

Registered number 3835752

Alcobendas Entrust Limited

Report and accounts

31 December 2001



Alcobendas Entrust Limited

Report and accounts for the year ended 31 December 2001

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Directors

J R A Bury
N C Varnham

Secretary and registered office

Henderson Secretarial Services Limited
4 Broadgate
London EC2M 2DA

Auditors

Ernst & Young LLP
Rolls House
7 Rolls Buildings
Fetter Lane
London
EC4A 1NH

Alcobendas Entrust Limited

Directors' report

The directors present their report and accounts for the year to 31 December 2001.

Principal activities and review of business

The principal activity of the Company is property development in Spain. The Company has established a branch in Madrid, Spain. No material change is anticipated to the Company's activities.

Results and dividends

The profit and loss account is set out on page 6.

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

Directors and their interests

The directors of the Company are set out on page 1. Directors' appointments and resignations are set out below:

Name	Date of appointment	Date of resignation
J L Partridge		21 September 2001
P J Scott		2 May 2001
J R A Bury	20 June 2001	

During the period none of the directors had any interests in the shares or debentures of the Company or any other Group company, which require to be disclosed under the Companies Act 1985.

Payment of suppliers

The Group's policy is to pay its suppliers by the due date specific to each transaction. The annualised average number of days credit, based on the aggregate of trade creditors at the end of the year and the aggregate amounts invoiced by trade creditors during the year ended 31 December 2001, was 32 days.

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Directors' report (continued)

Auditors

Ernst & Young LLP have expressed their willingness to continue in office and a resolution that they will be re-appointed at a fee fixed by the directors will be proposed at the Annual General Meeting

Statement of directors' responsibilities

The directors are required by UK company law to prepare accounts for each financial year that give a true and fair view of the state of affairs of the Company as at the end of the year and of the profit or loss of the Company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the accounts for the period from incorporation to 31 December 2001. The directors also confirm that applicable accounting standards have been followed and that the accounts have been prepared on a going concern basis.

The directors are 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 accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board



S J Whiteside
For and on behalf of
Henderson Secretarial Services Limited, Secretary

18 March 2003

Alcobendas Entrust Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALCOBENDAS ENTRUST LIMITED

We have audited the company's financial statements for the year ended 31 December 2001 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 15. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and 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 legal and regulatory requirements and United Kingdom 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

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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 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in cursive script, appearing to read "Ernst & Young LLP", is written over the printed name of the firm.

Ernst & Young LLP
Registered Auditor
London

Date 18 March 2003

Alcobendas Entrust Limited

Profit and loss account

	<i>Note</i>	12 months ended 31 December 2001	16 months ended 31 December 2000
		£	£
Turnover		932,726	-
Operating expenses	5	(3,826,135)	262,146
(Loss)/Profit on ordinary activities before interest		(2,893,409)	262,146
Interest receivable		12,154	-
Interest payable	3	(2,096,689)	-
(Loss)/Profit on ordinary activities before taxation		(4,977,944)	262,146
Tax on profit on ordinary activities	4	-	(78,644)
Retained (loss)/profit for the period		(4,977,944)	183,502

There were no recognised gains or losses during the year, other than the £4,977,944 loss for the year.

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Balance sheet at 31 December 2001

	Note	2001 £	2000 £
Fixed assets			
Investments	6	25,530,893	20,389,380
Current assets			
Cash	7	1,135,557	215,704
Debtors	8	1,916,871	4,236,885
		<u>3,052,428</u>	<u>4,452,589</u>
Creditors falling due within one year	9	(26,977,161)	(18,394,412)
Net current assets		<u>(23,924,733)</u>	<u>(13,941,823)</u>
Total assets less current liabilities		1,606,160	6,447,557
Creditors falling due after more than one year	10	(473,498)	(336,951)
Net Assets		<u>1,132,662</u>	<u>6,110,606</u>
Capital and reserves			
Called up share capital	11	5,927,104	5,927,104
Profit and loss account		<u>(4,794,442)</u>	<u>183,502</u>
Equity shareholders' funds	12	<u>1,132,662</u>	<u>6,110,606</u>

These financial statements were approved by the board of directors on 18 March 2003 and were signed on its behalf by:

J R A Bury
Director



Alcobendas Entrust Limited

Notes to the accounts at 31 December 2001

1. ACCOUNTING POLICIES

Basis of accounting

The accounts are prepared under the historical cost basis of accounting and conform with applicable United Kingdom Accounting standards.

Foreign currencies

The assets, liabilities and results for the period denominated in foreign currencies are translated into sterling at the rates of exchange ruling on the balance sheet date. Exchange differences arising are charged/credited to the profit and loss account.

Investment Properties

Investment properties are stated at the lower of cost and net realisable value. It is the intention of the Directors that, once completed, investment properties will be shown at their open market value based on annual valuations. Such valuations shall be undertaken by independent valuers at least once every three years and by the directors in consultation with independent valuers in the interim period.

