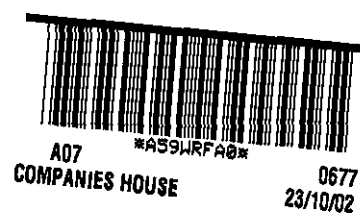


Company Registration No: 3705725

DEVELOPMENT SECURITIES (NO 7) LIMITED

Report and Financial Statements

31 December 2001



DEVELOPMENT SECURITIES (NO 7) LIMITED

REPORT AND FINANCIAL STATEMENTS 2001

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DEVELOPMENT SECURITIES (NO 7) LIMITED

REPORT AND FINANCIAL STATEMENTS 2001

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

M H Marx
C J Barwick
M S Weiner

SECRETARY

S A Lanes

REGISTERED OFFICE

Portland House
Stag Place
London SW1E 5 DS

DEVELOPMENT SECURITIES (NO 7) LIMITED

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES AND REVIEW OF DEVELOPMENTS

The principal activity of the company during the year and for the foreseeable future is that of property investment. The Company was incorporated on 2 February 1999, and has not traded throughout the years since its incorporation.

DIVIDENDS

The directors do not recommend the payment of a dividend (2000: £nil).

DIRECTORS AND DIRECTORS' INTERESTS

The directors who held office throughout the year and to date were as follows:

M H Marx
C J Barwick
M S Weiner (appointed 23 April 2002)

None of the directors had any interests in the shares of the company nor any other Group company except as noted below.

The interests of M H Marx and C J Barwick at 31 December 2001 in the 50p ordinary shares of Development Securities PLC, the ultimate parent company, and the options granted to them under that company's share option scheme are disclosed in the 2001 Report and Financial Statements of that Company.

M S Weiner is entitled to the following options granted by Development Securities PLC:

<i>Date of Grant</i>	<i>Number</i>	<i>Exercise Date</i>	<i>Exercise Price</i>
27 March 2001	58,651 ⁽¹⁾	27 March 2004 to 26 March 2011	341.0p

- (1) Granted under the Executive Share Option Scheme 1995, with a performance condition that the net assets per ordinary share of the Development Securities PLC Group are equal to or in excess of the average growth in the All Properties Capital Growth Index during the same period over three consecutive financial years.

PAYMENT POLICY

Amounts due to suppliers are settled promptly by Development Securities PLC on behalf of the company within their terms of payment, except in cases of dispute. The number of days' outstanding for the Development Securities PLC group at 31 December 2001 was seven days (2000: four days).

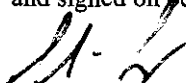
DEVELOPMENT SECURITIES (NO 7) LIMITED

DIRECTORS' REPORT (continued)

AUDITORS

The company has been dormant throughout the years since its incorporation and no members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249b(2).

Approved by the Board of Directors
and signed on behalf of the Board



S A Lanes
Secretary

22nd October 2002

DEVELOPMENT SECURITIES (NO 7) LIMITED

STATEMENT OF 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 as at the end of the financial year and of its profit or loss for that year. In preparing those financial 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; and
- prepare the financial statements on a 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 are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DEVELOPMENT SECURITIES (NO 7) LIMITED

BALANCE SHEET 31 December 2001

	Note	2001 £	2000 £
CURRENT ASSETS			
Amount due from group undertaking:			
Unpaid share capital		<u>1</u>	<u>1</u>
NET CURRENT ASSETS		<u>1</u>	<u>1</u>
CAPITAL AND RESERVES			
Called up share capital	3	<u>1</u>	<u>1</u>
EQUITY SHAREHOLDERS' FUNDS		<u>1</u>	<u>1</u>

For the year ended 31 December 2001 the company was entitled to exemption under section 249aa(1) of the Companies Act 1985.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249b(2).

The directors acknowledge their responsibility for: (i) Ensuring the company keeps accounting records which comply with section 221; and (ii) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

The financial statement was approved by the Board of Directors on *22nd October* 2002.

Signed on behalf of the Board of Directors


M H Mark
Director

DEVELOPMENT SECURITIES (NO 7) LIMITED

NOTES TO THE ACCOUNTS

31 December 2001

1 ACCOUNTING POLICY

The financial statement has been prepared in accordance with applicable accounting standards and on the historical cost basis of accounting.

CASH FLOW STATEMENT

The ultimate parent company, Development Securities PLC, has prepared a consolidated cash flow statement in accordance with Financial Reporting Standard No. 1, thus exempting the company from the requirement to prepare a cash flow statement.

2 PROFIT AND LOSS ACCOUNT

The company has not traded during the current financial year and accordingly no profit and loss account is presented. There were no recognised gains or losses or movements in shareholders' funds during the current financial year.

None of the directors received any emoluments from the company during the year (2000: £nil).

The company does not have any employees (2000: nil).

3 CALLED UP SHARE CAPITAL

	2001 £	2000 £
Authorised: 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Called up, allotted and nil paid: 1 ordinary shares of £1 each	<u>1</u>	<u>1</u>

4 ULTIMATE PARENT COMPANY

The ultimate parent and controlling company of the largest group of which Development Securities (No 7) Limited is a member and for which consolidated accounts are produced is Development Securities PLC. The immediate parent company of the smallest group of which Development Securities (No 7) Limited the company is a member and for which consolidated accounts are produced is Development Securities (Investments) PLC. Both companies are registered in England and Wales. Copies of the Report and Financial Statements of Development Securities PLC and Development Securities (Investments) PLC can be obtained from Portland House, Stag Place, London SW1E 5DS.

5 RELATED PARTY DISCLOSURE

The company is a wholly owned subsidiary undertaking and, in accordance with the exemption provided by Financial Reporting Standard No. 8, "Related Party Disclosures," transactions with other undertakings within the Development Securities PLC Group have not been disclosed within these financial statements.