr/>
	1,255	1,251
	<hr/>	<hr/>

£50,000 of the subordinated loan is repayable on or after 16th January 1993 and the remainder is repayable on or after 30th September 1995 as specified in the written notice received from the lender and subject to IMRO approval. The loan bears interest at LIBOR.

At the time of signing the financial statements the Directors have resolved to repay the subordinated loan subject to obtaining the required consent from IMRO.

8. CALLED UP SHARE CAPITAL

	<u>1995</u>	<u>1994</u>
Authorised:		
650,000 Ordinary shares of £1 each	£650,000	£650,000
Allotted, called up and fully paid:		
650,000 Ordinary shares of £1 each	£650,000	£650,000

On 21 March 1996 the authorised share capital was increased to £1,000,000 by the creation of 350,000 Ordinary shares of £1 each, such shares ranking pari passu with the existing share capital of the Company.

On 29 March 1996 a further 172,000 Ordinary shares of £1 each were issued to Morgan Grenfell Asset Management Limited for cash at par value.

9. ULTIMATE PARENT UNDERTAKING AND OTHER PARENT UNDERTAKINGS

Morgan Grenfell Group plc, a company registered in England and Wales is, for the purposes of the Companies Act 1985, the parent undertaking of the smallest group of undertakings for which group financial statements are drawn up.

Deutsche Bank AG, a company incorporated in Germany, is, for the purposes of the Companies Act 1985, considered to be both the ultimate parent company and the parent undertaking of the largest such group.

Copies of group financial statements prepared in respect of Morgan Grenfell Group plc may be obtained from the Company Secretary, Morgan Grenfell Group plc, 23 Great Winchester Street, London EC2P 2AX and copies of group financial statements in respect of Deutsche Bank AG may be obtained from Deutsche Bank AG, London Branch, 6 Bishopsgate, London EC2P 2AT.