

**REGISTRAR OF
COMPANIES**

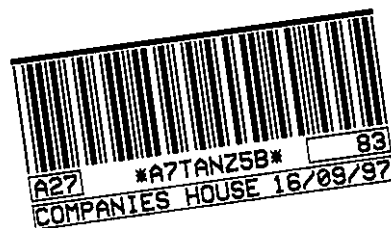
3232512

Grosvenor Land Holdings plc

Report and Financial Statements

Period from 26 July 1996

to 25 March 1997



BDO

BDO Stoy Hayward
Chartered Accountants

GROSVENOR LAND HOLDINGS PLC

Report and financial statements for the period from 26 July 1996 to 25 March 1997

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Directors

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Directors

P H Edmonds (Chairman)*
D Blausten
S A Blausten

* Non Executive Director

Secretary and registered office

M E Danbrook, 8 Baker Street, London, W1M 1DA.

Company number

3232512

Nominated adviser

English Trust Company Limited, 12a Charterhouse Square, London, EC1M 6AJ.

Nominated broker

Charles Stanley & Co, Limited, Luke Street, London, EC2A 4AR.

Auditors

BDO Stoy Hayward, 8 Baker Street, London, W1M 1DA.

GROSVENOR LAND HOLDINGS PLC

Notice of Annual General Meeting

Notice is hereby given that the first Annual General Meeting of Grosvenor Land Holdings PLC will be held at • on • day •• 1997 at • am for the following purposes:

ORDINARY BUSINESS

- 1 To receive and adopt the Report and Financial Statements for the period ended 25 March 1997, together with the reports of the Directors and auditors thereon.
- 2 To reappoint the following Directors:
 - (a) Philippine Henri Edmonds
 - (b) Douglas Blausten
 - (c) Simon Ansel Blausten

each of whom retires in accordance with the Company's Articles of Association and being eligible offers himself for re-election.

- 3 To reappoint BDO Stoy Hayward as auditors of the Company and to authorise the Directors to fix their remuneration.

BY ORDER OF THE BOARD

Martin Danbrook
SECRETARY

July 1997

Registered Office:
8 Baker Street
London W1M 1DA

NOTE:

A member entitled to attend and vote at this meeting may appoint a proxy or proxies, who need not be a member of the Company, to attend and (on a poll) to vote instead of him or her. Forms of proxy need to be deposited with the Company's registrars, Moorgate Registrars PLC, Dukesmead House, 39 High Street, Chelmsford, Essex CM1 1DF not later than 48 hours before the time of the meeting. Completion of a form of a proxy will not preclude a member attending and voting in person at the meeting.

GROSVENOR LAND HOLDINGS PLC

Chairman's statement

I am pleased to make my first report to you since the admission of your Company's shares to the Alternative Investment Market of the London Stock Exchange in September last year. The financial statements do not reflect a full year's trading and include £69,748 of costs incurred in connection with the admission to AIM which distort the results for the seven month period. Consequently the results should not be viewed as a reflection of a normal years' trading.

In order to give shareholders a fairer picture of the company's affairs, we have included in these financial statements an unaudited proforma profit and loss account which excludes the listing costs and indicates what a full year's trading might look like. This shows an unaudited proforma profit on ordinary activities before taxation of £100,403.

In March of this year, we completed our first two transactions which included the purchase of a freehold and leasehold property in The Strand, London WC2 and a freehold mainly retail property in Canterbury. Both these transactions have enhanced our cash flow and were funded partly by an issue of new ordinary shares in the Company totalling 535,005 shares.

The outlook for the next financial year is promising. The property investment and trading market has seen a strong steady uplift in terms of transactions being completed and opportunities available. Yields are hardening and in many sectors, rental growth is beginning to be seen after the considerable drop in rental values during the recession in the early part of the 1990's.

We are confident that with the current level of activity in negotiations for new transactions, your Company will achieve its aim of building up a strong portfolio with opportunities for rental growth and trading profits.

P H Edmonds
Chairman

GROSVENOR LAND HOLDINGS PLC

Directors

The Board comprises:

Philippe Henri Edmonds, aged 46 is Non-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. Until June 1996, he was a director of Middlesex Holdings PLC and is currently Chairman of Philippine Gold PLC, a company with gold mining interests.

Douglas Blausten, aged 46 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 Sweden. He holds a number of directorships and is a director and shareholder in Oakburn Properties Plc, the majority shareholder in the company. He is also responsible for managing the financial affairs of the group.

Simon Ansel Blausten, aged 41 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.

