

REGISTRAR OF COMPANIES

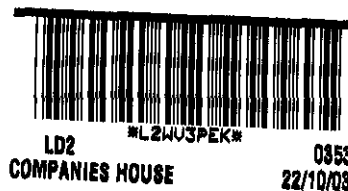
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Grosvenor Land Holdings PLC

Report and Financial Statements

Year Ended

25 March 2003



BDO Stoy Hayward
Chartered Accountants

GROSVENOR LAND HOLDINGS PLC

Report and financial statements for the year ended 25 March 2003

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Directors

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Directors	P H Edmonds (Chairman) D Blausten S A Blausten R W Dyson
Secretary	B Gorman, Gorman Seaton & Co., 74 Chancery Lane, London, WC2A 1AD.
Registered office	8 Baker Street, London, W1U 3LL.
Company number	3232512
Nominated adviser	Seymour Pierce Limited, 29-30 Cornhill, London, EC3V 3NF.
Nominated broker	Seymour Pierce Ellis Limited, Talisman House, Jubilee Walk, Three Bridges, Crawley, West Sussex, RH10 1LQ.
Auditors	BDO Stoy Hayward, 8 Baker Street, London, W1U 3LL.

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GROSVENOR LAND HOLDINGS PLC

Chairman's statement

I am pleased to present the full year results for Grosvenor Land Holdings Plc for the year ended 25 March 2003, which has been yet another successful period of trading for your Company, with pre-tax profits up 259% to £439,565 (2002 - £122,570). Earnings per share are up from 0.26p to 1.12p and Net Asset Value per share has increased to 20p (2002 - 18.0p). With the post balance sheet events reported below I am confident of good progress in this regard for the coming year.

As a result of our improving profits and income flows we made our maiden interim dividend of 0.1p per ordinary share announced in December. Following this and in line with our policy of distributing income to our shareholders, we are pleased to announce that your board is also proposing a final dividend of 0.2p, making a total dividend for the year of 0.3p.

Our focus remains to generate strong returns for investors by building shareholder value primarily through the expansion of the 'Powerhub' business centre concept. This has already proven extremely successful at our flagship complex in Maidstone, where during the period we successfully re-launched the site allowing us to increase occupancy levels and improve lease terms with our tenants.

We continue to trade out our non-core assets to provide further capital to make selective acquisitions under the Powerhub brand. In line with this, in March 2003 we sold our stake in the 'Avalon House' property in Portsmouth for £1.815 million, at a profit of £221,451 and in April 2002 successfully traded our investment in Croydon for a profit of £366,324 on the original cost of £1,110,000.

Subsequent to the year-end but as part of this programme, we have also sold our freehold property in Whitstable, Kent for £1 million in cash and our freehold town centre retail investment in Cheadle for £1.26 million in cash. Furthermore we successfully renegotiated a number of our loan agreements resulting in reduced capital repayments and reduced interest charges. As a result we have generated significant capital to expand the Powerhub concept, which we have successfully done through the acquisition of two further sites, subsequent to the reporting period.

On 31 March 2003 we purchased our second Powerhub, a 143,000 sq ft distribution warehouse estate near Crawley, West Sussex, for £3.7 million in cash and have already substantially increased its rents from approximately £280,000 per annum to over £400,000 per annum in the first five months of ownership. On 31 July 2003 we acquired At Work Business Centres Limited ("@ Work") in Manchester for £3,190,000. This 51,000 sq ft property is currently let at a combined net rental income of approximately £300,000 per annum. By re-branding the building as a Powerhub and implementing an asset management strategy and new lettings of currently vacant accommodation, we intend to increase the rental income in line with our achievements at our other two centres.

We raised £280,000 through a placing of 2,000,000 New Ordinary Shares of 1p each at 14p per share to contribute to the funding of the Crawley acquisition. Following that, the consideration for the Manchester deal was satisfied by the issue of 1,666,667 new ordinary shares at contract price of 21p per share, together with a cash payment of approximately £560,000 and the company taking on an existing loan of £2,280,000. The placement of shares at 14p followed by the issue of shares at 21p highlights the progress we are making, as well as the belief that our investors and business associates have in the Powerhub concept.

GROSVENOR LAND HOLDINGS PLC

Chairman's statement (*Continued*)

We now have a portfolio of over 350,000 sq ft of multi let space let to in excess of 120 companies employing over 600 people. We are extremely excited about the near and long term prospects for your Company. With its strengthened income flow, cash reserves and projects in hand, Grosvenor is well placed to take advantage of the opportunities that become available. We have taken time to find new Powerhub locations but we feel justified in the fact that we were waiting for the right opportunities to arise. We are creating a national brand that has to be recognised for its service offering. Selection is therefore very important, and through our recent strategy we are now well positioned to act immediately as new venues become available.

As reported in the interim results, we made a strategic investment in Abraxus Investments Plc, an AIM listed venture that specialises in identifying international and UK commercial property related investment opportunities that show an expectation of higher than average yields. Abraxus is considering a number of international commercial property deals with a current focus on the continental European property market and we look forward to Abraxus' activities contributing to Governor's future profits in the medium term. Grosvenor holds a 21.06% stake in Abraxus.

