

POUNDSBRIDGE (MOORGATE) LIMITED

COMPANY REGISTRATION NUMBER 3470600

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

YEAR ENDED 31 DECEMBER 2001



POUNDSBRIDGE (MOORGATE) LIMITED

DIRECTORS' REPORT

The directors present their report and the financial statements of the company for the year ended 31 December 2001.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was property investment through the company's holding in Moorgate Investment Partnership.

The directors do not anticipate any significant change in the activity of the company and its profitability.

RESULTS AND DIVIDENDS

The results of the company for the year are shown on page 4. Loss on ordinary activities before taxation was £4,409 (2000 - £4,251 loss).

The directors have not recommended payment of a dividend (2000 - £nil)

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year were as follows:

J D T Titchen	
R C Williams	
R S Handley	(Appointed 8 February 2001)
S H R Musgrave	(Appointed 8 February 2001)

None of the directors in office at 31 December 2001 had any interests in the securities of the company, Grosvenor Group Holdings Limited, its ultimate parent undertaking, or any of its fellow subsidiary undertakings which are required to be disclosed under the Companies Act 1985.

DIRECTORS' RESPONSIBILITIES

United Kingdom 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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on page 6, 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.

POUNDSBRIDGE (MOORGATE) LIMITED

DIRECTORS' REPORT *(continued)*

DIRECTORS' RESPONSIBILITIES (continued)

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. The directors are also responsible for safeguarding the assets of the company, the system of internal control and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

Pursuant to S386 of the Companies Act 1985 an elective resolution has been passed to dispense with the requirement to reappoint auditors annually.

Signed by order of the Board



C M Tolhurst
Company Secretary

0 7 MAR 2002

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
POUNDSBRIDGE (MOORGATE) LIMITED
YEAR ENDED 31 DECEMBER 2001

We have audited the financial statements of Poundsbridge (Moorgate) Limited for the year ended 31 December 2001 which comprise the profit and loss account, the balance sheet, and the related notes on pages 6 to 11. These financial statements have been prepared under the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

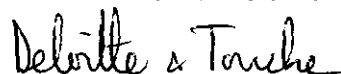
BASIS OF AUDIT OPINION

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 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 the loss of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche
Chartered Accountants & Registered Auditors
Hill House, 1 Little New Street
London, EC4A 3TR

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POUNDSBRIDGE (MOORGATE) LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2001**

	Note	2001 £	2000 £
Turnover	3	-	5,882,523
Cost of sales		(952)	(5,887,916)
Gross loss		(952)	(5,393)
Administrative expenses		(8,826)	(6,474)
Operating loss	4	(9,778)	(11,867)
Interest receivable		5,369	7,616
Loss on ordinary activities before taxation		(4,409)	(4,251)
Tax on loss on ordinary activities	7	-	1,443
Retained loss for the financial year		<u>(4,409)</u>	<u>(2,808)</u>

The company has no recognised gains or losses in the current or preceding year other than the results as set out above.


All of the activities of the company are classed as continuing.

POUNDSBRIDGE (MOORGATE) LIMITED**BALANCE SHEET AS AT 31 DECEMBER 2001**

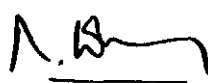
	Note	2001 £	2000 £
Tangible fixed assets			
Investment properties under development	8	5,609,064	4,393,920
Investments	9	<u>1</u>	<u>1</u>
		<u>5,609,065</u>	<u>4,393,921</u>
Current assets			
Debtors	11	2,286,379	3,281,486
Cash at bank and in hand		<u>32,790</u>	<u>248,886</u>
		2,319,169	3,530,372
Creditors: amounts falling due within one year	12	(7,600,907)	(7,592,557)
Net current liabilities		<u>(5,281,738)</u>	<u>(4,062,185)</u>
Total assets less current liabilities		<u>327,327</u>	<u>331,736</u>
Creditors: amounts falling due after more than one year	13	<u>(337,309)</u>	<u>(337,309)</u>
		<u>(9,982)</u>	<u>(5,573)</u>
Capital and reserves			
Called-up equity share capital	15	1	1
Profit and loss account	16	<u>(9,983)</u>	<u>(5,574)</u>
Equity shareholders' deficit	17	<u>(9,982)</u>	<u>(5,573)</u>

07 MAR 2002

These financial statements were approved by the Board on the, and are signed on its behalf by:



 Director



 Director

POUNDSBRIDGE (MOORGATE) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****1. ACCOUNTING POLICIES****(a) Basis of accounting**

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

(b) Cash flow statement

The directors have taken advantage of the exemption in FRS1 (revised) 'Cash flow statements' from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

(c) Turnover

The turnover and profit before tax are attributable to property investment and arise within the United Kingdom.

(d) Depreciation

In accordance with SSAP 19 (Revised) 'Accounting for Investment Properties' no depreciation is provided on freehold or on leasehold properties with an unexpired term exceeding twenty years. The directors consider that this departure from the requirement of the Companies Act 1985 for all properties to be depreciated is necessary for the financial statements to show a true and fair view, since depreciation is reflected in the open market valuation and cannot be quantified separately. Depreciation is provided on short leasehold properties with twenty years or less unexpired over the period of the lease.

(e) Investment properties

Investment properties are valued annually at open market value by independent valuers. Any surplus or deficit on revaluation is transferred to the revaluation reserve, except that any permanent diminution in value below original cost is taken to the profit and loss account. Investment properties under development are stated at the lower of cost and net realisable value. Profits and losses on the disposal of investment properties are calculated by reference to book value and included in the profit and loss account.

(f) Joint arrangements

An undertaking is regarded as a joint arrangement if the company has a participating interest and joint control over operating and financial policies but the undertaking is not an entity distinguishable from the business of its investors.

