

GCP Nominees Limited

Report and Financial Statements

Period Ended

24 December 1999



GCP NOMINEES LIMITED

Report and financial statements for the period ended 24 December 1999

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Directors

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Directors

D Blenko
R Orf

Secretary and registered office

A Jacobs
5 Wigmore Street
London
W1H 0DL

Company number

3744679

Auditors

BDO Stoy Hayward, 8 Baker Street, London, W1M 1DA.

GCP NOMINEES LIMITED

Report of the directors for the period ended 24 December 1999

The directors present their report together with the audited financial statements for the period ended 24 December 1999. The company was incorporated on 31 March 1999 and changed its name from MM&S (2538) Limited on 5 October 1999.

Results and dividends

The profit and loss account is set out on page 4 and shows the profit for the period.

The directors do not recommend the payment of a dividend.

Principal activities, trading review and future developments

The principal activity is that of property investment. A portfolio of property was acquired on 14 September 1999, and the directors are satisfied with the first period's results and expect this to continue.

Directors

The directors of the company during the period were:

D B Blenko	(appointed 8 September 1999)
R G Orf	(appointed 8 September 1999)
K D McGrath	(appointed 8 September 1999, resigned 8 September 2000)
M P Sheppard	(appointed 8 September 1999, resigned 8 September 2000)
Vindex Ltd	(appointed 31 March 1999, resigned 8 September 1999)
Vindex Services Ltd	(appointed 31 March 1999, resigned 8 September 1999)

No director had any interest in the ordinary share capital of the company.

GCP NOMINEES LIMITED

Report of the directors for the period ended 24 December 1999 (*Continued*)

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. 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; and
- prepare the financial statements on the 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

BDO Stoy Hayward, who were appointed as first auditors of the company by the directors, have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board



A Jacobs
Secretary

Date 3 January 2001

GCP NOMINEES LIMITED

Report of the auditors

To the shareholders of GCP Nominees Limited

We have audited the financial statements on pages 4 to 9 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the financial statements. 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 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 the company's affairs as at 24 December 1999 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.


BDO STOY HAYWARD
Chartered Accountants
and Registered Auditors
London

Date 4 January 2001

GCP NOMINEES LIMITED**Profit and loss account for the period ended 24 December 1999**

	Note	£
Rental income	1	349,959
Property expenses		-
Gross profit		349,959
Administrative expenses		-
Operating profit		349,959
Interest receivable		1,254
Interest payable	2	(290,636)
Profit on ordinary activities before taxation	3	60,577
Taxation on profit from ordinary activities	4	-
Profit on ordinary activities after taxation, Retained for the period		60,577

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

The notes on pages 7 to 9 form part of these financial statements.

GCP NOMINEES LIMITED

Reconciliation of movements in shareholders' funds for the period ended 24 December 1999

	Note	£
Profit for the period		60,577
New share capital subscribed	8	2
		<hr/>
Shareholders' funds at 24 December 1999		60,579
		<hr/> <hr/>

The notes on pages 7 to 9 form part of these financial statements.

GCP NOMINEES LIMITED**Balance sheet at 24 December 1999**

	Note	£	£
Fixed assets			
Investment properties	5		12,577,524
Debtors		-	
Creditors: amounts falling due within one year	6	(255,479)	
Net current liabilities			(255,479)
Total assets less current liabilities			12,322,045
Creditors: amounts falling due after more than one year	7		(12,261,466)
			60,579
Capital and reserves			
Called up share capital	8		2
Profit and loss account			60,577
Shareholders' funds			60,579

The financial statements were approved by the Board on

3 January 2001


D Blenko
Director

The notes on pages 7 to 9 form part of these financial statements.

GCP NOMINEES LIMITED

Notes forming part of the financial statements for the period ended 24 December 1999

1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Rental income

Rental income represents gross rent receivable from the letting of property in the United Kingdom.

Valuation of investment properties

All properties are valued at open market value. Any surplus or deficit arising from such revaluation is transferred to the revaluation reserve except that permanent diminutions in value are written off to the profit and loss account.

Depreciation

In accordance with SSAP 19, no depreciation is provided in respect of the investment properties. This departure from the requirements of the Companies Act 1985 is, in the opinion of the directors, necessary for the financial statements to give a true and fair view in accordance with applicable accounting standards.

The effect of depreciation on value is already reflected in the annual valuation of properties and the amount attributed to this factor by the valuers cannot reasonably be separately quantified or identified. Had the provision of the Act been allowed, net assets would not have been affected but revenue profits would have been reduced for the year.

Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, except that no provision is made where it can be reasonably foreseen that such deferred taxation will not be payable in the future.

2 Interest payable

	£
Bank loans and overdrafts	290,636

GCP NOMINEES LIMITED

Notes forming part of the financial statements for the period ended 24 December 1999 (*Continued*)

3 Profit on ordinary activities

- (a) Audit fees of £2,000 have been borne by the ultimate controlling party.
- (b) Employees: The company had no employees during the period.
- (c) No director received any emoluments for his services to the company.

4 Taxation on profits from ordinary activities

There is no taxation charge for the period due to the availability of capital allowances.

5 Tangible assets

<i>Investment properties</i>	Total £
<i>Cost</i>	
Additions	12,577,524
	<hr/>
At end of period	12,577,524
	<hr/> <hr/>

The investment properties have been valued as at 24 December 1999 by the directors at an amount equal to the original cost of acquisition.

6 Creditors: amounts falling due within one year

	£
Bank loan (see note 7)	183,500
Other creditors	66,979
Amounts owed to related party	5,000
	<hr/>
	255,479
	<hr/> <hr/>

7 Creditors: amounts falling due after more than one year

	£
Bank loan	11,384,025
Amounts owed to related parties	877,441
	<hr/>
	12,261,466
	<hr/> <hr/>

The bank loan is secured on the company's investment properties and by a charge over the company's shares, its parent company's shares and the rental income. The loan bears interest at LIBOR + 3% and is repayable in monthly instalments with a final lump sum repayment in September 2001.

GCP NOMINEES LIMITED

Notes forming part of the financial statements for the period ended 24 December 1999 *(Continued)*

8 Share capital

	Authorised Number	Allotted, called up and fully paid Number
Ordinary shares of £1	100	2
	<u>£</u>	<u>£</u>
Ordinary shares of £1	100	2
	<u>£</u>	<u>£</u>

9 Related party transactions

Details of balances with related parties are shown in notes 6 and 7. These have arisen through the provision of funding and other services to the company.

10 Ultimate controlling party

At 24 December 1999, the company's parent company was GCP Limited. The company's ultimate controlling party is The Apreit V LP, which is registered in the State of Delaware, USA.