GROSVENOR LAND HOLDINGS PLC

Report of the directors for the period from 26 July 1996 to 25 March 1997

The directors present their report together with the audited financial statements for the period from 26 July 1996 to 25 March 1997.

Incorporation and commencement of activities

The Company was incorporated on 26 July 1996 and commenced its activities on 30 August 1996 when it acquired all the issued share capital of Plymouth & Exeter Properties Limited.

Results and dividends

The profit and loss account for the Group is set out on page 8 and shows the result for the period.

The directors do not recommend the payment of a dividend.

Principal activities, trading review and future developments

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

Events since the end of year

There have been no events since the end of the year which materially affect the position of the Company.

Fixed assets

The Group's investment properties were valued by the directors on an open market value basis as at 25 March 1997. In the opinion of the directors, there is no significant difference between this valuation and the book value included in the financial statements.

Directors

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

Ordinary shares of 1p each		
P H Edmonds	(appointed 26 July 1996)	400,000
D Blausten	(appointed 26 July 1996)	-
S A Blausten	(appointed 26 July 1996)	-

D B Blausten and S A Blausten are also directors of Oakburn Properties plc, which holds 83.3% 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	
D Blausten	388,000
S A Blausten	388,000
P H Edmonds	388,000

GROSVENOR LAND HOLDINGS PLC

Report of the directors for the period from 26 July 1996 to 25 March 1997 (*Continued*)

Directors (*Continued*)

These options are exercisable until 4 September 2002 at a price of 12½% per share. The market price of the shares at 25 March 1997 was 14¼% and the range during the period was 13 ¼p to 15¾p.

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 23 July 1997.

	Ordinary shares of 1p each	
	Number	%
Oakburn Properties plc	10,141,472	83.3

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period 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 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Payment to creditors

The Group 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.

Due to the nature of the Group's activities, the directors are of the opinion that it is not appropriate to calculate the Group's trade creditors days.

GROSVENOR LAND HOLDINGS PLC

Report of the directors for the period from 26 July 1996 to 25 March 1997 (*Continued*)

Corporate governance

It is intended that the Company should comply substantially with the recommendations set out in the Cadbury Committee's Code of Best Practice for which guidelines have been issued, bearing in mind the recommendations of the City Group for Smaller Companies (CISCO) which the Board believes are appropriate and applicable to the Company. The Company intends to comply with further relevant guidelines as they are issued. The Board has established Audit and Remuneration Committees with formally delegated responsibilities, both of which are chaired by Mr Philippe Edmonds.

Auditors

BDO Stoy Hayward, who were appointed as first auditors of the Company by the directors, have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board

M E Danbrook



Secretary

Date

7th August 1997

GROSVENOR LAND HOLDINGS PLC

Report of the auditors

To the shareholders of Grosvenor Land Holdings plc

We have audited the financial statements on pages 8 to 21 which have been prepared under the accounting policies set out on pages 13 and 14.

Respective responsibilities of directors and auditors

As described on page 5 the company's directors are responsible for the preparation of the 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 affairs of the company and the group as at 25 March 1997 and of the result of the group for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO STOY HAYWARD
*Chartered Accountants
and Registered Auditors*
London

BDO Stoy Hayward

7 August 1997

GROSVENOR LAND HOLDINGS PLC

Consolidated profit and loss account for the period from 26 July 1996 to 25 March 1997

	Note	£
Turnover - rents receivable	2	239,171
Property expenses		19,021
		<hr/>
		220,150
Management expenses		127,024
		<hr/>
Operating profit	3	93,126
Interest receivable		3,612
Interest payable	4	(152,400)
		<hr/>
Loss on ordinary activities before taxation		(55,662)
Taxation on loss on ordinary activities	6	(13,039)
		<hr/>
Retained loss on ordinary activities after taxation	16	(42,623)
		<hr/>
Loss per share	8	(0.38p)
		<hr/>

All the above amounts relate to acquisitions during the period apart from management expenses of £114,272.
All recognised gains and losses are included in the profit and loss account.

