

Registered number 3744372

MARTINEAU (GP) LIMITED

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2000



A41
COMPANIES HOUSE

ABU1Y2WA

0753
03/08/01

Martineau (GP) Limited

Report and financial statements for the year ended 31 December 2000

Contents

Directors	1
Directors' report	2
Report of the auditors	4
Profit and loss account	5
Balance sheet	6
Reconciliation of movements in equity shareholders' funds	7
Notes to the financial statements	8 - 11

Directors

R H De Barr
P J J Cleary
P W B Cole (alternate to R J G Richards)
J A W Dodds
G Field
C E Palmer
R J G Richards
N C Varnham
M B White
G H Wright

Secretary and registered office

Henderson Secretarial Services Limited
4 Broadgate
London EC2M 2DA

Martineau (GP) Limited

Directors' report

The directors present their report and accounts for the year ended 31 December 2000.

Principal activities

The Company acts as general partner in The Martineau Limited Partnership, a property investment partnership to re-develop Martineau Place, Birmingham. The limited partners are LS Centre Properties Limited, Hammerson MLP Limited and Pearl Assurance plc. No changes to the Company's activities are anticipated.

Results and dividends

The profit and loss account is set out on page 5.

The directors do not recommend the payment of a dividend (nine months ended 31 December 1999 - £nil).

Directors and their interests

The directors of the Company are set out on page 1, all of whom held office throughout the period except as follows:

<u>Name</u>	<u>Date of Appointment</u>	<u>Date of Resignation</u>
P W B Cole (as alternate to R J G Richards)	5 July 2000	
P J J Cleary	18 April 2001	
K Redshaw		20 March 2001

During the year none of the directors had any interests in the shares of the Company, which require to be disclosed under the Companies Act 1985.

Registered office

The Company's registered office address changed from 3 Finsbury Avenue, London EC2M 2PA to 4 Broadgate, London EC2M 2DA on 23 October 2000.

Directors' report (continued)

Elective resolutions

Elective resolutions are in force which were approved by the Company's shareholders on 9 May 2000 to dispense with the following requirements:

1. to re-appoint auditors annually;
2. to hold an Annual General Meeting; and
3. to lay the accounts before the Company in general meeting.

Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that year and comply with the Companies Act 1985.

The directors are responsible for ensuring that applicable accounting standards have been followed and that suitable accounting policies consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of the financial statements. It is also the responsibility of the directors to 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 also responsible for maintaining proper accounting records so as to enable them to comply with company law. The directors have general responsibilities for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board

N F Monir

N F Monir

For and on behalf of Henderson Secretarial Services Limited, Secretary

25 July 2001

MARTINEAU (GP) LIMITED

Report of the auditors

To the Members of Martineau (GP) Limited

We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of partners and auditors

The directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities as independent auditors, are established in the United Kingdom by statute, The Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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 explanation we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit 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 at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London

25 July 2001

MARTINEAU (GP) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2000**

	Notes	2000 £	Restated 9 Months ended December 1999 £
Gross property income	3	<u>2,925</u>	<u>-</u>
Net rental income	3	1,968	-
Administration expenses	4	(681)	(639)
Income from fixed asset investments		536	74
Loss on disposal of investments		<u>(62)</u>	<u>(89)</u>
Operating profit/(loss)		1,761	(654)
Interest receivable		603	341
Interest payable		<u>-</u>	<u>(5)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		2,364	(318)
Taxation	5	<u>(156)</u>	<u>-</u>
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		2,208	(318)
Balance brought forward		<u>(318)</u>	<u>-</u>
BALANCE CARRIED FORWARD		<u>1,890</u>	<u>(318)</u>

All income was derived from the United Kingdom from continuing operations. No operations were discontinued during the year.


There were no recognised gains and losses other than the profit on ordinary activities after taxation.

The notes on pages 8 to 11 form an integral part of these financial statements.

MARTINEAU (GP) LIMITED

BALANCE SHEET - 31 DECEMBER 2000

	Notes	2000	Restated 1999
		£	£
FIXED ASSETS			
Land and Buildings	6	299,495	222,376
Goodwill		(432,219)	(432,219)
Investments			
Quoted in the United Kingdom	7	8,976	9,987
Unquoted		<u>2</u>	<u>2</u>
		(123,746)	(199,854)
CURRENT ASSETS			
Debtors	8	136,022	203,035
Investments: short term deposits		4,830	9,660
Cash at bank and in hand		<u>1,579</u>	<u>1,350</u>
Total current assets		142,431	214,045
CREDITORS: amounts falling due within one year			
	9	<u>(14,995)</u>	<u>(12,709)</u>
NET CURRENT ASSETS		<u>127,436</u>	<u>201,336</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,690</u>	<u>1,482</u>
CAPITAL AND RESERVES			
Called up share capital	10	1,800	1,800
Profit and loss		<u>1,890</u>	<u>(318)</u>
		<u>3,690</u>	<u>1,482</u>


 R H De Barr
 Director

The financial statements on pages 5 to 11 were approved by the directors on 25 July 2001.

