

CHARTERHOUSE PROPERTY FUNDS (HOLDING) LIMITED

Registered Number 3335872

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001



CHARTERHOUSE PROPERTY FUNDS (HOLDING) LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2001

Principal Activities

The Company is an investment holding company. No change in the Company's activities is anticipated.

Results and dividends

The Company made a profit on its ordinary activities before taxation during the year under review of £1,350,850 (2000: £1,102,570) resulting in a profit after taxation for the year of £1,349,351 (2000: £1,087,673).

Interim dividends of £24,750 (2000: £24,750) and £1,336,209 (2000: £158,695) are payable on 28 February 2002 on the redeemable preference shares and ordinary shares respectively, in respect of the year ended 31 December 2001.

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 as follows:

Name	Appointed	Resigned
E D Glover	-	-
W M F von Guionneau	-	-
S P de Albuquerque	12 February 2001	-

Directors' interests

As at 31 December 2001, no Director had interests of the shares in the Company or in the securities of any other company in the group of which it is a member, required to be disclosed under the Companies Act 1985.

CHARTERHOUSE PROPERTY FUNDS (HOLDING) LIMITED

REPORT OF THE DIRECTORS (continued)

Statement of directors' responsibilities in relation to financial statements

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 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, 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 at any time 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.

By order of the board



N S Black
Secretary

22 February 2002

Registered Office:
55 Basinghall Street
London
EC2V 5HD

CHARTERHOUSE PROPERTY FUNDS (HOLDING) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SOLE MEMBER 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 Directors' report and, as described on page 2, 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 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.


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 as at 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


KPMG Audit Plc

Chartered Accountants and Registered Auditor
8 Salisbury Square
London EC4Y 8BB

22 February 2002

CHARTERHOUSE PROPERTY FUNDS (HOLDING) LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2001

	Notes	2001 £	2000 £
Other operating income	2	1,345,854	1,052,915
Administrative expenses		(474)	(2,610)
Operating profit		1,345,380	1,050,305
Interest receivable and similar income	3	5,470	52,265
Profit on ordinary activities before taxation		1,350,850	1,102,570
Tax charge on profit on ordinary activities	7	(1,499)	(14,897)
Profit for the financial year after taxation		1,349,351	1,087,673
Dividends	8	(1,360,959)	(1,076,065)
Transferred (from)/to reserves	14	(11,608)	11,608

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 2001

	Notes	2001 £	2000 £
Fixed assets			
Investments in subsidiary undertakings	9	10,088	10,088
Current assets			
Debtors	10	22,789,227	9,497,874
Cash at bank and in hand	11	3,389	324,086
		<u>22,792,616</u>	<u>9,821,960</u>
Creditors - amounts falling due within one year	12	(17,802,704)	(4,820,440)
Net current assets		<u>4,989,912</u>	<u>5,001,520</u>
Net assets		<u>5,000,000</u>	<u>5,011,608</u>
Capital and reserves			
Called up share capital	13	5,000,000	5,000,000
Profit and loss account	14	-	11,608
Total shareholders' funds	15	<u>5,000,000</u>	<u>5,011,608</u>
Equity shareholders funds		50,000	61,608
Non-equity shareholders funds		<u>4,950,000</u>	<u>4,950,000</u>
		<u>5,000,000</u>	<u>5,011,608</u>

The financial statements on pages 4 to 9 were approved by the Board of Directors on 22 February 2002 and signed on its behalf by:-


W M F von Guionneau
Director

CHARTERHOUSE PROPERTY FUNDS (HOLDING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2001

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 impairment in value. In accordance with the exemption available under Section 228 (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

	2001 £	2000 £
Dividends receivable	1,345,854	1,052,915

3. Interest receivable and similar income

	2001 £	2000 £
On bank deposits	5,470	52,265

4. Directors' emoluments

The Directors' emoluments are borne by 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 and in the previous financial year.

6. Auditors' remuneration

The auditors' remuneration for the current financial year is £nil (2000: £2,500).

7. Tax on profit on ordinary activities

	2001 £	2000 £
United Kingdom corporation tax at 30%	1,499	14,897

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

CHARTERHOUSE PROPERTY FUNDS (HOLDING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) 31 December 2001

8. Dividends

	2001 £	2000 £
On equity shares:		
Interim dividend of £26.72 (2000 : £21.03) per ordinary share	1,336,209	1,051,315
On non-equity shares:		
Dividend of 0.5% on redeemable preference shares	24,750	24,750
	<u>1,360,959</u>	<u>1,076,065</u>

9. Investments in subsidiary undertakings

	2001 £	2000 £
Cost		
At 1 January	10,088	10,072
Additions	-	16
	<u>10,088</u>	<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 General Partner (No 4) Limited	Ordinary shares	Investment company
Charterhouse Property Special LP Limited	Ordinary shares	Investment company
Charterhouse Retail Property General Partner Limited	Ordinary shares	Property investment
Charterhouse Retail Property Nominees Limited	Ordinary shares	Nominee company
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

	2001 £	2000 £
Amounts due from group undertakings	<u>22,789,227</u>	<u>9,497,874</u>

11. Cash at bank and in hand

	2001 £	2000 £
Amounts deposited with group undertakings	<u>3,389</u>	<u>324,086</u>

CHARTERHOUSE PROPERTY FUNDS (HOLDING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2001

12. Creditors - amounts falling due within one year

	2001 £	2000 £
Amounts due to group undertakings	16,421,349	4,800,016
Corporation tax payable	16,396	16,424
Other creditors	4,000	4,000
Dividends payable	1,360,959	-
	<u>17,802,704</u>	<u>4,820,440</u>

Amounts due to group undertakings are interest free. There is no fixed repayment period.

13. Share Capital

	2001 £	2000 £
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

	2001 £	2000 £
At 1 January	11,608	-
Profit for the year	1,349,351	1,087,673
Dividends	(1,360,959)	(1,076,065)
	<u>-</u>	<u>11,608</u>

15. Reconciliation of movements in shareholders' funds

	2001 £	2000 £
At 1 January	5,011,608	5,000,000
Profit for the year	1,349,351	1,087,673
Dividends	(1,360,959)	(1,076,065)
	<u>5,000,000</u>	<u>5,011,608</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 2001

17. Parent undertakings

The Company's immediate parent company is HSBC Specialist Investments Limited.

The Company's ultimate controlling party as defined under Financial Reporting Standard 8 'Related Party Disclosures' (FRS 8) is HSBC Holdings plc. 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 Crédit Commercial de France SA are available from that company at 103, avenue des Champs-Élysées, 75008, Paris, France.

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.