

FOUNTAIN & COLONNADE MANAGEMENT LIMITED
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2000



Company No: 3165167 (England and Wales)

FOUNTAIN & COLONNADE MANAGEMENT LIMITED

COMPANY INFORMATION

| | |
|-------------------|--|
| Directors | M Bock M F Drabble P J Goswell M J Smith F R Vaessen |
| Secretary | M F Drabble |
| Company Number | 3165167 |
| Registered Office | 123 Buckingham Palace Road London SW1W 9SR |
| Auditors | PricewaterhouseCoopers No. 1 London Bridge London SE1 9QL |

FOUNTAIN & COLONNADE MANAGEMENT LIMITED

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FOUNTAIN & COLONNADE MANAGEMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2000

The directors present their report together with the audited accounts for the year ended 31 March 2000.

Principal Activities and Review of Business

The company holds the headlease to the properties known as 123 and 151 Buckingham Palace Road, London SW1.

The company's principal activity is to act as a disclosed agent for the provision of management services on behalf of the beneficial owners of the properties, while the beneficial interests in the development are held by PA Victoria North Limited and Victoria South Limited respectively.

Results and Dividends

The company has acted as an agent since incorporation and accordingly no transactions are recorded in the books of the company and therefore no profit and loss account is presented.

The directors consider the state of the company's affairs to be satisfactory. The directors do not recommend the payment of a dividend (1999: £nil)

Directors

The directors who served during the year were:

| | |
|----------------|------------------------------|
| P A Thornton | (resigned 24 November 1999) |
| C N Strickland | (resigned 24 November 1999) |
| M A Poole | (resigned 24 November 1999) |
| B Ellingthorpe | (resigned 7 October 1999) |
| P Beasley | (resigned 7 October 1999) |
| P M Manley | (resigned 7 October 1999) |
| M Bock | (appointed 7 October 1999) |
| M F Drabble | (appointed 24 November 1999) |
| P J Goswell | (appointed 7 October 1999) |
| M J Smith | (appointed 24 November 1999) |
| F R Vaessen | (appointed 7 October 1999) |

None of the directors had any interest in the share capital of the company or the group during the year which requires disclosure under the Companies Act 1985.

Directors' Responsibilities

Company law requires the directors to prepare accounts for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss for that period.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 March 2000 and that applicable accounting standards have been followed.

FOUNTAIN & COLONNADE MANAGEMENT LIMITED

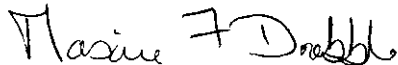
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

During the year, PricewaterhouseCoopers were appointed as auditors to the company.

In accordance with Section 386 Companies Act 1985, PricewaterhouseCoopers will be deemed to be reappointed on the expiry of 28 days from the date on which the accounts are sent to members of the company.

This report was approved by the Board and signed on its behalf by:



M F Drabble
Secretary
29 December 2000

FOUNTAIN & COLONNADE MANAGEMENT LIMITED

AUDITOR'S REPORT TO THE SHAREHOLDERS OF FOUNTAIN & COLONNADE MANAGEMENT LIMITED

We have audited the accounts on pages 6 to 7.

Respective Responsibilities of Directors and Auditors

The directors are responsible for preparing the Annual Report. As described on pages 3 and 4 this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and 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 United Kingdom Companies Act. 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 director's remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

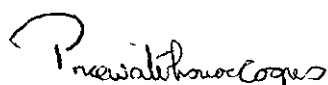
Basis of audit opinion

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 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 the 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 March 2000 and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London
Date: 29 December 2000

FOUNTAIN & COLONNADE MANAGEMENT LIMITED

Balance Sheet

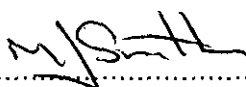
As at 31 March 2000

| | Notes | 2000 £ | 1999 £ |
|--|-------|------------|------------|
| Current Assets | | | |
| Debtors | 3 | 100 | 100 |
| Total Assets Less Current Liabilities | | <u>100</u> | <u>100</u> |
| Capital and Reserves | | | |
| Share capital | 4 | 100 | 100 |
| Equity Shareholders' Funds | | <u>100</u> | <u>100</u> |

These accounts were approved by the Board on 29 December 2000 and signed on its behalf by



Director



Director

FOUNTAIN & COLONNADE MANAGEMENT LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2000

1. Accounting Policies

Basis of Accounting

The accounts have been prepared in accordance with applicable accounting standards and under the historical cost convention and comply with the Companies Act 1985.

Cashflow statement

The company has taken advantage of the exemption not to prepare a cashflow statement in accordance with Financial Reporting Standard 1 (Revised) as it qualifies as a small company under section 246 of the Companies Act 1985.

2. Administrative Expenses

None of the directors received any remuneration for their services and the auditors' remuneration is borne by the shareholders.

3. Debtors

| | 2000 £ | 1999 £ |
|---------------|-----------|-----------|
| Other debtors | 100 | 100 |

Other debtors consist of share capital of £ 100 which remains unpaid as at 31 March 2000.

4. Share Capital

| | 2000 £ | 1999 £ |
|---|-----------|-----------|
| Authorised Equity Shares | | |
| 100 Ordinary shares of £1 each | 100 | 100 |
| Allotted Equity Shares | | |
| 100 Allotted, called up and fully paid ordinary shares of £1 each | 100 | 100 |

5. Profit and Loss Account

The company has not traded since its incorporation and accordingly no profit and loss account is presented.

6. Reconciliation of equity shareholders funds

There is no movement on equity shareholders funds in the year.

7. Ultimate Parent Undertakings

The company is equally owned by Victoria South Limited, whose ultimate parent companies are Delancey Estates plc, which is registered in England, Victoria Lebensversicherung AG and Provinzial-Lebensversicherungsanstalt der Rheinprovinz Versicherung der Sparkassen, entities which are registered in Germany, and PA Victoria North Limited whose ultimate parent company is PA Consulting Limited, a company registered in England.