The notes on pages 13 to 21 form part of these financial statements

GROSVENOR LAND HOLDINGS PLC

Reconciliation of movements in shareholders' funds for the period from 26 July 1996 to 25 March 1997

	Group £	Company £
Reconciliation of movements in shareholders' funds		
Loss for the financial period	(42,623)	(49,291)
New share capital subscribed	1,509,558	1,509,558
Capital reserve	25,794	-
	<hr/>	<hr/>
Shareholders' funds at 25 March 1997	1,492,729	1,460,267
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 13 to 21 form part of these financial statements

GROSVENOR LAND HOLDINGS PLC

Consolidated balance sheet at 25 March 1997

	Note	£	£
Fixed assets			
Tangible assets	9		493,190
Current assets			
Stocks	11	4,616,770	
Debtors	12	109,358	
Cash at bank and in hand		99,179	
		<hr/>	
		4,825,307	
Creditors: amounts falling due within one year	13	240,678	
		<hr/>	
Net current assets			4,584,539
			<hr/>
Total assets less current liabilities			5,077,729
Creditors: amounts falling due after more than one year	14		3,585,000
			<hr/>
			1,492,729
			<hr/> <hr/>
Capital and reserves			
Called up share capital	15		121,765
Share premium account	16		1,387,793
Capital reserve	16		25,794
Profit and loss account	16		(42,623)
			<hr/>
Shareholders' funds			1,492,729
			<hr/> <hr/>

The financial statements were approved by the Board on

The notes on pages 13 to 21 form part of these financial statements



GROSVENOR LAND HOLDINGS PLC

Balance sheet at 25 March 1997

	Note	£	£
Fixed assets			
Tangible assets	9		493,190
Investments	10		218,773
			<hr/>
			711,963
Current assets			
Debtors			
- falling due within one year	12	77,652	
- falling due after more than one year	12	954,200	
Cash at bank and in hand		98,638	
		<hr/>	
		1,130,490	
Creditors: amounts falling due within one year	13	47,186	
		<hr/>	
Net current assets			1,083,304
			<hr/>
Total assets less current liabilities			1,795,267
Creditors: amounts falling due after more than one year	14		335,000
			<hr/>
			1,460,267
			<hr/>
Capital and reserves			
Called up share capital	15		121,765
Share premium account	16		1,387,793
Profit and loss account	16		(49,291)
			<hr/>
			1,460,267
			<hr/>

The financial statements were approved by the Board on 7 August 1997

D Blausten


) Directors

)

S A Blausten

The notes on pages 13 to 21 form part of these financial statements

GROSVENOR LAND HOLDINGS PLC**Cash flow statement for the period from 26 July 1996 to 25 March 1997**

	Note	£	£
Net cash inflow from operating activities	17		145,372
Returns on investments and servicing of finance			
Interest received		3,612	
Interest paid		(152,400)	
		<hr/>	
Net cash outflow from returns on investment and servicing of finance			(148,788)
Capital expenditure			
Purchase of tangible fixed assets		(406,983)	
		<hr/>	
Net cash outflow from capital expenditure			(406,983)
Acquisitions			(1,089)
			<hr/>
Cash outflow before financing			(411,488)
Financing			
Issue of shares		155,667	
Increase in debt due		355,000	
		<hr/>	
Net cash inflow from financing	18		510,667
			<hr/>
Increase in cash in the period	18		99,179
			<hr/> <hr/>

The notes on pages 13 to 21 form part of these financial statements

GROSVENOR LAND HOLDINGS PLC

Notes forming part of the financial statements for the period from 26 July 1996 to 25 March 1997

1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the valuation 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 undertaking made up to 25 March 1997.

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

Goodwill on consolidation arises under acquisition accounting and represents the excess of purchase consideration over the fair value of the underlying net assets of subsidiaries at the time of acquisition. Goodwill arising on acquisitions is written off to reserves in the period in which it arises.

Turnover

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

Fixed asset investments

Investments held as fixed assets are valued at cost less any provision for a permanent diminution in value.

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.

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.

GROSVENOR LAND HOLDINGS PLC

Notes forming part of the financial statements for the period from 26 July 1996 to 25 March 1997
(Continued)

1 Accounting policies (Continued)

Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, except that no provision is made where it can be reasonably foreseen that such deferred taxation will not be payable in the future.

2 Turnover and operating profit

The turnover and profit before taxation is attributable to one activity, the renting of commercial property in the United Kingdom.

3 Operating profit

£

This is arrived at after charging:

Auditors' remuneration - audit services	10,000
- non-audit services	1,700
Costs of admission to the Alternative Investment Market	69,748

=====

4 Interest payable

Interest on loans repayable wholly or in part after five years	711
Interest on other loans and overdrafts	149,310
Interest on inter company loans	2,379

=====

5 Directors' emoluments

Fees	26,250
------	--------

=====

Emoluments (excluding pension contributions) of:

Chairman	8,750
Highest paid director	8,750

=====

The number of other directors whose emoluments (excluding pension contributions) fall in the following ranges was:

Number

£5,001 - £10,000	1
------------------	---

=====

GROSVENOR LAND HOLDINGS PLC

Notes forming part of the financial statements for the period from 26 July 1996 to 25 March 1997
(Continued)

6 Taxation on loss from ordinary activities

£

Benefit of tax losses for period

13,039

7 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 loss for the period available before distributions dealt with in the financial statements of the Company was £49,291.

