

397 4021

WILMSLOW (No.3) GENERAL PARTNER LIMITED

Report and Accounts

30 June 2002



Wilmslow (No.3) General Partner Limited

Registered No. 3974021

DIRECTORS

Peter Allen
Peter Miller
Andrew Dewhirst
Andrew Martin
Richard Low

SECRETARY

EPS Secretaries Limited

AUDITORS

Ernst & Young LLP
Becket House
1 Lambeth Palace Road
London SE1 7EU

BANKERS

Barclays Bank PLC
54 Lombard Street
London EC4N 8JA

SOLICITORS

Nabarro Nathanson
Lacon House
Theobald's Road
London WC1X 8RW

REGISTERED OFFICE

MidCity Place, 71 High Holborn
London WC1V 6EA

Wilmslow (No.3) General Partner Limited

DIRECTORS' REPORT

The directors present their annual report and accounts for the year ended 30 June 2002.

RESULTS AND DIVIDENDS

The profit for the year, after taxation and minority interests, amounted to £7,000, (period ended 30 June 2001: nil). The directors do not propose the payment of a dividend (period ended 30 June 2001: £nil)

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

During the year the company, acting as the General Partner, had an interest of 1% in the profits and assets of The Wilmslow (No.3) Limited Partnership. Westfield UK (Nominee) Limited and MEPC Eagle LP Limited, acting as the Limited Partners, had an interest of 49.5% each in the profits and assets and liabilities of the Partnership.

The principal activity of The Wilmslow (No.3) Limited Partnership during the year was the ownership of the The Eagle Centre, Derby.

FUTURE DEVELOPMENTS

The directors anticipate that the activity of the company will continue for the foreseeable future.

POST BALANCE SHEET EVENT

On 27 September 2002 Birmingham Central Properties Limited transferred its interest in the company to Britel Fund Nominees Limited. The subsequent changes to the Board of Directors are set out below.

DIRECTORS AND THEIR INTERESTS

The present membership of the Board is set out on page 1. During the year Stewart McGarrity was appointed as a director on 22 April 2002 and Toby Courtauld resigned on 22 April 2002. John O'Sullivan was appointed as a director on 20 May 2002 and Iain Watters resigned on that date. Iain Watters was reappointed as a director on 15 August 2002 and John O'Sullivan resigned on that date. Following the transfer of interest referred to in the post balance sheet event note Stewart McGarrity, Stephen East and Iain Watters resigned on 27 September 2002. Andrew Dewhirst, Andrew Martin and Richard Low were appointed as directors on that date. Polly Joseph was also appointed as a director on 27 September 2002 and resigned on 30 September 2002.

The directors have no interest in the share capital of the company.

AUDITORS

Ernst & Young LLP have expressed their willingness to continue in office as auditors.

By order of the Board

Director
Date

30 April 2003

Wilmslow (No.3) General Partner Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- 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 to 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.

INDEPENDENT AUDITORS' REPORT
to the members of Wilmslow (No.3) General Partner Limited

We have audited the company's accounts for the year ended 30 June 2002 which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement, Statement of Total Recognised Gains and Losses, and the related notes 1 to 14. 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 financial statements in accordance with applicable United Kingdom law and 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.

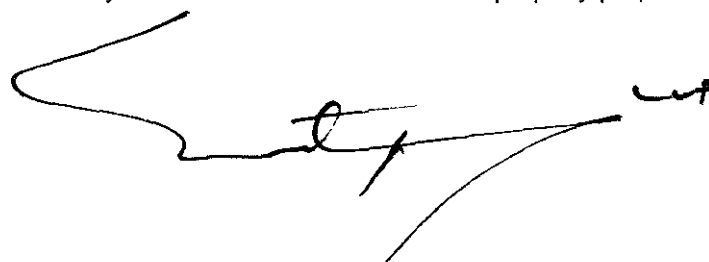
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 affairs of the company as at 30 June 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP
Registered Auditor
London

Date: **30 APR 2003**



Wilmslow (No.3) General Partner Limited

PROFIT AND LOSS ACCOUNT for the year ended 30 June 2002

	Notes	2002 £000	2001 £000 <i>Restated*</i>
TURNOVER		-	-
GROSS PROFIT		-	-
Administrative expenses		(2)	-
OPERATING LOSS	2	(2)	-
Investment Income		10	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		8	-
Tax on profit on ordinary activities	6	(1)	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	11	7	-

There are no other gains or losses other than those reported for the year ended 30 June 2002.

* The basis for the restatement is explained on page 7, accounting policies, basis of accounting.

Wilmslow (No.3) General Partner Limited

BALANCE SHEET at 30 June 2002

	Notes	2002 £000	2001 £000 <i>Restated*</i>
FIXED ASSETS			
Investments	7	<u>1</u>	<u>1</u>
		1	1
CURRENT ASSETS			
Debtors	8	11	3
CREDITORS: amounts falling due within one year	9	<u>(4)</u>	<u>(3)</u>
NET CURRENT ASSETS		<u>7</u>	<u>-</u>
NET ASSETS		<u>8</u>	<u>1</u>
CAPITAL AND RESERVES			
Called up share capital	10	1	1
Profit and loss account	11	<u>7</u>	<u>-</u>
EQUITY SHAREHOLDERS' FUNDS		<u>8</u>	<u>1</u>

Director

Date


30 April 2003

* The basis for the restatement is explained on page 7, accounting policies, basis of accounting.

Wilmslow (No.3) General Partner Limited

NOTES TO THE ACCOUNTS

at 30 June 2002

1. ACCOUNTING POLICIES

Basis of accounting

The accounts are prepared under the historical cost convention, in accordance with applicable accounting standards.