In accordance with FRS 9 'Associates and Joint Ventures' the company accounts for its share of the individual items of income, expenditure, assets, liabilities and cash flows of joint arrangements. The directors consider that this departure from the requirement of the Companies Act 1985 to account for incorporated joint arrangements as either associates or trade investments is necessary for the financial statements to show a true and fair view because joint arrangements are in substance an extension of the company's own business.

POUNDSBRIDGE (MOORGATE) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****2. BASIS OF PREPARATION**

The ultimate parent company has confirmed its intention to provide financial support as necessary and on this basis the directors are satisfied the going concern basis of preparation continues to be appropriate.

3. TURNOVER

The turnover and profit before tax are attributable to property investment and arise within the United Kingdom.

4. OPERATING LOSS

Operating loss is stated after charging:

	2001 £	2000 £
- as auditors to joint arrangements	1,085	1,087

5. AUDITORS' REMUNERATION

Auditors' remuneration for Poundsbridge (Moorgate) Limited has been borne by a fellow subsidiary undertaking both in the current and prior year. The auditors remuneration disclosed in note 4 relates to the company's share of audit fees borne by its joint arrangements.

6. PARTICULARS OF EMPLOYEES

No salaries or wages have been paid to employees, including the directors, during both the current and prior year.

7. TAX ON LOSS ON ORDINARY ACTIVITIES

	2001 £	2000 £
Corporation tax based on the results for the year at 30% (2000 - 30%)	-	(1,443)

The taxation charge for the year will be borne by the intermediate holding company Grosvenor Limited.

POUNDSBRIDGE (MOORGATE) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****8. INVESTMENT PROPERTIES UNDER DEVELOPMENT**

	Long Leasehold £
Cost	
At 1 January 2001	4,393,920
Additions	1,215,144
At 31 December 2001	<u>5,609,064</u>
Net book value	
At 31 December 2001	<u>5,609,064</u>
At 31 December 2000	<u>4,393,920</u>

The company's only investment property is currently under development and therefore is stated at cost. The directors are satisfied that the costs incurred to date are less than the net realisable value.

Capital commitments

	2001 £	2000 £
Contracted but not provided for in the accounts	<u>3,383,900</u>	<u>-</u>

9. INVESTMENTS**Unlisted shares**

	£
Cost	
At 1 January 2001 and 31 December 2001	<u>1</u>
Net book value	
At 31 December 2001	<u>1</u>
At 31 December 2000	<u>1</u>

The company owned the following investments at 31 December 2001:

	Nature of Business	Class held	Percentage
Moorgate GP Limited	General partner	'A' ordinary	25%

POUNDSBRIDGE (MOORGATE) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****10. INTERESTS IN JOINT ARRANGEMENTS**

At 31 December 2001, the company had the following interests in joint arrangement which is accounted for on the basis explained in the accounting policies, but which is classified as an investment under Companies Act 1985

	Nature of Business	Effective interest
Moorgate Investment Partnership	Property investment	21.63%

The limited partnership is governed by English law and its principal office is located at 70 Grosvenor Street, London, W1K 3JP.

11. DEBTORS

	2001 £	2000 £
Amounts owed by group undertakings	168,655	168,654
Other debtors	2,117,724	3,112,832
	<u>2,286,379</u>	<u>3,281,486</u>

The debtors above include the following amounts falling due after more than one year:

	2001 £	2000 £
Amounts owed by group undertakings	168,655	168,654
Other debtors	168,654	168,654
	<u>337,309</u>	<u>337,308</u>

12. CREDITORS: Amounts falling due within one year

	2001 £	2000 £
Trade creditors	11,344	2,961
Amounts owed to group undertakings	7,501,087	7,500,015
Accruals and deferred income	88,476	89,581
	<u>7,600,907</u>	<u>7,592,557</u>

13. CREDITORS: Amounts falling due after more than one year

	2001 £	2000 £
Other creditors	<u>337,309</u>	<u>337,309</u>

POUNDSBRIDGE (MOORGATE) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****14. RELATED PARTY TRANSACTIONS**

The company has applied the exemption granted by FRS8 'Related party disclosures' not to disclose transactions with Grosvenor Group Holdings Limited, fellow subsidiaries of Grosvenor Group Holdings Limited or any undertaking in which any member of the group holds an investment which would otherwise qualify as related parties.

Accordingly, during the period under review there were no transactions or balances with related parties which require disclosure in these financial statements.

15. SHARE CAPITAL**Authorised share capital:**

	2001 £	2000 £
100 Ordinary shares of £1.00 each	100	100

Allotted, called up and fully paid:

	2001 £	2000 £
Ordinary share capital	1	1

16. PROFIT AND LOSS ACCOUNT

	2001 £	2000 £
At 1 January	(5,574)	(2,766)
Retained loss for the financial year	(4,409)	(2,808)
At 31 December	(9,983)	(5,574)

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2001 £	2000 £
Loss for the financial year	(4,409)	(2,808)
Opening equity shareholders' deficit	(5,573)	(2,765)
Closing equity shareholders' deficit	(9,982)	(5,573)

POUNDSBRIDGE (MOORGATE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

18. ULTIMATE PARENT COMPANY

The company's ultimate parent undertaking is Grosvenor Group Holdings Limited, a company registered in England and Wales which is wholly owned by trusts and members of the Grosvenor family, headed by the Duke of Westminster.

The ultimate parent undertaking heads the largest group of undertakings of which the company is a member and for which group accounts are prepared. Grosvenor Limited, an intermediate holding company, heads the smallest group of undertakings of which the company is a member and for which group accounts are prepared.

Copies of the consolidated financial statements of Grosvenor Group Holdings Limited and Grosvenor Limited can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.