Grosvenor has a strong management team dedicated to a proven business model that is focused on building shareholder value through tactical investments. To strengthen the Board further, we appointed Mr Robert Dyson as a non-executive director. Mr Dyson, a Chartered Surveyor, Executive Chairman of Dunlop Heywood Lorenz and founder of @ Work, has considerable experience and expertise within the property sector and will assist us in expanding the Powerhub business centre concept.

Finally, I would like to thank the management team for their efforts in guiding the Company into its current position of strength and look forward to building on our recent acquisition programme.

Phil Edmonds
Chairman

GROSVENOR LAND HOLDINGS PLC

Directors

The Board comprises:

Phil Edmonds, aged 52 is Executive Chairman of the Company. He holds an honours degree in Land Economy from Cambridge University. He played cricket for England and for Middlesex from 1974 to 1987 and has been involved in a number of public and private companies.

Douglas Blausten, aged 52 is Executive Managing Director of the Company. He holds an honours degree from Cambridge University in Land Economy, is a fellow of the Royal Institution of Chartered Surveyors and a General Commissioner of Taxes. He is an equity partner in Cyril Leonard & Co, where he is responsible for investment acquisitions and sales and is also responsible for their affiliate offices in the United States and Europe. He holds a number of directorships and is a director and shareholder in Oakburn Properties PLC, a substantial shareholder in the Company. He is also responsible for managing the financial affairs of the group.

Simon Blausten, aged 47 is an Executive Director of the Company. He holds an honours degree from the University of Manchester Institute of Science and Technology in Building Technology and is a Fellow of the Royal Institution of Chartered Surveyors. He is an equity partner in Cyril Leonard & Co, where he is responsible for building surveying work and is head of the asset management department. He holds a number of directorships and is a director and shareholder in Oakburn Properties PLC.

Robert Dyson, aged 54 is a Non Executive Director of the company. He holds an MSc from the City of London University in Property Investment and is a fellow of the Royal Institution of Chartered Surveyors. He is Executive Chairman of Dunlop Heywood Lorenz, Consultant Surveyors, where he has spent the majority of his career working extensively in the investment and development fields throughout the United Kingdom. He holds a number of Directorships in private companies.

GROSVENOR LAND HOLDINGS PLC

Report of the directors for the year ended 25 March 2003

The directors present their report together with the audited financial statements for the year ended 25 March 2003.

Results and dividends

The profit and loss account for the Group is set out on page 9 and shows the profit for the year.

An interim dividend of 0.1p per share - £30,893 was paid during the year (2002 - £Nil). The directors have proposed a final dividend of 0.2p per share - £69,120 (2002 - £61,787).

Principal activities, trading review and future developments

The principal activity of the Group is investment and trading in land and buildings. A full review of the Group's activities during the year and future development and prospects is set out in the Chairman's statement.

Fixed assets

The Group's investment properties were valued on an open market value basis as at 25 March 2003. Further details are disclosed in note 11 of the financial statements.

Directors

The directors of the Company during the year and their interests in the ordinary share capital of the Company were:

	Ordinary shares of 1p each	
	2003	2002
P H Edmonds	766,666	766,666
D Blausten	-	-
S A Blausten	-	-

Subsequent to 25 March 2003, on 1 August 2003, R W Dyson was also appointed as a director.

Messrs D Blausten and S A Blausten are also directors of Oakburn Properties PLC, which at 25 March 2003 held 32.8% of the Company's issued share capital, and their interests in the share capital of that company are shown in that company's directors' report.

The directors have options to subscribe for shares in the Company as follows:

	Ordinary shares of 1p each	
	2003	2002
P H Edmonds	1,026,000	1,026,000
D Blausten	1,026,000	1,026,000
S A Blausten	1,026,000	1,026,000

For each director options over 388,000 shares are exercisable until 4 September 2008 at a price of 12.5p per share, options over 400,000 shares are exercisable until 14 September 2008 at a price of 10.0p per share and options over 238,000 shares are exercisable until 14 February 2005 at a price of 17.25p per share. The market price of the shares at 25 March 2003 was 12.5p and the range during the year was 9.75p to 14.5p.

No share options were granted to or exercised by any director during the year.

GROSVENOR LAND HOLDINGS PLC

Report of the directors for the year ended 25 March 2003 (*Continued*)

Substantial equity shareholdings

The following are shareholders on the register (other than directors) whose interests total 3% or more of the issued ordinary share capital of the Company at 17 September 2003.

	Ordinary shares of 1p each	
	Number	%
Oakburn Properties PLC	10,141,472	29.3
Maland Pension Fund	8,600,000	24.9
S Massey	2,408,335	7.0
R W Dyson	2,166,667	6.3

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 the Group as at the end of the financial year and of the profit or loss of the group for that year. 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 Group 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Payment to creditors

The Company agrees a variety of terms and conditions for business transactions with its suppliers. Payment is then made in accordance with these terms, subject to the terms and conditions being met by the supplier.

The Company's trade creditors at the financial year end represented 32 days of purchases (2002 - 37).

Post balance sheet events

These are detailed in note 25 of the financial statements.

