Company Registration No. 4130915 (England and Wales)

PL MANAGEMENT LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2003

PL MANAGEMENT LIMITED

COMPANY INFORMATION

Directors	D S Crawford I Merrick A Morgan R J Stephenson
Secretary	E L Brown
Company number	4130915
Registered office	55 Park Lane London W1K 1NA
Auditors	HLB AV Audit plc 66 Wigmore Street London W1U 2HQ

PL MANAGEMENT LIMITED

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PL MANAGEMENT LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2003

The directors present their report and financial statements for the year ended 31 December 2003.

Principal activities
The principal activity of the company is that of property management.

Directors
The following directors have held office since 1 January 2003:

D S Crawford
I Merrick
A Morgan
R J Stephenson

Directors' interests
The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 December 2003	**1 January 2003**
D S Crawford	-	-
I Merrick	-	-
A Morgan	-	-
R J Stephenson	-	-

Auditors
In accordance with section 385 of the Companies Act 1985, a resolution proposing that HLB AV Audit plc be reappointed as auditors of the company will be put to the Annual General Meeting.

PL MANAGEMENT LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2003

Directors' responsibilities
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 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;
-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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board

E L Brown
Secretary
23\8\04

PL MANAGEMENT LIMITED

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF PL MANAGEMENT LIMITED

We have audited the financial statements of PL Management Limited on pages 4 to 8 for the year ended 31 December 2003. 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 auditor's 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 auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom 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 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 31 December 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

HLB AV Audit plc

HLB A V Audit plc

Registered Auditor

31/8/04

66 Wigmore Street
London
W1U 2HQ

PL MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2003

	Notes	2003 £	2002 £
Turnover		98,581	145,042
Cost of sales		(40,736)	(120,256)
Gross profit		57,845	24,786
Administrative expenses		(65,963)	(65,367)
Operating loss	2	(8,118)	(40,581)
Other interest receivable and similar income	3	10	-
Loss on ordinary activities before taxation		(8,108)	(40,581)
Tax on loss on ordinary activities	4	-	-
Loss on ordinary activities after taxation	8	(8,108)	(40,581)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

PL MANAGEMENT LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2003

	Notes	2003 £	2003 £	2002 as restated £	2002 as restated £
Current assets					
Debtors	5	119,054		32,650	
Cash at bank and in hand		494,041		188,585	
		613,095		221,235	
Creditors: amounts falling due within one year	6	(670,385)		(270,417)	
Total assets less current liabilities			(57,290)		(49,182)
Capital and reserves					
Called up share capital	7		2		2
Profit and loss account	8		(57,292)		(49,184)
Shareholders' funds - equity interests	9		(57,290)		(49,182)

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on ......23\8\04.....

D S Crawford
Director

A Morgan
Director

PL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003

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1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Deferred taxation

Where material, deferred tax is provided in full, as required by FRS 19 - Deferred Tax, in respect of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is not discounted.

1.5 Restatement of comparatives

The balance sheet comparative figures for the year ended 31 December 2002 have been restated to reflect the client bank accounts correctly.

2 Operating loss	**2003**	**2002**
	£	**£**
Operating loss is stated after charging:		
Auditors' remuneration	1,850	1,500

3 Investment income	**2003**	**2002**
	£	**£**
Bank interest	10	-

4 Taxation

On the basis of these financial statements no provision has been made for corporation tax.

PL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2003

5	**Debtors**	**2003**	**2002 as restated**
		£	**£**
	Trade debtors	67,164	(2,838)
	Amounts owed by group undertakings and undertakings in which the company has a participating interest	2	2
	Other debtors	51,888	35,486
		119,054	32,650

6	**Creditors: amounts falling due within one year**	**2003**	**2002**
		£	**£**
	Trade creditors	349	-
	Amounts owed to group undertakings and undertakings in which the company has a participating interest	660,185	266,201
	Other creditors	9,851	4,216
		670,385	270,417

7	**Share capital**	**2003**	**2002**
		£	**£**
	Authorised		
	100 Ordinary shares of £1 each	100	100
	Allotted, called up and fully paid		
	2 Ordinary shares of £1 each	2	2

8	**Statement of movements on profit and loss account**	**Profit and loss account**
		£
	Balance at 1 January 2003	(49,184)
	Retained loss for the year	(8,108)
	Balance at 31 December 2003	(57,292)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2003

9 Reconciliation of movements in shareholders' funds

	2003 £	2002 £
Loss for the financial year	(8,108)	(40,581)
Opening shareholders' funds	(49,182)	(8,601)
Closing shareholders' funds	(57,290)	(49,182)

10 Control

The immediate parent company is Prestige Properties S.A., a company incorporated in Liechtenstein.

The ultimate holding company is Tane Fount S.A. which is also incorporated in Liechtenstein.

The entire share capital of the parent undertakings is under the control and held for the benefit of Mr M Al Fayed and his family.

11 Related party transactions

At the year end the company owed £263,616 (2002: £10,237) to 55 Park Lane Limited and £396,569 (2002: £255,964) to Hyde Park Residence Limited, its connected companies.

Included in debtors is £2 (2002: £2) owed from its immediate parent company Prestige Properties S.A.

All the above companies are under the ultimate control of Mr M Al Fayed and his family.