Depreciation

No depreciation will be provided in respect of investment properties. This departure from the requirements of the Companies Act 1985, for all properties to be depreciated, is, in the opinion of the Directors, necessary for the financial statements to give true and fair view in accordance with applicable accounting standards, as properties are to be included in the financial statements at their open market value. Depreciation of £157,076 (2000- Nil) is provided on other fixed assets so as to write off the cost less residual value of each asset over the anticipated useful life.

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Notes to the accounts (continued) at 31 December 2001

2. PROFIT AND LOSS ACCOUNT

Operating Profit is stated after debiting exchange losses on foreign currency £865,071.

A depreciation charge of £157,076 has been charged in the year to 2001 (2000 Nil)

The directors of the Company have employment contracts with Henderson Administration Limited. They received no remuneration for their services to Alcobendas Entrust Limited.

The auditors' remuneration has been paid in full by a fellow subsidiary undertakings

3. INTEREST PAYABLE

	2001 £	2000 £
Interest on short term debt	2,096,689	-

4. TAX ON PROFIT ON ORDINARY ACTIVITY

	2001 £	2000 £
UK corporation tax at 30%	-	78,644

5. OPERATING EXPENSES

	2001 £	2000 £
Operating Expenses	3,826,135	(262,146)

Included within operating expenses is £1,570,605 compensation expenditure payable to the tenants (2000 Nil), incurred due to the delayed opening of an investment property.

Alcobendas Entrust Limited

Notes to the accounts (continued) at 31 December 2001

6. INVESTMENTS

	Land £	Buildings £	Total £
Cost as at 1 January 2001	10,808,986	9,580,394	20,389,380
Additions	14,985	5,793,525	5,808,510
Foreign exchange loss on investment property	(291,304)	(218,617)	(509,921)
Cost as at 31 December 2001	<u>10,532,667</u>	<u>15,155,302</u>	<u>25,687,969</u>
Depreciation as at 1 January 2001	-	-	-
Depreciation in year	-	157,076	157,076
Depreciation as at 31 December 2001	<u>-</u>	<u>157,076</u>	<u>157,076</u>
Net Book Value as at 1 January 2001	<u>10,808,986</u>	<u>9,580,394</u>	<u>20,389,380</u>
Net Book Value as at 31 December 2001	<u>10,532,667</u>	<u>14,998,226</u>	<u>25,530,893</u>

7. CASH

	2001 £	2000 £
Long term deposit	214,270	215,704
Bank	<u>921,287</u>	
At 31 December	<u>1,135,557</u>	<u>215,704</u>

Long term deposit held by the government under Spanish Law.

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Notes to the accounts (continued) at 31 December 2001

8. DEBTORS

	2001 £	2000 £
Trade debtors	744,058	-
VAT	967,413	3,046,451
Other debtors	205,400	1,190,434
At 31 December	<u>1,916,871</u>	<u>4,236,885</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001 £	2000 £
Trade creditors	1,756,785	201,921
Group companies	24,664,818	17,966,665
Taxation and social security	83,209	80,548
Other creditors	472,349	145,278
At 31 December	<u>26,977,161</u>	<u>18,394,412</u>

The 'Group companies' balance of £24,664,818 has been drawn down from a total secured loan of £25,312,000 from Pearl Assurance Plc at LIBOR plus 0.5% repayable on 30 days notice or by 23 December 2009.

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

	2001 £	2000 £
Long term creditor – deposits & guarantees	<u>473,498</u>	<u>336,951</u>
At 31 December	<u>473,498</u>	<u>336,951</u>

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Notes to the accounts (continued) at 31 December 2001

11. SHARE CAPITAL

	2001 £	2000 £
Issued share capital		
10,000,000 ordinary shares of £1 each	<u>10,000,000</u>	<u>10,000,000</u>
Authorised share capital		
5,927,104 ordinary shares of £1 each	<u>5,927,104</u>	<u>5,927,104</u>

12. RECONCILIATION OF SHAREHOLDERS FUNDS AND MOVEMENT OF RESERVES

	Share Capital £	Profit & loss account £	Total Shareholders Fund £
At 1 January 2001	5,927,104	183,502	6,110,606
Loss for the year		(4,977,944)	(4,977,944)
Proceeds from issue of shares	-	-	-
At 31 December 2001	<u>5,927,104</u>	<u>(4,794,442)</u>	<u>1,132,662</u>

13. PARENT UNDERTAKING

The Company's immediate parent undertaking is Pearl (Alcobendas) Limited. The parent undertaking of the smallest group for which group accounts are prepared is AMP (UK) plc.

The ultimate parent undertaking and controlling party is AMP Limited, a company incorporated in New South Wales, Australia. The address from which copies of the accounts of AMP Limited can be obtained is AMP Building, GPO Box 4134, Sydney Cove, New South Wales, Sydney, Australia.

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Notes to the accounts (continued) at 31 December 2001

14. CASHFLOW STATEMENT

Cashflows of the Company are included in the consolidated group cashflow statement of AMP (UK) plc and consequently, the Company is exempt under the terms of Financial Reporting Standard No 1 (Revised) from publishing a cashflow statement.

15. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption in Financial Reporting Standard 8 'Related Party Disclosures', relating to transactions between 90 per cent or more controlled subsidiaries.