GROSVENOR LAND HOLDINGS PLC

Report of the directors for the year ended 25 March 2003 (*Continued*)

Corporate governance

The Board is committed to ensuring that proper standards of corporate governance operate, throughout the Company. The Company supports the Principles of Corporate Governance set out in the Combined Code published in June 1999, but considers that the expense of full compliance with the Combined Code is not appropriate. The Board has applied the recommendations of the "Quoted Companies Alliance" which it believes are appropriate to the Company.

The full report and accounts are available from the website www.grosvenorlandplc.co.uk.

Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the Board

x  x
D Blausten

Director

Date x 17/09/03 x

GROSVENOR LAND HOLDINGS PLC

Report of the independent auditors

To the shareholders of Grosvenor Land Holdings PLC

We have audited the financial statements of Grosvenor Land Holdings PLC for the year ended 25 March 2003 on pages 9 to 28 which have been prepared under the accounting policies set out on pages 14 and 15.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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.

We read other information contained in the annual report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report and the Chairman's Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 Group'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.

GROSVENOR LAND HOLDINGS PLC

Report of the independent auditors (*Continued*)

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 25 March 2003 and of the profit of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO Stoy Hayward

BDO STOY HAYWARD
*Chartered Accountants
and Registered Auditors*
London

17 September 2003

GROSVENOR LAND HOLDINGS PLC

Consolidated profit and loss account for the year ended 25 March 2003

	Note	2003 £	2002 £
Rents receivable	2	1,173,631	1,259,669
Property expenses		(473,310)	(349,838)
		<hr/>	<hr/>
Administrative expenses		700,321 (440,394)	909,831 (361,899)
Other operating income			
Profit on sale of trading stocks		366,324	-
		<hr/>	<hr/>
Group operating profit	3	626,251	547,932
Associated undertaking			
Share of loss		(44,963)	-
Amortisation of goodwill		(11,225)	-
		<hr/>	<hr/>
Profit on sale of investment property		570,063 221,451	547,932 -
		<hr/>	<hr/>
Profit on ordinary activities before interest		791,514	547,932
Interest receivable			
- Group		27,202	39,639
- Associated undertaking		9,339	-
Interest payable	4	(388,490)	(465,001)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		439,565	122,570
Taxation on profit on ordinary activities	7	94,606	42,697
		<hr/>	<hr/>
Profit on ordinary activities after taxation		344,959	79,873
Dividends	9	100,013	61,787
		<hr/>	<hr/>
Retained profit for the financial year	19	244,946	18,086
		<hr/>	<hr/>
Basic earnings per share	10	1.12p	0.26p
		<hr/>	<hr/>
Diluted earnings per share	10	1.11p	0.26p
		<hr/>	<hr/>

All amounts relate to continuing operations.

The notes on pages 14 to 28 form part of these financial statements

GROSVENOR LAND HOLDINGS PLC

Statement of total recognised gains and losses and reconciliation of movements in shareholders' funds for the year ended 25 March 2003

	Group 2003 £	Group 2002 £	Company 2003 £	Company 2002 £
Statement of total recognised gains and losses				
Profit for the financial year	344,959	79,873	232,838	154,940
Unrealised surplus/(deficit) on revaluation of investment properties	350,450	648,653	41,802	(100,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Total recognised gains and losses for the year	695,409	728,526	274,640	54,940
	<hr/>	<hr/>	<hr/>	<hr/>
Reconciliation of movements in shareholders' funds				
Profit for the financial year	344,959	79,873	232,838	154,940
Dividends	(100,013)	(61,787)	(100,013)	(61,787)
Revaluation surplus/(deficit) relating to investment properties	350,450	648,653	41,802	(100,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Net increase/(decrease) in shareholders' funds	595,396	666,739	174,627	(6,847)
Opening shareholders' funds	5,569,029	4,902,290	4,081,249	4,088,096
	<hr/>	<hr/>	<hr/>	<hr/>
Closing shareholders' funds	6,164,425	5,569,029	4,255,876	4,081,249
	<hr/>	<hr/>	<hr/>	<hr/>

The notes on pages 14 to 28 form part of these financial statements.

GROSVENOR LAND HOLDINGS PLC

Consolidated balance sheet at 25 March 2003

	Note	2003 £	2003 £	2002 £	2002 £
Fixed assets					
Tangible assets	11		6,150,122		7,315,222
Investment in associate		490,826		-	
Other investments		60,000		100,000	
Fixed asset investments	12		550,826		100,000
			6,700,948		7,415,222
Current assets					
Stocks	13	2,546,770		3,656,770	
Debtors	14	2,076,287		168,549	
Cash at bank and in hand		990,586		1,328,651	
		5,613,643		5,153,970	
Creditors: amounts falling due within one year	15	3,690,166		2,903,589	
Net current assets			1,923,477		2,250,381
Total assets less current liabilities			8,624,425		9,665,603
Creditors: amounts falling due after more than one year	16		2,448,000		4,084,574
Provisions for liabilities and charges	17		12,000		12,000
			6,164,425		5,569,029
Capital and reserves					
Called up share capital	18		308,933		308,933
Share premium account	19		3,618,344		3,618,344
Revaluation reserve	19		1,712,637		1,306,396
Profit and loss account	19		524,511		335,356
Shareholders' funds - equity			6,164,425		5,569,029

