

GREYCOAT MOOR HOUSE LP LIMITED
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2003



Company No. 4137909 (England and Wales)

GREYCOAT MOOR HOUSE LP LIMITED

COMPANY INFORMATION

Directors

PA Thornton
CN Strickland
MA Poole
AM Craven

Secretary

NC Brown

Company Number

4137909

Registered Office

9 Savoy Street
London
WC2E 7EG

Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

GREYCOAT MOOR HOUSE LP LIMITED

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GREYCOAT MOOR HOUSE LP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2003

The directors present their report together with the audited accounts for the year ended 30 June 2003.

Principal Activities and Review of Business

The principal activity is property investment.

The company holds a beneficial interest of 33.1% in The Moor House Limited Partnership.

This activity is expected to continue in the future.

Results and Dividends

The company's loss on ordinary activities before and after taxation was £12,305,530 (2002: £nil).

The directors are unable to recommend a final dividend (2002: £nil).

Directors

The directors who served during the year were:

PA Thornton
C Strickland
MA Poole
AM Craven

None of the directors had any interest in the share capital of the company during the year. Messrs PA Thornton, C Strickland, MA Poole and AM Craven are also directors of Greycoat Estates Limited, which was the ultimate parent undertaking at 30 June 2003, in whose accounts their interests in the share capital of that company and other group undertakings are shown.

GREYCOAT MOOR HOUSE LP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2003

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 company'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 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 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.

Auditors

Ernst & Young LLP 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
29 April 2004

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF GREYCOAT MOOR HOUSE LP LIMITED**

We have audited the company's accounts for the year ended 30 June 2003 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 10. 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 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.

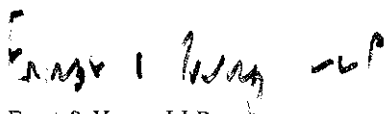
Basis of audit opinion

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 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 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 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 as at 30 June 2003 and of the loss for the year and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
London
29 April 2004

GREYCOAT MOOR HOUSE LP LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2003

	Notes	Year ended 30 June 2003 £	Year ended 30 June 2002 £
Provision against fixed asset investments	4	(12,254,465)	-
Operating Loss	2	(12,254,465)	-
Finance Costs		51,065	-
Loss from ordinary activities before taxation		(12,305,530)	-
Taxation	3	-	-
Retained loss for the year		(12,305,530)	-
Retained result brought forward		-	-
Retained loss/result carried forward		(12,305,530)	-

Statement of Total Recognised Gains and Losses

There were no recognised gains or losses in the year other than those included in the profit and loss account (2002: £nil).

The notes on pages 6 to 9 form part of these accounts.

GREYCOAT MOOR HOUSE LP LIMITED

BALANCE SHEET

AS AT 30 JUNE 2003

	Notes	£	30 June 2003 £	£	30 June 2002 £
Fixed Assets					
Investments	4		10,610,572		16,595,037
Current Assets					
Debtors	5	2		-	
Cash at bank		2,664,606		-	
			2,664,608		-
Total Assets Less Current Liabilities			13,275,180		16,595,037
Creditors: Amounts Falling Due After One Year	6		(25,580,708)		(16,595,035)
			(12,305,528)		2
Capital and Reserves					
Share capital	7		2		2
Profit and loss account			(12,305,530)		-
Shareholders' Funds			(12,305,528)		2

These accounts were approved by the board on 29 April 2004 and signed on its behalf.



MA Poole
Director

The notes on pages 6 to 9 form part of these accounts.

GREYCOAT MOOR HOUSE LP LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2003

1 Accounting Policies

Basis of Accounting

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

The accounts have been prepared on a going concern basis because the directors believe that the value to the company of the development property owned by the Moor House Limited Partnership when completed and let will exceed the aggregate of the loans in note 6 and the interest to that date. These loans do not have to be repaid before the property is completed and let.

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirements to produce a cash flow statement on the grounds that its results have been included in the consolidated accounts of its ultimate parent undertaking Greycoat Estates Limited.

Group Accounts

The company is exempt from the obligation to prepare and deliver group accounts in accordance with Section 228 of the Companies Act 1985. The accounts present information about the company as an individual undertaking and not about its group. The company's results are consolidated in the accounts of Greycoat Estates Limited.

Investments

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

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 taxation 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.

GREYCOAT MOOR HOUSE LP LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2003

2 Finance Costs

	Year ended 30 June 2003 £	Year ended 30 June 2002 £
Interest payable to a fellow subsidiary undertaking	51,065	-

3 Taxation

There is no tax charge for the year (2002: £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 company.

4 Fixed Asset Investments

	Share of Joint Ventures £
Cost	
At 1 July 2002	16,595,037
Additions	6,270,000
Provision	(12,254,465)
At 30 June 2003	10,610,572

The company owns a beneficial interest of 33.1% in the Moor House Limited Partnership. The Partnership is involved in property investment and development and has a financial year end of 31 December. During the year, the company accounted for income of £nil from this investment.

GREYCOAT MOOR HOUSE LP LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2003

5 Debtors

	30 June 2003 £	30 June 2002 £
Amounts due from fellow subsidiary undertakings	2	-
	<hr/>	<hr/>

6 Creditors: Amounts Falling Due After One Year

	30 June 2003 £	30 June 2002 £
Amounts due to Greycoat Management & Finance Ltd	14,190,029	3,595,035
Amounts due to Greycoat Estates Ltd	11,390,679	13,000,000
	<hr/>	<hr/>
	25,580,708	16,595,035
	<hr/>	<hr/>

7 Share Capital

	30 June 2003	30 June 2002 £
Authorised Equity Shares		
100 Ordinary shares of £1 each	100	100
	<hr/>	<hr/>
Allotted, Issued, and Fully Paid Equity Shares		
2 Ordinary shares of £1 each	2	2
	<hr/>	<hr/>

GREYCOAT MOOR HOUSE LP LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2003

8 Reconciliation of Shareholders' Funds

	30 June 2003 £	30 June 2002 £
Loss for the year	(12,305,530)	-
Decrease in shareholders' funds	(12,305,530)	-
Shareholders' funds brought forward	2	2
Shareholders' funds carried forward	(12,305,528)	2

9 Immediate and Ultimate Parent Undertaking

The company's immediate and ultimate parent undertaking and controlling party at 30 June 2003 is Greycoat Estates Limited, registered in England and Wales, and copies of its accounts are available from 9 Savoy Street, London, WC2E 7EG.

10 Related Parties

The company has taken advantage of the exemption available to it not to disclose transactions with other group undertakings which are at least 90% owned directly or indirectly by the ultimate parent undertaking.