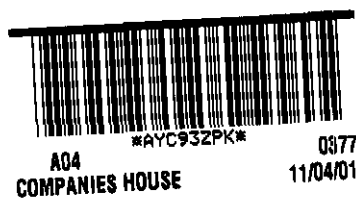


**CHARTERHOUSE PROPERTY FUNDS (HOLDING) LIMITED**

Registered Number 3335872

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2000**



# CHARTERHOUSE PROPERTY FUNDS (HOLDING) LIMITED

---

## DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the year ended 31 December 2000.

### Review of the business

The Company is a property fund investment holding company.

### Future developments

The Directors intend that the Company shall continue to act as such a holding company.

### Accounts and dividends

The Company made a profit on its ordinary activities before taxation during the year under review of £1,102,570 (1999: £160,222) resulting in a profit after taxation for the year of £1,087,673 (1999: £158,695).

The Directors have resolved that an interim dividend of £1,076,065 (1999: £158,695) be paid in respect of the year under review. No final dividend is to be proposed (1999: £nil).

The state of the Company's affairs as at the end of the year under review is shown in the accompanying balance sheet.

### Directors

The Directors who served during the year were

E D Glover  
W M F von Guionneau

### Directors' interests

Neither of the Directors had, at 31 December 2000, any interests of the shares in the Company or in the securities of any other company in the group of which it is a member.

### Directors' responsibilities

The Directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and its subsidiary undertakings as at the end of the financial year and of the profit or loss for the financial year. The Directors are required to prepare these financial statements on the going concern basis unless it is not appropriate. Since the Directors are satisfied that the Company has the resources to continue in business for the foreseeable future, the financial statements continue to be prepared on the going concern basis.

The Directors consider that in preparing the financial statements on pages 4 to 9, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The Directors 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.

# CHARTERHOUSE PROPERTY FUNDS (HOLDING) LIMITED

---

## DIRECTORS' REPORT (continued)

### Auditors

During the period under review PricewaterhouseCoopers resigned as auditors of the Company and KPMG Audit Plc was appointed by the Directors to fill the casual vacancy.

By Order of the Board



for PATERNOSTER SECRETARIES LIMITED  
Secretary

12 February 2001

# CHARTERHOUSE PROPERTY FUNDS (HOLDING) LIMITED

---

## REPORT OF THE AUDITORS TO THE MEMBERS OF CHARTERHOUSE PROPERTY FUNDS (HOLDING) LIMITED

We have audited the financial statements on pages 4 to 9.

### Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described in the Directors' report, this includes responsibility for preparing 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 is not disclosed.

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

### Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all 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 at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

KPMG Audit Plc  
8 Salisbury Square  
Chartered Accountants and Registered Auditor  
London EC4Y 8BB

12 February 2001

# CHARTERHOUSE PROPERTY FUNDS (HOLDING) LIMITED

## PROFIT AND LOSS ACCOUNT for the year ended 31 December 2000

	Notes	2000 £	1999 £
<b>Other operating income</b>	2	<b>1,052,915</b>	155,172
Administrative expenses		(2,610)	(8,500)
<b>Operating profit</b>		<b>1,050,305</b>	146,672
Interest receivable and similar income	3	<b>52,265</b>	13,550
<b>Profit on ordinary activities before taxation</b>		<b>1,102,570</b>	160,222
Tax on profit on ordinary activities	7	(14,897)	(1,527)
<b>Profit on ordinary activities after taxation</b>		<b>1,087,673</b>	158,695
Dividends	8	(1,076,065)	(158,695)
<b>Profit for the year</b>	14	<b>11,608</b>	-

The Company had no recognised gains and losses other than those included in the profit and loss account. Therefore no separate statement of total recognised gains and losses is presented.

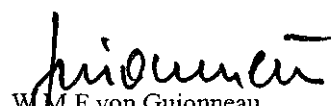
The turnover and operating profit of the Company are derived entirely from continuing operations.

# CHARTERHOUSE PROPERTY FUNDS (HOLDING) LIMITED

## BALANCE SHEET as at 31 December 2000

	Notes	2000 £	1999 £
<b>Fixed assets</b>			
Investments in subsidiary undertakings	9	10,088	10,072
<b>Current assets</b>			
Debtors	10	9,497,874	4,846,444
Cash at bank and in hand	11	324,086	312,278
		<u>9,821,960</u>	<u>5,158,722</u>
<b>Creditors - amounts falling due within one year</b>	12	(4,820,440)	(168,794)
<b>Net current assets</b>		<u>5,001,520</u>	<u>4,989,928</u>
<b>Net assets</b>		<u>5,011,608</u>	<u>5,000,000</u>
<b>Capital and reserves</b>			
Called up share capital	13	5,000,000	5,000,000
Profit and loss account	14	11,608	-
<b>Total shareholders' funds</b>	15	<u>5,011,608</u>	<u>5,000,000</u>
Equity shareholders funds		61,608	50,000
Non-equity shareholders funds		4,950,000	4,950,000
		<u>5,011,608</u>	<u>5,000,000</u>

The financial statements on pages 4 to 9 were approved by the Board of Directors on 12 February 2001, and signed on its behalf by:-

  
W M F von Guionneau  
Director

# CHARTERHOUSE PROPERTY FUNDS (HOLDING) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2000

1. Accounting policies

(a) *Basis of preparation*

These financial statements have been prepared under the historical cost convention and in accordance with accounting standards applicable to the United Kingdom.