The financial statements were approved by the Board on X

D Blausten
Director

17/09/03

The notes on pages 14 to 28 form part of these financial statements

GROSVENOR LAND HOLDINGS PLC

Company balance sheet at 25 March 2003

	Note	2003 £	2003 £	2002 £	2002 £
Fixed assets					
Tangible assets	11		749,267		753,559
Investments	12		769,600		318,774
			<u>1,518,867</u>		<u>1,072,333</u>
Current assets					
Debtors					
- falling due within one year	14	587,119		403,722	
- falling due after more than one year	14	1,714,535		1,732,000	
		<u>2,301,654</u>		<u>2,135,722</u>	
Cash at bank and in hand		989,586		1,327,651	
		<u>3,291,240</u>		<u>3,463,373</u>	
Creditors: amounts falling due within one year	15	306,231		239,457	
Net current assets			<u>2,985,009</u>		<u>3,223,916</u>
Total assets less current liabilities			<u>4,503,876</u>		<u>4,296,249</u>
Creditors: amounts falling due after more than one year	16		248,000		215,000
			<u>4,255,876</u>		<u>4,081,249</u>
Capital and reserves					
Called up share capital	18		308,933		308,933
Share premium account	19		3,618,344		3,618,344
Revaluation reserve	19		122,017		80,215
Profit and loss account	19		206,582		73,757
Shareholders' funds - equity			<u>4,255,876</u>		<u>4,081,249</u>

The financial statements were approved by the Board on 17/09/03

D Blausten
Director

The notes on pages 14 to 28 form part of these financial statements

GROSVENOR LAND HOLDINGS PLC

Consolidated cash flow statement for the year ended 25 March 2003

	Note	2003 £	2003 £	2002 £	2002 £
Net cash (outflow)/inflow from operating activities	20		(131,175)		735,725
Returns on investments and servicing of finance					
Interest received		27,202		39,639	
Interest paid		(388,490)		(465,001)	
Net cash outflow from returns on investments and servicing of finance			(361,288)		(425,362)
Taxation			(41,721)		(43,082)
Capital expenditure					
Purchase of tangible fixed assets		(109,681)		(483,359)	
Sale of tangible fixed assets		1,781,451		-	
Purchase of investments		(537,675)		-	
Net cash inflow/(outflow) from capital expenditure			1,134,095		(483,359)
Equity dividends paid			(92,680)		-
Cash inflow/(outflow) before financing			507,231		(216,078)
Financing					
Repayment of debt			(845,296)		(47,887)
Decrease in cash in the year	21		(338,065)		(263,965)

The notes on pages 14 to 28 form part of these financial statements

GROSVENOR LAND HOLDINGS PLC

Notes forming part of the financial statements for the year ended 25 March 2003

1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of Grosvenor Land Holdings PLC and its subsidiary and associated undertakings made up to 25 March 2003.

The acquisition method of accounting has been used to consolidate the results of the subsidiary undertakings in the group financial statements from the date of their acquisition.

The equity method of accounting has been used to consolidate the results of the associated undertaking in the group financial statements from the date of acquisition.

Goodwill arising on consolidation is amortised over five years on a straight line basis.

Associates

An entity is treated as an associated undertaking where the group has a participating interest and exercises significant influence over its operating and financial policy decisions.

In the group accounts, interests in associated undertakings are accounted for using the equity method of accounting. The consolidated profit and loss account includes the group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings based on audited financial statements. In the consolidated balance sheet, the interests in associated undertakings are shown as the group's share of the identifiable net assets including any unamortised premium paid on acquisition.

The premium on acquisition is dealt with under the goodwill policy.

Turnover

Turnover represents rental income at invoiced amounts less value added tax.

Fixed asset investments

Investments held as fixed assets are stated at cost less any provision for impairment.

Investment properties

Investment properties are included in the balance sheet at their open market values. Unrealised surpluses arising on valuation are transferred to the revaluation reserve.

In accordance with SSAP 19 no provision is made for depreciation on the investment properties. The directors consider that this accounting policy, which represents a departure from the Companies Act 1985, is necessary to provide a true and fair view. The effect of depreciation on value is already reflected in the valuation of the properties and the amount attributed to this factor cannot be separately identified or quantified.

The acquisition and disposal of investment properties are accounted for on exchange of contracts.

GROSVENOR LAND HOLDINGS PLC

Notes forming part of the financial statements for the year ended 25 March 2003 (*Continued*)

1 Accounting policies (*Continued*)

Depreciation

Depreciation is provided on the following fixed assets at rates calculated to write off the cost or valuation of each asset over its expected useful life as follows:

Short leasehold property	-	over length of lease
Plant and machinery	-	10% straight line
Office equipment	-	25% straight line

Stocks

Stock is valued at the lower of cost and net realisable value. Cost is calculated by reference to cost of purchase and any enhancement expenditure. Net realisable value is based on estimated selling price less further costs to completion and disposal.

Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes on a full provision basis in accordance with Financial Reporting Standard 19 "Deferred Taxation". Deferred tax balances are not discounted.

