

GREYCOAT LONDON INVESTMENTS LIMITED
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2004

Company No. 2924211 (England & Wales)



GREYCOAT LONDON INVESTMENTS LIMITED

COMPANY INFORMATION

Directors	M H D McAlpine D M McAlpine A R Bolt P A Thornton C N Strickland M A Poole
Secretary	NC Brown
Company Number	2924211
Registered Office	9 Savoy Street London WC2E 7EG
Auditors	Ernst & Young LLP 1 More London Place London SE1 2AF

GREYCOAT LONDON INVESTMENTS LIMITED

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GREYCOAT LONDON INVESTMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2004

The directors present their report together with the audited accounts for the year ended 30 June 2004.

Principal Activities and Review of Business

The principal activity of the group is property investment and development.

These activities are expected to continue for the foreseeable future.

Results and Dividends

The loss on ordinary activities before and after taxation was £51,960 (2003: loss £2,350 before and after taxation).

The directors do not recommend the payment of a final dividend (2003: £nil).

Directors

The directors who served during the year ended 30 June 2004 and subsequent to that date were:

MHD McAlpine
DM McAlpine
AR Bolt
PA Thornton
CN Strickland
MA Poole

None of the directors held any interest in the share capital of the company at any time during the year.

GREYCOAT LONDON INVESTMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2004

Directors' Responsibilities

Company law requires the directors to prepare accounts for each financial year, which give a true and fair view of the state of the group's affairs and of the profit or loss for that year. In preparing these accounts the directors:

- 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, subject to any material departures disclosed and explained in the accounts; and
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the group 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 group and enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Ernst & Young will be re-appointed as the company's auditor in accordance with the elective resolution passed by the company under section 386 Companies Act 1985.



NC Brown, Secretary
19 October 2005

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GREYCOAT LONDON INVESTMENTS LIMITED

We have audited the company's accounts for the year ended 30 June 2004 which comprise the Group Profit and Loss Account, Group Statement of Total Recognised Gains and Losses, Group Balance Sheet, Company Balance Sheet and the related notes 1 to 12. These accounts 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 accounts in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts 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 accounts, 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 group 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.

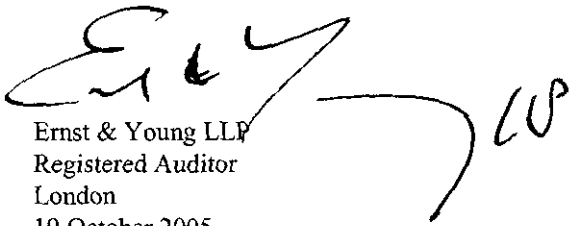
Basis of audit opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the group'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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company and of the group as at 30 June 2004 and of the loss for the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
London
19 October 2005

GREYCOAT LONDON INVESTMENTS LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2004

	Notes	30 June 2004 £	30 June 2003 £
Administrative expenses	2	(2,350)	(2,350)
Provision against amounts due from companies holding shares and their subsidiary undertakings	7	(49,610)	-
Operating Loss	3	<u>(51,960)</u>	<u>(2,350)</u>
Tax on Loss on Ordinary Activities	4	-	-
Loss on Ordinary Activities After Taxation	10	<u>(51,960)</u>	<u>(2,350)</u>
Retained profit brought forward	10	65,804	68,154
Retained profit carried forward	10	<u>13,844</u>	<u>65,804</u>

Statement of Total Recognised Gains and Losses

There were no recognised gains or losses for 2004 or 2003 other than those included in the profit and loss account.

The notes on pages 7 to 11 form part of these accounts.

GREYCOAT LONDON INVESTMENTS LIMITED**GROUP BALANCE SHEET**

AS AT 30 JUNE 2004

	Notes	30 June 2004 £	30 June 2003 £
Current Assets			
Debtors	7	-	49,610
Cash at bank and in hand		23,780	26,130
		<u>23,780</u>	<u>75,740</u>
Creditors: Amounts Falling Due Within One Year	8	<u>(8,736)</u>	<u>(8,736)</u>
Net Current Assets		<u>15,044</u>	<u>67,004</u>
Capital and Reserves			
Called up share capital	9	1,200	1,200
Profit and loss account	10	13,844	65,804
Total Shareholders' Funds	11	<u>15,044</u>	<u>67,004</u>

These accounts were approved by the board on 19 October 2005 and signed on its behalf.



Director

The notes on pages 7 to 11 form part of these accounts.

GREYCOAT LONDON INVESTMENTS LIMITED**COMPANY BALANCE SHEET**

AS AT 30 JUNE 2004

	Notes	30 June 2004 £	30 June 2003 £
Fixed Assets			
Tangible assets:			
Investments	6	-	-
Current Assets			
Debtors	7	-	49,610
Cash at bank and in hand		20,676	20,676
		20,676	70,286
Creditors: Amounts Falling Due Within One Year	8	(51,179)	(48,829)
Total Assets Less Current Liabilities		(30,503)	21,457
Capital and Reserves			
Called up share capital	9	1,200	1,200
Profit and loss account	10	(31,703)	20,257
Total Shareholders' Funds	11	(30,503)	21,457

These accounts were approved by the board 19 October 2005 and signed on its behalf.