(b) *Investments*

Investments in subsidiary undertakings are carried at cost less provisions for permanent diminution in value. In accordance with the exemption available under Section 228 (1)(a) of the Companies Act 1985, the Company has not prepared consolidated financial statements.

(c) *Cash flow statement*

These financial statements do not contain a cash flow statement by virtue of the exemptions available to the Company under paragraph 5(a) of Financial Reporting Standard No. 1 (Revised 1996), as the Company's financial statements are included in the consolidated financial statements of its ultimate parent company, which are publicly available.

2. Other operating income

	2000 £	1999 £
Dividends receivable	1,052,915	155,172

3. Interest receivable and similar income

	2000 £	1999 £
On bank deposits	52,265	13,550

4. Directors' emoluments

The Directors' emoluments are borne by the a group undertaking. It is not practicable to allocate costs to Charterhouse Property Funds (Holding) Limited for the services performed by the Directors in relation to the Company.

5. Employees

The Company had no employees during the year under review nor in the previous financial year.

6. Auditors' remuneration

The auditors' remuneration for the current financial year is £2,500 (1999: £1,500).

7. Tax on profit on ordinary activities

	2000 £	1999 £
United Kingdom corporation tax at 30%	14,897	1,527

The effective current year tax rate is significantly below the standard rate of UK corporate tax due to the existence of non-taxable income.

# CHARTERHOUSE PROPERTY FUNDS (HOLDING) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) 31 December 2000

### 8. Dividends

	2000 £	1999 £
On equity shares:		
Interim dividend of £21.03 (1999 : £2.80) per ordinary share	1,051,315	140,132
On non-equity shares:		
Dividend of 0.5% on redeemable preference shares	24,750	18,563
	<u>1,076,065</u>	<u>158,695</u>

### 9. Investments in subsidiary undertakings

	2000 £
Cost	
At 1 January	10,072
Additions	16
At 31 December	<u>10,088</u>

The Company's subsidiary undertakings, which are all wholly owned, are listed below.

Name of Undertaking	Class of Capital	Class of Business
Charterhouse Income Carry SLP Limited	Ordinary shares	Investment company
Charterhouse (Jersey) Limited	Ordinary shares	Holding company
Charterhouse Property General Partner Limited	Ordinary shares	Investment company
Charterhouse Property LP Limited	Ordinary shares	Investment company
Charterhouse Property Nominees Limited	Ordinary shares	Nominee company
Charterhouse Property Nominees (No 3) Limited	Ordinary shares	Nominee company
Charterhouse Property Special LP Limited	Ordinary shares	Investment company
Charterhouse Retail Property General Partner Limited	Ordinary shares	Property investment
Charterhouse Retail Property Special LP Limited	Ordinary shares	Property investment
CL Administration Limited	Ordinary shares	Nominee company
CL Residential Limited	Ordinary shares	Investment management company

### 10. Debtors

	2000 £	1999 £
Amounts due from group undertakings	9,497,874	4,691,272
Other debtors	-	155,172
	<u>9,497,874</u>	<u>4,846,444</u>

### 11. Cash at bank and in hand

	2000 £	1999 £
Amounts deposited with group undertakings	324,086	312,278



# CHARTERHOUSE PROPERTY FUNDS (HOLDING) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2000

### 12. Creditors - amounts falling due within one year

	2000 £	1999 £
Amounts due to group undertakings	4,800,016	7,072
Corporation tax payable	16,424	1,527
Other creditors	4,000	1,500
Proposed dividends	-	158,695
	<u>4,820,440</u>	<u>168,794</u>

### 13. Share Capital

	2000 £	1999 £
Authorised, allocated, called up and fully paid		
50,000 ordinary shares of £1 each	50,000	50,000
4,950,000 0.5% redeemable preference shares of £1 each	4,950,000	4,950,000
	<u>5,000,000</u>	<u>5,000,000</u>

### 14. Profit and loss account

	2000 £
At 1 January	-
Profit for the year	1,087,673
Dividends	(1,076,065)
At 31 December	<u>11,608</u>

### 15. Reconciliation of movements in shareholders' funds

	2000 £	1999 £
At 1 January	5,000,000	2
Profit for the year	1,087,673	158,695
Dividends	(1,076,065)	(158,695)
Issue of shares	-	4,999,998
At 31 December	<u>5,011,608</u>	<u>5,000,000</u>

### 16. Related party transactions

Under the terms of Financial Reporting Standard No. 8, Related Party Disclosures, the Company is exempt from disclosing transactions with companies 90% or more controlled within the same group, as the consolidated financial statements in which the Company is included are publicly available.

# CHARTERHOUSE PROPERTY FUNDS (HOLDING) LIMITED

---

## NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2000

### 17. Parent undertakings

The Company's immediate parent company is Charterhouse Specialist Investments Limited, which is incorporated in England.

The Company's ultimate controlling party as defined under Financial Reporting Standard 8 'Related Party Disclosures' (FRS 8) is HSBC Holding plc, which is incorporated in England. The Company is controlled, as defined in FRS 8 by Crédit Commercial de France SA, incorporated in France.

The smallest and largest group in which the financial statements of the Company are consolidated are Crédit Commercial de France SA and HSBC Holdings plc respectively.

The consolidated financial statements of HSBC Holdings plc are available to the public and may be obtained from HSBC Holdings plc, Group Corporate Affairs, 10 Lower Thames Street, London EC3R 6AE.