Financial instruments

The Group's policy is that it does not trade in financial instruments. The Group has taken advantage of the exemption permitting it not to treat short term debtors and creditors as financial instruments for the purposes of the disclosures in note 23.

2 Turnover and operating profit

Turnover is attributable to one activity, the renting of commercial property in the United Kingdom. Operating profit is primarily attributable to two activities, the renting of commercial property in the United Kingdom and the sale of property in the United Kingdom.

3 Operating profit

	2003 £	2002 £
This is arrived at after charging:		
Auditors' remuneration - audit services	14,000	14,875
Directors' fees (note 6)	125,000	125,000
Depreciation of tangible fixed assets	65,231	11,931
Amortisation of positive goodwill	11,225	-
Provision for bad debts	-	100,000
Provision against investments	40,000	-

Included in the group audit fee is an amount of £8,500 (2002 - £9,000) in respect of the company.

GROSVENOR LAND HOLDINGS PLC

Notes forming part of the financial statements for the year ended 25 March 2003 (*Continued*)

4 Interest payable

	2003 £	2002 £
Interest on other loans repayable within five years	388,490	465,001

5 Employees

	2003 £	2002 £
Staff costs (including directors) consist of:		
Fees and salaries	160,219	154,771
Social security costs	16,229	15,789
	176,448	170,560

The average number of employees (including directors) during the year was 5 (2002 – 5).

6 Directors' remuneration

	2003 £	2002 £
Directors' emoluments		
- P H Edmonds	25,000	25,000
- D Blausten	50,000	50,000
- S A Blausten	50,000	50,000
	125,000	125,000

The directors have waived their additional entitlement for the year of £100,000 under the Company Directors' Bonus Scheme. The directors have also waived any entitlement in respect of previous years.

The directors are party to the company's 'Executive Share Option Scheme'. Details of options available under this scheme are disclosed in note 18.

GROSVENOR LAND HOLDINGS PLC

Notes forming part of the financial statements for the year ended 25 March 2003 (*Continued*)

7 Taxation on profit on ordinary activities

	2003 £	2002 £
Corporation tax on profit for the year	96,500	49,000
Over provision in prior year	(1,894)	(6,303)
	<u>94,606</u>	<u>42,697</u>
Factors affecting the UK tax charge for the year:		
Profit on ordinary activities before taxation	439,565	122,570
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2002: 30%)	131,869	36,771
Difference in tax rates	(3,183)	(17,771)
Expenses not deductible for tax purposes	34,249	30,000
Profit on sale of investment property (relieved by indexation)	(66,435)	-
	<u>96,500</u>	<u>49,000</u>
Over provision in prior year	(1,894)	(6,303)
	<u>94,606</u>	<u>42,697</u>

8 Grosvenor Land Holdings PLC - profit and loss account

The Company has taken advantage of the exemption allowed by Section 230 of the Companies Act 1985 from presenting its own profit and loss account. The profit for the year available before distributions dealt with in the financial statements of the Company was £232,838 (2002 – profit £154,940).

9 Dividends

	2003 £	2002 £
Ordinary dividend		
Interim paid of 0.1p (2002 - £Nil) per share	30,893	-
Final proposed of 0.2p (2002 – 0.2p) per share	69,120	61,787
	<u>100,013</u>	<u>61,787</u>

Subsequent to the year end the Company issued 3,666,667 ordinary 1p shares bringing the total shares in issue on the date of approval of these accounts to 34,559,977. The final proposed dividend total of £69,120 is calculated by reference to 34,559,977 shares.

GROSVENOR LAND HOLDINGS PLC

Notes forming part of the financial statements for the year ended 25 March 2003 (*Continued*)

10 Earnings per share

Basic earnings per share is calculated by reference to the group profit after taxation of £344,959 (2002 - £79,873) and the weighted average number of shares in issue during the year of 30,893,310 (2002 - 30,893,310).

Diluted earnings per share is calculated by reference to the group profit after taxation of £344,959 (2002 - £79,873) and on a weighted average number of shares of 31,133,310 (2002 - 30,922,578).

The number of shares used for diluted earnings per share is calculated as follows:

	2003 Number	2002 Number
Basic number of shares	30,893,310	30,893,310
Exercise of options	240,000	29,268
	<u>31,133,310</u>	<u>30,922,578</u>

11 Tangible assets

Group	Investment properties				Total £
	Freehold £	Short leasehold £	Plant and machinery £	Office equipment £	
<i>Cost or valuation</i>					
At 26 March 2002	6,881,512	358,750	107,266	4,816	7,352,344
Additions	72,302	-	36,850	529	109,681
Disposals	(1,560,000)	-	-	-	(1,560,000)
Revaluation	350,450	-	-	-	350,450
	<u>5,744,264</u>	<u>358,750</u>	<u>144,116</u>	<u>5,345</u>	<u>6,252,475</u>
At 25 March 2003					
<i>Depreciation</i>					
At 26 March 2002	-	-	33,968	3,154	37,122
Charge for year	-	49,483	14,412	1,336	65,231
	<u>-</u>	<u>49,483</u>	<u>48,380</u>	<u>4,490</u>	<u>102,353</u>
At 25 March 2003					
<i>Net book value</i>					
At 25 March 2003	<u>5,744,264</u>	<u>309,267</u>	<u>95,736</u>	<u>855</u>	<u>6,150,122</u>
At 25 March 2002	<u>6,881,512</u>	<u>358,750</u>	<u>73,298</u>	<u>1,662</u>	<u>7,315,222</u>

GROSVENOR LAND HOLDINGS PLC

Notes forming part of the financial statements for the year ended 25 March 2003 (*Continued*)

11 Tangible assets (*Continued*)

The Group's freehold interests and the leasehold property were valued by the directors as at 25 March 2003 on the basis of open market value.