8 Loss per share

The loss per share is calculated by reference to the loss after taxation of £42,623 and the weighted average number of shares in issue during the period of 11,088,233.

9 Tangible assets

Group and Company

Investment properties

	Freehold £	Long leasehold £	Total £
--	---------------	------------------------	------------

Cost

Additions and at end of period

176,113	317,077	493,190
---------	---------	---------

Net book value

At 25 March 1997

176,113	317,077	493,190
---------	---------	---------

The Group's investment properties were valued by the directors on an open market value basis as at 25 March 1997. In the opinion of the directors, there is no significant difference between the valuation and cost included in the financial statements.

10 Fixed asset investments

Company

Group
undertakings
£

Cost

Additions and at end of period

218,773

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

GROSVENOR LAND HOLDINGS PLC

Notes forming part of the financial statements for the period from 26 July 1996 to 25 March 1997
(Continued)

11 Stocks

	Group £	Company £
Properties held for resale	4,616,770	-
	<u> </u>	<u> </u>

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.

12 Debtors

	Group £	Company £
Trade debtors	95,045	13,339
Other debtors	1,274	1,274
Corporation tax	13,039	13,039
Dividend receivable	-	50,000
	<u> </u>	<u> </u>
Amounts falling due within one year	109,358	77,652
Amounts due from subsidiary undertaking (due in more than one year)	-	954,200
	<u> </u>	<u> </u>
	109,358	1,031,852
	<u> </u>	<u> </u>

13 Creditors: amounts falling due within one year

Bank loan (secured see note 14)	20,000	20,000
Trade creditors	117,062	20,549
Amounts due to ultimate parent company	80,766	-
Creditors for taxation and social security	2,925	2,925
Corporation tax	13,924	-
Accruals	6,091	3,712
	<u> </u>	<u> </u>
	240,768	47,186
	<u> </u>	<u> </u>

GROSVENOR LAND HOLDINGS PLC

Notes forming part of the financial statements for the period from 26 July 1996 to 25 March 1997
(Continued)

14 Creditors: amounts falling due after more than one year

	Group £	Company £
Bank loans (secured)	3,585,000	335,000
	<u> </u>	<u> </u>

The bank loans are secured on the group's properties and bear interest at between 1.75% and 1.875% over the base rate of the Royal Bank of Scotland plc.

	Group £	Company £
The bank loans are payable as follows:		
Within two to five years	3,330,000	80,000
After five years	255,000	255,000
	<u> </u>	<u> </u>
	3,585,000	335,000
	<u> </u>	<u> </u>

15 Share capital

	Authorised £	Number	Allotted, called up and fully paid £	Number
Ordinary shares of 1p each	1,000,000	100,000,000	121,765	12,176,477
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

On 30 August 1996 the Company allotted 1,741,472 ordinary shares to acquire the entire share capital of Plymouth & Exeter Properties Limited. A further 8,400,000 ordinary shares were issued to Oakburn Properties plc at 12.5p per share as a repayment of debt.

On 11 September 1996 the Company allotted a further 1,500,000 ordinary shares at 12.5p per share on its admission to the London Stock Exchanges Alternative Investment Market.

On 17 March 1997 the Company allotted a further 535,005 ordinary shares at a value of £86,207 as partial consideration for the acquisition of two properties.

The following share options have been granted under the Company's Executive Share Option Scheme, all of which are exercisable between the first anniversary of the date of grant and remain exercisable for six years thereafter.

Date granted	Option price	Number of ordinary shares of 1p each
4 September 1996	12.5p	1,164,000

GROSVENOR LAND HOLDINGS PLC

Notes forming part of the financial statements for the period from 26 July 1996 to 25 March 1997
(Continued)

16 Reserves

Group	Share premium account £	Capital reserves £	Profit and loss account £
Issue of shares	1,387,793	-	-
On acquisition of subsidiary	-	25,794	-
Accumulated loss	-	-	(42,623)
	<hr/>	<hr/>	<hr/>
At end of period	1,387,793	25,794	(42,623)
	<hr/>	<hr/>	<hr/>
Company			
Issue of shares	1,387,793	-	-
Accumulated loss	-	-	(49,291)
	<hr/>	<hr/>	<hr/>
At end of period	1,387,793	-	(49,291)
	<hr/>	<hr/>	<hr/>

17 Reconciliation of operating loss to net cash outflow from operating activities

	£
Operating profit	93,126
Increase in debtors	(8,355)
Increase in creditors	60,601
	<hr/>
Net cash inflow from operating activities	145,372
	<hr/>