MARTINEAU (GP) LIMITED

**OTHER PRIMARY STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2000**

RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2000	Restated 9 Months ended December 1999
	£	£
Profit/(loss) on ordinary activities after taxation (page 5)	2,208	(318)
Retained profit/(loss) for the financial year (page 5)	2,208	(318)
Issue of shares during the year	-	1,800
	2,208	1,482
Opening equity shareholders' funds	1,482	-
Closing equity shareholders' funds	3,690	1,482

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2000

1. ACCOUNTING POLICIES

a) Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

b) Proportional consolidation

The financial statements include the proportional consolidation of the Company's 0.46% interest in The Martineau Limited Partnership.

c) Profit and loss account

The profit on ordinary activities is arrived at after taking into account income and outgoings on all properties, including those under development.

Profits and losses on sales of fixed asset investments are calculated in accordance with FRS3 "Reporting Financial Performance", by comparing net sales proceeds with book values.

d) Goodwill

The negative goodwill arising on the proportional consolidation of The Martineau Limited Partnership is not amortised. It is a gain that will be realised on the sale of the asset.

e) Properties

Properties in the course of development are held at the lower of cost and recoverable amount. A property is regarded as being in the course of development until substantially let and income producing or until income exceeds outgoings.

Additions to properties include costs of a capital nature only; interest and other costs in respect of developments and refurbishments are treated as revenue expenditure and written off as incurred.

f) Depreciation and amortisation

In accordance with SSAP 19, no depreciation or amortisation is provided in respect of the leasehold property held on leases having more than 20 years unexpired. The departure from requirements of the Companies Act 1985 for all properties to be depreciated is, in the opinion of the Company, necessary for the financial statements to give a true and fair view in accordance with applicable standards, as the property is in the course of development and the Partners believe that there will be no diminution in the amount disclosed in the Balance Sheet.

MARTINEAU (GP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2000 (CONTINUED)

2. CHANGE IN ACCOUNTING POLICY

During the year the Company changed its accounting policy with respect to the treatment of its investment in The Martineau Limited Partnership. The Company now proportionately consolidates its interest in the Partnership rather than show the investment at cost. Consequently, the comparatives have been appropriately restated. The effect of this change is as follows:

	2000	Restated 9 Months ended 31 December 1999
	£	£
Increase in retained profit/(loss)	1,734	(298)
	<u> </u>	<u> </u>
		Restated 9 Months ended 31 December
3. NET RENTAL INCOME	2000	1999
	£	£
Rental Income	2,132	-
Service charge and other recoveries	793	-
Gross property income	<u>2,925</u>	<u>-</u>
Ground rents payable	(2)	-
Other property outgoings	(955)	-
	<u>(957)</u>	<u>-</u>
	<u>1,968</u>	<u>-</u>

4. ADMINISTRATION EXPENSES

The directors did not receive any remuneration for services to the Company in the current year or preceding period.

The Company had no employees in the financial year or preceding period.

The auditors' remuneration has been paid by The Martineau Limited Partnership.

MARTINEAU (GP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2000 (CONTINUED)

5. TAXATION	2000	
	£	
Revenue profit at the Corporation Tax rate of 20% (1999: 20%)	156	
6. LAND AND BUILDINGS	2000	Restated 1999
	£	£
Leasehold property in the course of development at cost:		
At 1 January 2000	222,376	-
Additions during the period	77,119	222,376
At 31 December 2000	299,495	222,376
7. INVESTMENTS		
The market value of the quoted investments held at 31 December 2000 was £10,513 (1999: £9,828). In the directors' opinion, the value of the unquoted investments at that date was not less than cost.		
8. DEBTORS	2000	Restated 1999
	£	£
Loans to partners	133,874	202,487
Other debtors	2,148	548
	136,022	203,035
9. CREDITORS	2000	Restated 1999
	£	£
Amounts owed to partners	10,548	10,078
Accruals	4,291	2,631
Taxation	156	-
	14,995	12,709

MARTINEAU (GP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2000 (CONTINUED)

10. CALLED UP SHARE CAPITAL	<u>2000</u>	Restated
	£	<u>1999</u>
		£
Authorised, allotted and fully paid: 180,000 ordinary share of 1p each	1,800	1,800
	<u> </u>	<u> </u>

11. CASHFLOW STATEMENT EXEMPTION

The Company has elected to make use of the exemption provided in Financial Reporting Standard 1 (revised 1996) "Cash Flow Statements" for companies incorporated under companies legislation and entitled to the exemptions available in the legislation for small companies.

12. RELATED PARTY TRANSACTIONS

Other than that referred to in Notes 8 and 9 the Company did not have any transactions with any of its related parties.

13. ULTIMATE CONTROLLING PARTIES

The Company is jointly owned by LS Birmingham Limited, Henderson (Martineau Phase 1) Limited and Hammerson Birmingham Properties Limited whose ultimate parent companies are Land Securities plc, AMP Limited and Hammerson plc respectively.