These valuations totalling £6,149,267 (including plant and machinery) have been incorporated into the financial statements. The historical cost of these properties was £4,534,493 (2002 - £6,041,132).

Company	Investment properties		Total £
	Freehold £	Short leasehold £	
<i>Cost or valuation</i>			
At 26 March 2002	394,809	358,750	753,559
Additions	3,389	-	3,389
Revaluation	41,802	-	41,802
	<hr/>	<hr/>	<hr/>
At 25 March 2003	440,000	358,750	798,750
	<hr/>	<hr/>	<hr/>
<i>Amortisation</i>			
Charge for year and at 25 March 2003	-	49,483	49,483
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 25 March 2003	440,000	309,267	749,267
	<hr/>	<hr/>	<hr/>
At 25 March 2002	394,809	358,750	753,559
	<hr/>	<hr/>	<hr/>

The Company's investment properties were valued by the directors on an open market value basis as at 25 March 2003. These valuations totalling £749,267 have been incorporated in the financial statements.

The historical cost of the Company's investment properties was £676,733 (2002 - £673,344).

GROSVENOR LAND HOLDINGS PLC

Notes forming part of the financial statements for the year ended 25 March 2003 (*Continued*)

12 Fixed asset investments

Group	Listed investments		Total £
	Associate £	Other £	
<i>Cost or valuation</i>			
At 26 March 2002	-	216,523	216,523
Additions at cost	537,675	-	537,675
Share of loss	(35,624)	-	(35,624)
Amortisation of goodwill	(11,225)	-	(11,225)
	<hr/>	<hr/>	<hr/>
At 25 March 2003	490,826	216,523	707,349
	<hr/>	<hr/>	<hr/>
<i>Provision for diminution in value</i>			
At 26 March 2002	-	116,523	116,523
Charge for year	-	40,000	40,000
	<hr/>	<hr/>	<hr/>
At 25 March 2003	-	156,523	156,523
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 25 March 2003	490,826	60,000	550,826
	<hr/>	<hr/>	<hr/>
At 25 March 2002	-	100,000	100,000
	<hr/>	<hr/>	<hr/>
The net book value at 25 March 2003 of the associate company is made up as follows:			
Share of current assets			455,676
Share of liabilities due within one year			9,748
			<hr/>
Share of net assets			445,928
Goodwill on acquisition		56,123	
Less amortisation		11,225	
		<hr/>	
			44,898
			<hr/>
			490,826
			<hr/>

On 26 June 2002 the company acquired a significant shareholding in the associate undertaking for a consideration of £537,675. The fair values of the assets and liabilities acquired were assessed and no adjustments were deemed necessary to the book values. The fair value of the company's share of net assets acquired was £481,552 giving rise to goodwill on acquisition of £56,123.

GROSVENOR LAND HOLDINGS PLC

Notes forming part of the financial statements for the year ended 25 March 2003 (Continued)

12 Fixed asset investments (Continued)

Company	Group undertakings	Listed investments		Total
	£	Associate £	Other £	
<i>Cost</i>				
At 26 March 2002	218,774	-	216,523	435,297
Additions	-	537,675	-	537,675
At 25 March 2003	218,774	537,675	216,523	972,972
<i>Provision for diminution in value</i>				
At 26 March 2002	-	-	116,523	116,523
Charge for year	-	46,849	40,000	86,849
At 25 March 2003	-	46,849	156,523	203,372
<i>Net book value</i>				
At 25 March 2003	218,774	490,826	60,000	769,600
At 25 March 2002	218,774	-	100,000	318,774

The Company owns 100% of the issued share capital of Plymouth & Exeter Properties Limited which is registered and operates in England, and whose principal activity is property dealing.

The Company also owns 100% of the issued share capital of Grosvenor Land (South) Limited which is registered and operates in England, and whose principal activity is property investment.

The company owns 21.06% of the issued share capital of Abraxus Investments Plc (formerly Property Internet Plc), which is registered in England and whose principal activity is property investment both in the UK and internationally.

At 25 March 2003 the market value of the listed investment in the associate held by the company and the group was £441,956.

At 25 March 2003, the market value of the other listed investments held by the group and the company was £38,462 (2002 - £34,615).

13 Stocks

	Group 2003 £	Group 2002 £
Properties held for resale	2,546,770	3,656,770

In the directors' opinion there is no significant difference between the amount at which stocks are stated in the balance sheet and their replacement value.