GROSVENOR LAND HOLDINGS PLC

Notes forming part of the financial statements for the period from 26 July 1996 to 25 March 1997
(Continued)

18 Analysis of changes in net debt

	Cash flow £	Acquisition (excluding cash and overdraft) £	At 25 March 1997 £
Cash in hand, at bank	99,179	-	99,179
Debt due within one year	(20,000)	-	(20,000)
Debt due after one year	(335,000)	(3,250,000)	(3,585,000)
	(355,000)	(3,250,000)	(3,605,000)
	(255,821)	(3,250,000)	(3,505,821)

19 Reconciliation of net cash flow to movement in net debt

	£
Increase in cash in the period	99,179
Cash inflow from increase in debt	(355,000)
Loans acquired with subsidiary	(3,250,000)
Movement in net debt in the period and at 25 March 1997	(3,505,821)

GROSVENOR LAND HOLDINGS PLC

Notes forming part of the financial statements for the period from 26 July 1996 to 25 March 1997
(Continued)

20 Purchase of subsidiary undertaking

On 30 August 1996 the Company acquired the entire share capital of Plymouth & Exeter Properties Limited for 1,741,472 shares and £1,089 cash, giving rise to a capital reserve of £25,794. The fair value of Plymouth & Exeter Properties Limited was assessed and no adjustments were found necessary.

	£
Net assets acquired	
Stock	4,616,770
Debtors	87,964
Creditors	(1,196,243)
Corporation tax	(13,924)
Long term loan	(3,250,000)
	<hr/>
	244,567
Capital reserve	(25,794)
	<hr/>
	218,773
	<hr/>
Satisfied by	
Issue of shares	217,684
Cash	1,089
	<hr/>
	218,773
	<hr/>

The trading results and statement of recognised gains and losses of Plymouth & Exeter Properties Limited for the period 26 March 1996 to 30 August 1996 were as follows:

	£
Rents receivable	<u>239,171</u>
Operating profit	<u>58,083</u>
Profit before taxation	59,043
Taxation	<u>13,924</u>
Profit after taxation	<u>45,119</u>

There were no minority interests for the period. All recognised gains and losses are included in the profit after taxation for the period.

The profit after tax for Plymouth and Exeter Properties Limited for the year ended 25 March 1996 was £6,444. There were no minority interests in that period.

GROSVENOR LAND HOLDINGS PLC

Notes forming part of the financial statements for the period from 26 July 1996 to 25 March 1997
(Continued)

21 Related party transactions

During the period, the Group paid fees inclusive of VAT of £18,405 for managing properties and advising on property purchases to Cyril Leonard & Co, a firm of which Messrs D Blausten and S A Blausten, directors of the Company, are partners.

No amounts in respect of any of the above were outstanding at 25 March 1997.

On 30 August 1996 the Company acquired all the issued share capital of Plymouth & Exeter Properties Limited from Oakburn Properties plc as disclosed in note 20. As stated in note 22 Oakburn Properties plc is the Company's ultimate controlling party. At 25 March 1997 the Group owed Oakburn Properties plc £80,766; this loan bears interest at 1.5% over the base rate of the Royal Bank of Scotland plc.

22 Ultimate parent company

At 25 March 1997, the Company's ultimate parent company and controlling party was 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.

GROSVENOR LAND HOLDINGS PLC

Principal tenants

SOME OF GROSVENOR LAND'S TENANTS

Allied Domecq

The Co-Op

Barratt Shoes

Fourbouys

Victoria Wines

Stead & Simpson

Post Office Counters

Sue Ryder

Oxfam

Fads

Woolwich Building Society

GROSVENOR LAND HOLDINGS PLC

Unaudited proforma consolidated profit and loss account for the year ended 25 March 1997

	£
Rent receivable	539,892
Property expenses	39,273
	<hr/>
	500,619
Management expenses	117,390
	<hr/>
Operating profit	383,229
Interest receivable	4,572
Interest payable	287,398
	<hr/>
Profit on ordinary activities before taxation	100,403
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Basis of Preparation

The proforma statement has been prepared on the assumption that the subsidiary undertaking of Grosvenor Land Holdings plc was part of group for the year ended 25 March 1997. The proforma statement also assumes that the properties acquired in March 1997 had been acquired on the 26 March 1996 and therefore includes a full years' rent and interest charge on the loan taken out to acquire the properties. It also assumes a full years' management expenses including fees of the directors, nominated advisor and broker, but excludes the cost of the Company's admission to AIM.