Director

The notes on pages 7 to 11 form part of these accounts.

GREYCOAT LONDON INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2004

1 Accounting Policies

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards and comply with the Companies Act 1985.

The company qualifies as a small company and is therefore exempt from the requirements to prepare a cash flow statement.

The company's accounts have been prepared under the going concern basis because the company's subsidiary undertaking has agreed not to demand repayment of amounts owed to it for a period until at least one year from the date of approval by the directors of these accounts.

Basis of consolidation

The group accounts incorporate the accounts of the company and its subsidiary undertaking up to 30 June 2004.

As permitted by section 230 Companies Act 1985 no profit and loss account is given for the parent undertaking.

Deferred Taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the accounts. Deferred tax is not provided on timing differences arising from the revaluation of tangible fixed assets where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2 Administrative Expenses

- (a) Administrative expenses consists of auditors' remuneration of £2,350 (2003 - £2,350).
- (b) The group has no employees. The directors of the company are employees of, and also receive remuneration from, the undertakings, which own the ordinary share capital of the company (see note 12). The directors received no emoluments for their services to the company during the year (2003 - £nil).

GREYCOAT LONDON INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2004

3 Operating Loss

	30 June 2004 £	30 June 2003 £
Operating loss is arrived at after charging:		
Auditors' remuneration	2,350	2,350

4 Tax on Profit on Ordinary Activities

There is no tax charge on the loss for the year (2003: £nil). Group relief is used to eliminate any charge or loss in subsidiary undertakings. There is no provision or additional potential liability for deferred taxation in respect of the group.

5 Loss Attributable to Shareholders of the Company

The loss attributable to shareholders of the company is £51,960 (2003 – loss of £2,350).

6 Investments

Company

Cost at 1 July 2003 and 30 June 2004	5,744,581
Provision against investment	(5,744,581)
Net book value at 1 July 2003 and 30 June 2004	-

The company has one subsidiary undertaking, Greycoat London Southbank Limited, which is wholly owned and registered in England, and which is engaged in property investment and development.

GREYCOAT LONDON INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2004

7 Debtors

	Group		Company	
	30 June	30 June	30 June	30 June
	2004	2003	2004	2003
	£	£	£	£
Amounts due from companies holding shares and their subsidiary undertakings	-	49,610	-	49,610

The recoverability of amounts due from companies holding shares and their subsidiary undertakings is dependent on the successful outcome of current discussions between shareholders. Full provision has been made in the year against these amounts.

8 Creditors: Amounts Falling Due Within One Year

	Group		Company	
	30 June	30 June	30 June	30 June
	2004	2003	2004	2003
	£	£	£	£
Amounts due to subsidiary undertaking	-	-	42,443	40,093
Amounts owed to companies holding shares and their fellow subsidiary undertakings	2,861	2,861	2,861	2,861
Accruals	5,875	5,875	5,875	5,875
	<u>8,736</u>	<u>8,736</u>	<u>51,179</u>	<u>48,829</u>

9 Share Capital

	30 June	30 June
	2004	2003
	£	£
Authorised, allotted, called up and fully paid:		
600 'A' ordinary shares of £1 each	600	600
600 'B' ordinary shares of £1 each	600	600
	<u>1,200</u>	<u>1,200</u>

All the 'A' shares and one 'B' share are owned by Sir Robert McAlpine Enterprises Limited. 599 'B' shares are owned by Greycoat Estates Investments Limited, which is in liquidation.

GREYCOAT LONDON INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2004

10 Reserves

Group

Profit and Loss Account £

At 1 July 2002	68,154
Loss for the year	(2,350)
At 30 June 2003	65,804
Loss for the year	(51,960)
At 30 June 2004	13,844

Company

Profit and Loss Account £

At 1 July 2002	22,607
Loss for the year	(2,350)
At 30 June 2003	20,257
Loss for the year	(51,960)
At 30 June 2004	(31,703)

11 Reconciliation of Shareholders' Funds

Group

	30 June 2004 £	30 June 2003 £
Loss for the year	(51,960)	(2,350)
Decrease in shareholders' funds	(51,960)	(2,350)
Opening shareholders' funds	67,004	69,354
Closing shareholders' funds	15,044	67,004

GREYCOAT LONDON INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2004

11 Reconciliation of Shareholders' Funds (cont'd)

Company

	30 June 2004 £	30 June 2003 £
Loss for the year	(51,960)	(2,350)
Decrease in shareholders' funds	(51,960)	(2,350)
Opening shareholders' funds	21,457	23,807
Closing shareholders' funds	(30,503)	21,457

12 Related Parties

The company is jointly owned and controlled by Sir Robert McAlpine Enterprises Limited and Greycoat Estates Investments Limited.

Greycoat Estates Investments Limited and Herbrand Limited (a fellow subsidiary undertaking with Sir Robert McAlpine Enterprises Limited) each owes the company £24,085 the recoverability of which has been fully provided against in these accounts.