GROSVENOR LAND HOLDINGS PLC

Notes forming part of the financial statements for the year ended 25 March 2003 (Continued)

14 Debtors

	Group 2003 £	Group 2002 £	Company 2003 £	Company 2002 £
Trade debtors	157,941	58,995	6,438	1,525
Dividends receivable	-	-	525,000	370,000
Other taxes	350	35,845	350	14,226
Other debtors - property sale	1,779,254	-	-	-
Prepayments and accrued income	138,742	73,709	55,331	17,971
	<hr/>	<hr/>	<hr/>	<hr/>
Amounts falling due within one year	2,076,287	168,549	587,119	403,722
Amounts due from subsidiary undertakings (due in more than one year)	-	-	1,714,535	1,732,000
	<hr/>	<hr/>	<hr/>	<hr/>
	2,076,287	168,549	2,301,654	2,135,722
	<hr/>	<hr/>	<hr/>	<hr/>

15 Creditors: amounts falling due within one year

	Group 2003 £	Group 2002 £	Company 2003 £	Company 2002 £
Bank loans (secured - see note 16)	1,920,500	120,000	48,000	120,000
Mortgage loan (secured - see note 16)	1,220,074	2,229,296	-	-
Trade creditors	53,635	40,726	23,796	20,257
Amounts due to ultimate parent undertaking	1,675	2,791	2,791	2,791
Amount due to subsidiary undertaking	-	-	130,610	-
Amount due to fellow subsidiary undertaking	16,089	-	-	-
Other creditors	10,131	58,241	-	-
Creditors for taxation and social security	7,856	6,107	5,380	5,387
Corporation tax	96,500	43,615	-	-
Accruals and deferred income	294,586	341,026	26,534	29,235
Dividend proposed	69,120	61,787	69,120	61,787
	<hr/>	<hr/>	<hr/>	<hr/>
	3,690,166	2,903,589	306,231	239,457
	<hr/>	<hr/>	<hr/>	<hr/>

The mortgage loan was repaid on 7 April 2003 on completion of the sale of the investment property on which it was secured.

GROSVENOR LAND HOLDINGS PLC

Notes forming part of the financial statements for the year ended 25 March 2003 (*Continued*)

16 Creditors: amounts falling due after more than one year

	Group 2003 £	Group 2002 £	Company 2003 £	Company 2002 £
Bank loans (secured)	2,448,000	2,864,500	248,000	215,000
Mortgage loans (secured)	-	1,220,074	-	-
	<u>2,448,000</u>	<u>4,084,574</u>	<u>248,000</u>	<u>215,000</u>
Bank loans payable:				
In more than one year but not more than two years	48,000	2,864,500	48,000	215,000
In more than two years but not more than five years	2,400,000	-	200,000	-
	<u>2,448,000</u>	<u>2,864,500</u>	<u>248,000</u>	<u>215,000</u>
Mortgage loan repayable:				
In more than one year but not more than two years	-	1,220,074	-	-
	<u>-</u>	<u>1,220,074</u>	<u>-</u>	<u>-</u>
Total				
In more than one year but not more than two years	48,000	4,084,574	48,000	215,000
In more than two years but not more than five years	2,400,000	-	200,000	-
	<u>2,448,000</u>	<u>4,084,574</u>	<u>248,000</u>	<u>215,000</u>

The above creditors are secured upon the freehold and leasehold buildings of the Group. The Company's bank loans bear interest at 1.875% over LIBOR. The other bank loans bear interest at between 1.25% and 1.5% over LIBOR.

GROSVENOR LAND HOLDINGS PLC

Notes forming part of the financial statements for the year ended 25 March 2003 (Continued)

17 Provisions for liabilities and charges

Group	2003 £	2002 £
Deferred taxation		
Other	12,000	12,000

There have been no movements in the provision in either year.

If the Group disposed of its investment properties at their revalued amounts, it is estimated there would be a tax liability of £376,000 (2002 - £274,000).

If the Company disposed of its investment properties at their revalued amounts, it is estimated there would be a tax liability of £10,000 (2002 - £10,000).

18 Share capital

	2003 Number	Authorised 2002 Number	2003 £	2002 £
Ordinary shares of 1p each	100,000,000	100,000,000	1,000,000	1,000,000

	Allotted, called up and fully paid			
	2003 Number	2002 Number	2003 £	2002 £
Ordinary shares of 1p each				
At 26 March 2002 and at 25 March 2003	30,893,310	30,893,310	308,933	308,933

The following share options have been granted under the Company's Executive Share Option Scheme.

