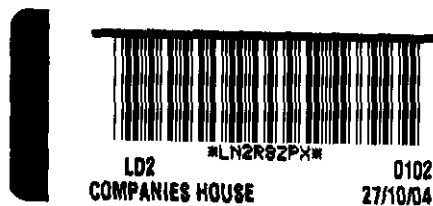


GROSVENOR UK PROPERTIES LIMITED

COMPANY REGISTRATION NUMBER 3219976

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

YEAR ENDED 31 DECEMBER 2003



GROSVENOR UK PROPERTIES LIMITED

DIRECTORS' REPORT

The directors present their annual report together with the financial statements for the year ended 31 December 2003. The company was dormant throughout the year.

PRINCIPAL ACTIVITIES

The company's principal activity during the year was to act as general partner to the Grosvenor Shopping Centre Fund (formerly The Arkle Fund), a UK limited partnership.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company throughout the year, except as noted, were as follows:

R S Handley
S H R Musgrave
R C Williams
M Howard
W J A Bullough

(Appointed 8 September 2003)

(Resigned 8 September 2003)

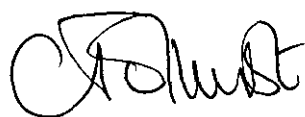
None of the directors in office at 31 December 2003 had any interests in the securities of the company, Grosvenor Group Limited (formerly Grosvenor Group Holdings Limited), its ultimate parent undertaking, or any of its fellow subsidiary undertakings which are required to be disclosed under the Companies Act 1985.

R C Williams resigned as a director on 28 April 2004.

AUDITORS

Pursuant to S386 of the Companies Act 1985 an elective resolution has been passed to dispense with the requirement to reappoint auditors annually.

Signed by order of the Board



C M Tolhurst
Company Secretary

25 OCT 2004


GROSVENOR UK PROPERTIES LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2003

	Note	2003 £	2002 £
Tangible fixed assets			
Investments	4	<u>1</u>	<u>1</u>
Current assets			
Debtors	5	100	100
Creditors: amounts falling due within one year	6	<u>(1)</u>	<u>(1)</u>
Net current assets		<u>99</u>	<u>99</u>
Total assets less current liabilities		<u>100</u>	<u>100</u>
Capital and reserves			
Called up equity share capital	7	<u>100</u>	<u>100</u>
Equity shareholders' funds		<u>100</u>	<u>100</u>

Statements:

- (a) For the year ended 31 December 2003 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.
- (b) Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.
- (c) The directors acknowledge their responsibility for:
- (i) ensuring the company keeps accounting records in accordance with section 221; and
 - (ii) preparing accounts 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 its profit and loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the company.

These financial statements were approved by the Board on the 25 OCT 2004 and are signed on its behalf by:


 Director

GROSVENOR UK PROPERTIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****1. ACCOUNTING POLICIES**

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

2. DORMANT STATUS

The company was dormant (within the meaning of section 249AA of the Companies Act 1985) throughout the year ended 31 December 2003. The company did not trade during the year or during the preceding financial year. During these periods, the company received no income and incurred no expenditure and therefore made neither profit nor loss.

3. EXPENSES

The expenses of the company are met by Grosvenor Estate Management Limited, a fellow subsidiary undertaking.

4. INVESTMENTS

	Associates
	£
Cost:	
At 1 January 2003 and 31 December 2003	<u>1</u>
Net book value:	
At 31 December 2003	<u>1</u>
At 31 December 2002	<u>1</u>

The above represents a £1 investment in the Grosvenor Shopping Centre Fund (formerly The Arkle Fund), a UK limited partnership set up to invest in retail property, of which the company is general partner.

5. DEBTORS

	2003	2002
	£	£
Amounts owed by group undertakings	<u>100</u>	<u>100</u>

6. CREDITORS: amounts falling due within one year

	2003	2002
	£	£
Amounts owed to group undertakings	<u>1</u>	<u>1</u>

GROSVENOR UK PROPERTIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****7. SHARE CAPITAL****Authorised share capital:**

	2003	2002
	£	£
100 ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2003	2002
	£	£
100 ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

8. ULTIMATE PARENT COMPANY

The company's ultimate parent undertaking is Grosvenor Group Limited (formerly Grosvenor Group Holdings Limited), a company incorporated in Great Britain and registered in England and Wales which is wholly owned by trusts and members of the Grosvenor family, headed by the Duke of Westminster.

The ultimate parent undertaking heads the largest group of undertakings of which the company is a member and for which group accounts are prepared. Grosvenor Limited, an intermediate holding company, heads the smallest group of undertakings of which the company is a member and for which group accounts are prepared.

Copies of the consolidated financial statements of Grosvenor Group Limited and Grosvenor Limited can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

9. OTHER INFORMATION

The company holds as nominee for the Grosvenor Shopping Centre Fund (formerly The Arkle Fund), a UK limited partnership, the legal interests in the following companies, the beneficial interests of which are retained by the Grosvenor Shopping Centre Fund:

Prince Bishops Limited	99%	
Cooper Square Limited	99%	
Freshney Place (No 1) Limited	100%	
Freshney Place (No 2) Limited	100%	
Forge Glasgow Limited	100%	(held from 13 July 2004)