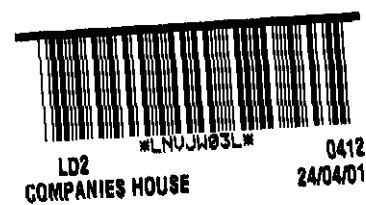


POUNDSBRIDGE (MOORGATE) LIMITED

Registered Number 03470600

ANNUAL REPORT AND
FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2000
TO 31 DECEMBER 2000



POUNDSBRIDGE (MOORGATE) LIMITED

DIRECTORS' REPORT

The directors submit their annual report together with the financial statements for the period ended 31 December 2000.

PRINCIPAL ACTIVITIES

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

RESULTS AND DIVIDENDS

The results of the company for the period are shown on page 4. Loss before taxation was £4,251 compared with £858 in the previous period.

On 5 June 2000, the company as a limited partner, contributed its interest in 19/23 Moorgate to the Moorgate Investment Partnership in exchange for an interest in the partnership.

The directors do not anticipate any significant changes in the activities of the company and its profitability.

The directors do not recommend the payment of a dividend

DIRECTORS

The directors of the company at 31 December 2000, all of whom were directors throughout the period, were:

J D T Titchen
R C Williams

R S Handley and S H R Musgrave were appointed directors on 8 February 2001

DIRECTORS' INTERESTS

None of the company's directors at 31 December 2000 had any interests in the shares or loan capital of the company, its ultimate parent company, Grosvenor Group Holdings Limited, or any of its fellow subsidiary undertakings required to be disclosed under the Companies Act 1985.

POUNDSBRIDGE (MOORGATE) LIMITED

DIRECTORS' REPORT (continued)

DIRECTORS' RESPONSIBILITIES

The directors have responsibility for preparing 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 period and of the profit or loss for the period.

In preparing the financial statements, the directors are required to ensure that suitable accounting policies are selected and consistently applied, that the judgements and estimates made are reasonable and prudent and that applicable accounting standards are followed.

The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the company's system of internal financial control and for safeguarding the assets of the company and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

The directors have adopted the going concern basis in preparing the financial statements.

AUDITORS

Deloitte & Touche were appointed as auditors on 20 November 2000. Pursuant to S386 of the Companies Act 1985 an elective resolution has been passed to dispense with the requirement to reappoint auditors annually.

By Order of the Board



C M Tolhurst
Secretary

8 March 2001

POUNDSBRIDGE (MOORGATE) LIMITED

AUDITORS' REPORT TO THE MEMBERS OF THE COMPANY

We have audited the financial statements on pages 4 to 9 which have been prepared under the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the directors' report on page 2, the company's directors are responsible for the preparation of financial statements which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. 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 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 affairs of the company as at 31 December 2000 and of its loss for the period from 1 April 2000 to 31 December 2000 then ended, and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

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

8 March 2001

POUNDSBRIDGE (MOORGATE) LIMITEDPROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM 1 APRIL 2000 TO 31 DECEMBER 2000

	Note	1 April 2000 to 31 December 2000 £	1 October 1998 to 31 March 2000 £
Turnover	1(b)	5,882,523	-
Cost of sales		(5,887,916)	(333,149)
<u>Gross loss</u>		(5,393)	(333,149)
Administrative expenses		(6,474)	332,291
<u>Operating loss</u>		(11,867)	(858)
Interest receivable	2	7,616	-
<u>Loss on ordinary activities before taxation</u>	3	(4,251)	(858)
Tax on loss on ordinary activities	4	1,443	-
<u>Retained loss for the period</u>	12	(2,808)	(858)

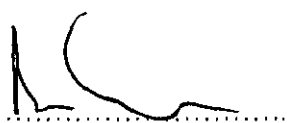
The company had no recognised gains or losses in the current or preceding periods other than those reported in the profit and loss account.