Date granted	Exercise price	Period of option	Number of ordinary shares of 1p each
4 September 1996	12.5p	4 September 1997 – 4 September 2008	1,164,000
14 September 1998	10.0p	14 September 1999 – 14 September 2008	1,200,000
14 February 2000	17.25p	14 February 2002 – 14 February 2005	714,000

GROSVENOR LAND HOLDINGS PLC

Notes forming part of the financial statements for the year ended 25 March 2003 (*Continued*)

19 Reserves

Group	Share premium account £	Revaluation reserve £	Profit and loss account £
At 26 March 2002	3,618,344	1,306,396	335,356
Profit for the year	-	-	244,946
Revaluation of investment properties	-	350,450	-
Transfer on sale of investment property	-	55,791	(55,791)
	<hr/>	<hr/>	<hr/>
At 25 March 2003	3,618,344	1,712,637	524,511
	<hr/>	<hr/>	<hr/>
Company			
At 26 March 2002	3,618,344	80,215	73,757
Profit for the year	-	-	132,825
Revaluation of investment properties	-	41,802	-
	<hr/>	<hr/>	<hr/>
At 25 March 2003	3,618,344	122,017	206,582
	<hr/>	<hr/>	<hr/>

Group profit and loss account reserves includes £25,794 of negative goodwill in respect of the acquisition of Plymouth & Exeter Properties Limited. This acquisition occurred before the introduction of Financial Reporting Standard 10 "Goodwill and Intangible Assets".

20 Reconciliation of operating profit to net cash (outflow)/inflow from operating activities

	2003 £	2002 £
Operating profit	626,251	547,932
Decrease in stock	1,110,000	-
(Increase)/decrease in debtors	(1,907,738)	50,161
(Decrease)/increase in creditors	(64,919)	125,701
Depreciation charges	65,231	11,931
Provision for diminution in value of investments	40,000	-
	<hr/>	<hr/>
Net cash (outflow)/inflow from operating activities	(131,175)	735,725
	<hr/>	<hr/>

GROSVENOR LAND HOLDINGS PLC

Notes forming part of the financial statements for the year ended 25 March 2003 (*Continued*)

21 Analysis of changes in net debt

	At 26 March 2002 £	Cash flow £	Other non-cash changes £	At 25 March 2003 £
Cash in hand and at bank	1,328,651	(338,065)	-	990,586
Debt due within one year	(2,349,296)	2,268,296	(3,059,574)	(3,140,574)
Debt due after one year	(4,084,574)	(1,423,000)	3,059,574	(2,448,000)
	(6,433,870)	845,296	-	(5,588,574)
Total	(5,105,219)	507,231	-	(4,597,988)

22 Reconciliation of net cash flow to movement in net debt

	2003 £	2002 £
Decrease in cash in the year	(338,065)	(263,965)
Cash outflow from repayment of debt	845,296	47,887
Movement in net debt in the year	507,231	(216,078)
Opening net debt	(5,105,219)	(4,889,141)
Closing net debt	(4,597,988)	(5,105,219)

GROSVENOR LAND HOLDINGS PLC

Notes forming part of the financial statements for the year ended 25 March 2003 (Continued)

23 Treasury policy and financial instruments

The Group has adopted formal treasury policies to control its financial instruments. These comprise cash, medium and long term borrowings whose main purpose is to provide finance for the Group's operations. The Group does not face foreign currency risk as all transactions entered into are in local currency.

The interest rate exposure of the Group's borrowings at 25 March 2003 is shown below:

	£	Weighted average interest rate %	Weighted average time for which rate is fixed (years)
Floating Rate borrowings	4,368,500		
Fixed Rate borrowings	1,220,074	7.94%	0.04
	<u>5,588,574</u>		

The floating rate borrowings comprise interest rates based upon LIBOR. All borrowings are denominated in Sterling.

The Company's bank loans bear interest at 1.875% over LIBOR. The other bank loans bear interest at between 1.25% and 1.5% over LIBOR.

Floating rate assets of £990,586 (2002 - £1,328,651) comprise cash denominated in Sterling held on daily deposit with interest receivable on a quarterly basis. There are no fixed rate financial assets.

The directors consider that the fair values of the financial assets and liabilities above are not materially different to their book values.

24 Related party transactions

During the year, the Group paid fees of £110,039 (2002 - £76,195) for managing properties and advising on property sales and purchases to Cyril Leonard & Co, a firm of which Messrs D Blausten and S A Blausten, directors of the Company and the Group, are partners.

No amounts in respect of any of the above were outstanding at 25 March 2003 (25 March 2002 - £Nil).

GROSVENOR LAND HOLDINGS PLC

Notes forming part of the financial statements for the year ended 25 March 2003 (*Continued*)

25 Post balance sheet events

- (a) On 24 April 2003 the company issued 2,000,000 new ordinary shares of 1p each at 14p per share, raising gross proceeds of £280,000 to assist with property acquisitions. The shares were admitted to trading on the Alternative Investment Market on 30 April 2003.
- (b) On 31 March 2003 the company's property investment subsidiary undertaking, Grosvenor Land (South) limited, purchased a 143,000 square feet distribution warehouse estate (Investment Property) for £3,700,000 plus costs.
- (c) On 31 July 2003 the company purchased At Work Business Centres Limited for £3,190,000 plus costs. At Work Business Centres Limited owns a 51,000 square feet office and workspace development. Part of this consideration was satisfied by the issue of 1,666,667 new ordinary shares of 1p each at a price per the contract of 21p per share. The shares were admitted to trading on the Alternative Investment Market on 7 August 2003.

26 Ultimate parent company

At 25 March 2003, the Company's ultimate parent company and controlling party was considered by the directors to be Oakburn Properties PLC, which is the parent of both the smallest and largest groups of which the company is a member.

Copies of the consolidated financial statements of Oakburn Properties PLC, are available from Companies House.