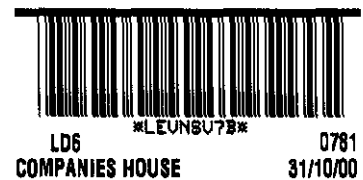


V.V. Redhill G.P. Limited

Directors' report and financial statements

for the period to 31 December 1999
Registered number 3242396



Directors' report and financial statements

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Directors' report

The directors' present their annual report and audited financial statements for the period to 31 December 1999.

Principal activities

The principal activity of V.V. Redhill G.P. Limited is operating and managing V.V. Redhill L.P.

Business review

The 1999 financial period met our expectations. We have every reason to believe that this will also be the case in 2000.

Proposed dividend

No dividend was declared for 1999 (1998: £nil). The profit for the period retained by the company is £11,581 (1998: £ 11,066).

Directors' report (*continued*)

Directors and directors' interests

The directors who held office during the period were as follows:

Rodney Bysh	(resigned 30 September 1999)
Ray Daws	(resigned 18 April 2000)
Keith Bright	(resigned 18 April 2000)
Henderson Secretarial Services Limited	(appointed 24 July 2000)
Andrew Smith	(appointed 24 July 2000)
Patrick Bushnell	(appointed 18 April 2000)
Mark Carpenter	(appointed 18 April 2000)
Roger Ely	(appointed 18 April 2000)
Karl H Kronester	(appointed 18 April 2000)
Ute Geipel-Faber	(appointed 30 September 1999)

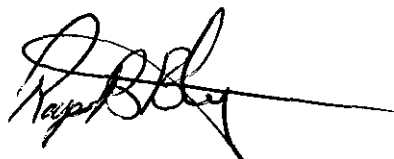
None of the directors who held office at the end of the financial period had any disclosable interest in the shares of the company.

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company were granted to any of the directors or their immediate families, or exercised by them, during the financial period.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board



Director

V.V. Redhill G.P. Ltd
3 Finsbury Avenue
London EC2M 2PA

30 October 2000

Statement of 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 for that period. In preparing those 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;
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



PO Box 486
8 Salisbury Square
London EC4Y 8BB

Report of the auditors to the members of V.V. Redhill G.P. Limited

We have audited the financial statements on pages 5 to 10.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by 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 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 directors' remuneration and transactions with the company is not disclosed.

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 preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1999 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG
KPMG
Chartered Accountants
Registered Auditors

31 October 2000

V.V. Redhill G.P. Limited
Directors' report and financial statements
for the period to 31 December 1998

Profit and loss account
for the period ended 31 December 1999

	<i>Note</i>	1999	1998
Turnover	<i>1</i>	17,500	17,500
Gross profit		17,500	17,500
Administrative expenses		(897)	(1,443)
Profit on ordinary activities before taxation	<i>2</i>	16,603	16,057
Tax on profit on ordinary activities	<i>5</i>	(5,022)	(4,991)
Profit for the financial period		11,581	11,066
Dividends paid and proposed		--	--
Retained profit for the period		11,581	11,066

There were no recognised gains or losses during the period, other than those dealt with in the profit and loss account.

There is no difference between profit and retained profit for the period and their historical equivalents.

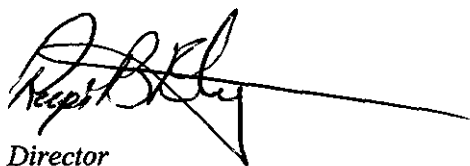
All of the company's operations are of a continuing nature.

V.V. Redhill G.P. Limited
Directors' report and financial statements
for the period to 31 December 1998

Balance Sheet
at 31 December 1999

	<i>Note</i>	1999	1998
Current assets			
Debtors ACT recoverable		--	--
Cash at bank and in hand		27,868	17,525
		<hr/>	<hr/>
		27,868	17,525
Creditors: amounts falling due within one year			
Loan from LP (re: 1996 audit fee)		15	15
Corporation Tax		3,446	4,978
Accruals		1,524	1,230-
ACT payable		--	--
		<hr/>	<hr/>
		(4,985)	(6,223)
Net assets		<hr/>	<hr/>
		22,883	11,302
Capital and reserves			
Called up share capital	6	1	1
Profit and loss account		22,882	11,301
		<hr/>	<hr/>
		22,883	11,302
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 30 October and were signed on its behalf by:



Director

Reconciliation of movements in shareholders' funds
for the period ended 31 December 1999

	1999 £000	1998 £
Profit for the financial period	11,581	11,066
Dividends	--	--
Net addition to shareholders' funds	<u>11,581</u>	<u>11,066</u>
Opening shareholders' funds	11,302	236
Closing shareholders' funds	<u>22,883</u>	<u>11,302</u>

Notes

(forming part of the financial statements)

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

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

The company is exempt from the requirement of the Financial Reporting Standard to prepare a cash flow statement as it is entitled to the filing exemptions as a small company under sections 246 and 249 of the Companies Act 1985 when filing accounts with the Registrar of Companies.

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Advance corporation tax recoverable by deduction from future corporation tax is carried forward within deferred taxation or as ACT recoverable within debtors as appropriate.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the period.

Notes (continued)

2. Profit on ordinary activities before taxation

	1999	1998
	£	£
Profit on ordinary activities before taxation is stated after charging :		
Auditor's remuneration:		
In capacity as auditors	750	500
Other services	300	715

3. Remuneration of directors

None of the directors received any remuneration in the period to 31 December 1999 or the prior period for their services.

No emoluments have been waived by any director.

4. Staff number and costs

The company had no employees during the period to 31 December 1999 or the prior period.

5. Taxation

	1999
	£
UK corporation tax at 30.25%	5,022

6. Called up share capital

	1999 £	1998 £
<i>Authorised</i>		
Ordinary shares of £1 each	100	100
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	1	1
	<hr/>	<hr/>

7. Ultimate parent company and parent undertaking of which the company is a member

The company is a subsidiary undertaking of VV Immobilienverwaltungs GmbH incorporated in the Federal Republic of Germany and registered in Munich.

The largest group in which the results of the company are consolidated is that headed by the Bayerische Hypo- und Vereinsbank AG, incorporated in the Federal Republic of Germany and registered in Munich. The consolidated accounts of this group are available to the public.