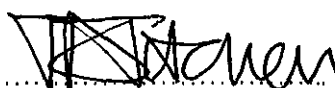
All activities derive from continuing operations.

POUNDSBRIDGE (MOORGATE) LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2000

	Note	<u>31 December 2000</u> £	<u>31 March 2000</u> £
<u>Fixed assets</u>			
Tangible assets:			
Investment properties	5	4,393,920	-
Investments	6	1	-
		<u>4,393,921</u>	<u>-</u>
<u>Current assets</u>			
Development projects		-	7,500,000
Debtors: amounts falling due within one year	8	2,944,179	-
Debtors: amounts falling due after more than one year	8	337,308	337,308
Cash at bank and in hand		248,886	-
		<u>3,530,373</u>	<u>7,837,308</u>
<u>Creditors: amounts falling due within one year</u>	9	<u>(7,592,558)</u>	<u>(7,502,763)</u>
<u>Net current (liabilities)/assets</u>		<u>(4,062,185)</u>	<u>334,545</u>
Total assets less current liabilities		331,736	334,545
<u>Creditors: amounts falling due after more than one year</u>	10	<u>(337,309)</u>	<u>(337,310)</u>
<u>Net liabilities</u>		<u><u>(5,573)</u></u>	<u><u>(2,765)</u></u>
<u>Capital and reserves</u>			
Called up share capital	11	1	1
Profit and loss account	12	(5,574)	(2,766)
<u>Equity Shareholders' deficit</u>	13	<u><u>(5,573)</u></u>	<u><u>(2,765)</u></u>

Approved by the Board on 8 March 2001 and signed on its behalf by:


 R C WILLIAMS
 Director


 J D T TITCHEN
 Director

POUNDSBRIDGE (MOORGATE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

I. ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties, and in accordance with accounting standards applicable in the United Kingdom.

The accounts have been prepared on the going concern basis. The directors have received confirmation from the board of Grosvenor Group Holdings Limited that finance will be available for 18 months from the date of these accounts.

(b) Turnover

Turnover comprises gross income net of VAT including rents receivable and service charges.

(c) Investment properties

Investment properties are valued annually at open market value, by independent valuers every three years and, in intervening years, by the directors. Any surplus or deficit on revaluation is transferred to the revaluation reserve, except that any permanent diminution in the value of an investment property 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 freehold and leasehold interests in investment properties are calculated by reference to book value and are included in the profit and loss account.

(d) Development properties

Development properties are stated at the lower of cost and net realisable value. Cost includes the cost of acquisition, professional fees, construction costs and capitalised interest but excludes overheads. Sales of development properties are recognised on exchange of contracts or, if exchange is conditional, on the date all material conditions have been satisfied. Credit is not taken for profit during the construction period. Provision is made for foreseeable losses.

In the event that a development property is retained as an investment, it is transferred to the investment portfolio at the market value at the date of transfer and any profit and loss dealt with in the profit and loss account.

(e) Joint arrangements

In accordance with FRS 9 "Associates and Joint Ventures" the company accounts for its share of the individual assets and liabilities, profits, losses and cash flows of all joint arrangements. The directors consider that this departure from the requirement of the Companies Act 1985 to account for investments in undertakings which are 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.

(f) Depreciation

In accordance with SSAP 19 (Revised) "Accounting for investment properties" no depreciation is provided on freehold properties or on leasehold investment 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.

POUNDSBRIDGE (MOORGATE) LIMITEDNOTES TO THE FINANCIAL STATEMENTS2. INTEREST RECEIVABLE

	1 April 2000 to 31 December 2000 £	1 October 1998 to 31 March 2000 £
Interest receivable	7,616	-

3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	1 April 2000 to 31 December 2000 £	1 October 1998 to 31 March 2000 £
Loss on ordinary activities before taxation is arrived at after charging/(crediting) the following:		
Amount written off loans	-	(337,308)
Auditors' remuneration	-	2,500

There were no employees other than the directors in the period or preceding period.

