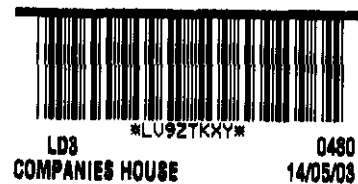


CAMBRIDGE RETAIL INVESTMENT LIMITED
(FORMERLY GROSVENOR TWENTY ONE LIMITED)

COMPANY REGISTRATION NUMBER 4377935

ANNUAL REPORT AND
FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2002



CAMBRIDGE RETAIL INVESTMENT LIMITED

DIRECTORS' REPORT

The directors submit their first annual report together with the financial statements of the company for the period from 20 February 2002 to 31 December 2002.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the period was property investment.

On 9 August 2002 the company changed its name from Grosvenor Twenty One Limited to Cambridge Retail Investment Limited.

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

RESULTS AND DIVIDENDS

The company did not engage in any business in the period. No profit and loss account has therefore been prepared. The state of affairs at 31 December 2002 is set out in the balance sheet.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

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

W J A Bullough	(Appointed 25 September 2002)
R S Handley	(Appointed 20 February 2002)
S H R Musgrave	(Appointed 20 February 2002)
R C Williams	(Appointed 20 February 2002)
Combined Nominees Limited	(Served from 20 February 2002 to 20 February 2002)
Combined Secretarial Services Limited	(Served from 20 February 2002 to 20 February 2002)

None of the directors in office at 31 December 2002 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 period and of the profit or loss for the period 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.

CAMBRIDGE RETAIL INVESTMENT 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

Deloitte and Touche were appointed on 8 January 2003.

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

A handwritten signature in black ink, appearing to read 'C M Tolhurst', with a large, stylized initial 'C'.

C M Tolhurst
Company Secretary

28 MAR 2003

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CAMBRIDGE RETAIL INVESTMENT LIMITED
PERIOD FROM 20 FEBRUARY 2002 TO 31 DECEMBER 2002

We have audited the financial statements which comprise the Balance Sheet and the related notes 1 to 10. These financial statements have been prepared under the historical cost convention and 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 THE DIRECTORS AND THE AUDITORS

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with United Kingdom law and Accounting Standards are set out in the Statement of Directors' Responsibilities.

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 for the above year and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CAMBRIDGE RETAIL INVESTMENT LIMITED
PERIOD FROM 20 FEBRUARY 2002 TO 31 DECEMBER 2002 *(continued)*

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 2002 and of the result of the company for the period then ended, and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Deloitte & Touche
Chartered Accountants & Registered Auditors
London

4 April 2003
~~28 MAR 2003~~

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CAMBRIDGE RETAIL INVESTMENT LIMITED**BALANCE SHEET AS AT 31 DECEMBER 2002**


	Note	31 December 2002 £
Tangible fixed assets		
Investment properties under development	3	<u>5,632,141</u>
Current assets		
Debtors	5	100
Creditors: Amounts falling due within one year	6	<u>(5,632,141)</u>
Net current liabilities		<u>(5,632,041)</u>
Total assets less current liabilities		<u>100</u>
Capital and reserves		
Called-up equity share capital	8	<u>100</u>
Equity shareholders' funds	9	<u>100</u>

28 MAR 2003

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



 Director



 Director

CAMBRIDGE RETAIL INVESTMENT 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) Depreciation

In accordance with SSAP19 (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.

(d) 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.

(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 incorporated 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.

2. PROFIT AND LOSS ACCOUNT

The company did not trade during the period and has made neither a profit nor a loss. No profit and loss account has therefore been prepared.

CAMBRIDGE RETAIL INVESTMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS****3. INVESTMENT PROPERTIES UNDER DEVELOPMENT**

	Freehold £
Cost	
Additions	5,632,141
At 31 December 2002	<u>5,632,141</u>
Net book value	
At 31 December 2002	<u>5,632,141</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.

4. INTERESTS IN JOINT ARRANGEMENTS

At 31 December 2002, the company had the following interest in a 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
Grand Arcade Partnership	Property investment	20%

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

5. DEBTORS

	31 December 2002 £
Amounts owed by group undertakings	<u>100</u>

6. CREDITORS: Amounts falling due within one year

	31 December 2002 £
Amounts owed to group undertakings	<u>5,632,141</u>

7. 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.

CAMBRIDGE RETAIL INVESTMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS****8. SHARE CAPITAL****Authorised share capital:**

	31 December 2002 £
100 Ordinary shares of £1.00 each	100

Allotted, called up and fully paid:

	31 December 2002 £
Issue of ordinary shares	100

On 20 February 2002 100 ordinary shares of £1.00 each were issued.

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 December 2002 £
New equity share capital subscribed	100
Net addition in funds	100
Closing equity shareholders' funds	100

10. 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.