No director received any remuneration for his services as a director in the period or preceding period.

Auditors' remuneration has been borne by a fellow subsidiary undertaking in both the current period and preceding period.

4. TAX ON LOSS ON ORDINARY ACTIVITIES

	1 April 2000 to 31 December 2000 £	1 October 1998 to 31 March 2000 £
<u>Tax on loss on ordinary activities:</u>		
UK Corporation tax 30%	1,443	-

5. TANGIBLE FIXED ASSETS: INVESTMENT PROPERTIES

	Long Leasehold £
<u>Valuation:</u>	
At 1 April 2000	-
Additions	4,393,920
At 31 December 2000	4,393,920
<u>Net book value:</u>	
At 31 December 2000	4,393,920
At 31 March 2000	-

Long leasehold investment properties were valued as at 31 December 2000 by the directors using employees who are Chartered Surveyors, on the basis of open market value as defined in the Royal Institution of Chartered Surveyors Appraisal and Valuation Manual.

POUNDSBRIDGE (MOORGATE) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****6. FIXED ASSETS INVESTMENTS**

The investment at 31 December 2000 was:

	<u>Nature of Business</u>	<u>Class of Share and Percentage held</u>
Moorgate GP Limited	Property Development	'A' ordinary (25%)

7. INTERESTS IN JOINT ARRANGEMENTS

At 31 December 2000, the company had the following interest in a joint arrangement which is accounted for on the basis explained in the accounting policies, but as classified as an investment under the Companies Act 1985.

	<u>Nature of Business</u>	<u>Effective Interest</u>
Moorgate Investment Partnership	Property Development	21.63%

8. DEBTORS

	<u>31 December 2000</u> £	<u>31 March 2000</u> £
Amounts falling due within one year:		
Other debtors	2,944,179	-
	<hr/>	<hr/>
Amounts falling due after more than one year:		
Amount owed by group undertaking	168,654	168,654
Other debtors	168,654	168,654
	<hr/>	<hr/>
	337,308	337,308
	<hr/>	<hr/>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>31 December 2000</u> £	<u>31 March 2000</u> £
Trade creditors	2,961	-
Loan from group undertaking	7,500,015	7,500,000
Accruals	89,582	2,763
	<hr/>	<hr/>
	7,592,558	7,502,763
	<hr/>	<hr/>

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>31 December 2000</u> £	<u>31 March 2000</u> £
Other creditors	337,309	337,310
	<hr/>	<hr/>

POUNDSBRIDGE (MOORGATE) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****11. SHARE CAPITAL**

	<u>31 December 2000</u>	<u>31 March 2000</u>
	£	£
<u>Authorised</u>		
100 Ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>
<u>Allotted, called up and fully paid</u>		
<u>Equity interests</u>		
1 Ordinary share of £1 each	1	1
	<u> </u>	<u> </u>

12. PROFIT AND LOSS ACCOUNT

	<u>31 December 2000</u>	<u>31 March 2000</u>
	£	£
At 1 April 2000 / 1 October 1998	(2,766)	(1,908)
Retained loss for the period	(2,808)	(858)
	<u> </u>	<u> </u>
At 31 December 2000 / 31 March 2000	(5,574)	(2,766)
	<u> </u>	<u> </u>

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>31 December 2000</u>	<u>31 March 2000</u>
	£	£
Loss for the financial period	(2,808)	(858)
	<u> </u>	<u> </u>
Net decrease in shareholders' funds	(2,808)	(858)
	<u> </u>	<u> </u>
Opening shareholders' deficit	(2,765)	(1,907)
	<u> </u>	<u> </u>
Closing shareholders' deficit	(5,573)	(2,765)
	<u> </u>	<u> </u>

14. ULTIMATE PARENT UNDERTAKING

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.

15. RELATED PARTY TRANSACTIONS

The company has applied the exemption granted by FRS 8 "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.