The directors of the company have reassessed the need to consolidate its investment in The Wilmslow (No 3) Limited Partnership, and are of the opinion that the 1% investment has not constituted control, as defined under FRS2. Accordingly these accounts have been prepared on a company only basis and the comparatives have been restated to reflect this revised treatment. This change has no significant impact on the profit or net assets attributable to the members. The investment has been treated as a fixed asset investment in the accounts of the company.

The company owns two further subsidiaries which have not been consolidated. W (No. 3) GP (Nominee A) Limited and W (No. 3) GP (Nominee B) Limited. The company has taken advantage of the exemption under section 229(2) of the Companies Act 1985 not to consolidate these entities, since their inclusion is not material for the purpose of giving a true and fair view.

In preparing the accounts for the current year, the company has adopted FRS19 "Deferred Tax". Adoption of FRS19 has required an additional provision for deferred tax. Details of the adjustment are shown in Note 12 Reconciliation of Shareholders Funds and Movement on Reserves.

In addition, profits from investments were previously recognised as they accrued to the company. Investment income is now recognised when receivable. Details of these adjustments are shown in Note 12 Reconciliation of Shareholders Funds and Movement on Reserves.

Investments

Investments are stated at cost.

Deferred tax

Full provision has been made for deferred taxation in respect of timing differences that have originated but not reversed at the balance sheet date where an event has occurred that results in an obligation to pay more or less tax in the future by the balance sheet date except that:

- No provision is made for gains on disposal of assets that have been rolled over into replacement assets.
- Deferred tax assets are recognised to the extent that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates enacted at the balance sheet date.

Wilmslow (No.3) General Partner Limited

NOTES TO THE ACCOUNTS

at 30 June 2002

2. OPERATING LOSS

This is stated after charging:

	2002 £000	2001 £000
Auditors remuneration – audit fees	<u>2</u>	<u>-</u>

3. DIRECTORS' EMOLUMENTS

The directors did not receive any remuneration during the year in respect of their services provided to the group (period ending 30 June 2001: £nil).

4. STAFF COSTS

There are no staff employed by the company (period ending 30 June 2001: £nil).

5. PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION

The profit for the year was £7,000. (2001 nil)

6. TAX

(a) Analysis of tax charge in the year:

	2002 £000	2001 £000
The tax charge for the year comprises:		
UK corporation tax: current year at 19.75% (2001: 30%)	3	3
Over provision in respect of prior period	<u>(1)</u>	<u>-</u>
	2	3
Deferred tax: current year	<u>(1)</u>	<u>(3)</u>
	<u>1</u>	<u>-</u>

(b) Factors affecting tax charge for the period:

The tax assessed for the period is higher than the small companies rate of corporation tax in the UK of 19.75% (2001:20%). The differences are explained below:

	2002 £000	2001 £000
Profit on ordinary activities before tax	<u>8</u>	<u>-</u>
Profit on ordinary activities multiplied by small companies rate of corporation tax in the UK of 19.75% (2001: 20%)	2	-
Effects of: taxable investment income not recognised in accounts	<u>1</u>	<u>3</u>
Current tax charge for period	<u>3</u>	<u>3</u>

(c) Increase in deferred tax asset:

	2002 £000	2001 £000
Other timing differences	<u>1</u>	<u>3</u>

Wilmslow (No.3) General Partner Limited

NOTES TO THE ACCOUNTS

at 30 June 2002

7. INVESTMENTS

	2002 £000	2001 £000
The Wilmslow (No 3) Limited Partnership	<u>1</u>	<u>1</u>

The investment relates to a 1% holding in The Wilmslow (No.3) Limited Partnership, which was established under a Limited Partnership Agreement dated 28 July 2000. The Limited Partnership is registered in England pursuant to the provisions of The Limited Partnerships Act 1907.

8. DEBTORS

	2002 £000	2001 £000
Amounts due from Limited Partnership	7	-
Deferred tax	4	3
	<u>11</u>	<u>3</u>

9. CREDITORS amounts falling due within one year

	2002 £000	2001 £000
Accruals	2	-
Corporation tax	2	3
	<u>4</u>	<u>3</u>

10. SHARE CAPITAL

	2002 Authorised No.	2002 Allotted, Called up and fully paid £000	2001 Authorised No.	2001 Allotted, Called up and fully paid £000
Ordinary shares of £1 each	1,000	1	1,000	1

11. RECONCILIATION OF SHAREHOLDERS FUNDS AND MOVEMENT ON RESERVES (as restated)

	Share capital £000	Profit and loss account £000	Share- holders funds £000
Balance at 17 April 2000	1	-	1
Profit for the period (as previously stated)	-	6	6
Effect of restating investment income	-	(9)	(9)
Adjustment to deferred tax on restatement	-	3	3
Balance at 1 July 2001	<u>1</u>	<u>-</u>	<u>1</u>
Profit for the year	-	7	7
Balance at 30 June 2002	<u>1</u>	<u>7</u>	<u>8</u>

NOTES TO THE ACCOUNTS

at 30 June 2002

12. CAPITAL COMMITMENTS

There were no capital commitments at 30 June 2002 (period ended 30 June 2001: £nil).

13. PARENT UNDERTAKINGS

At the balance sheet date the company was jointly controlled by Cavemont Pty Limited and Birmingham Central Properties Limited.

The ultimate controlling entity of Cavemont Pty Limited is Westfield Holdings Limited. Copies of the accounts of Westfield Holdings Limited are available from Level 24 Westfield Towers, 100 William Street, Sydney, Australia NSW 2011.

The ultimate controlling entity of Birmingham Central Properties Limited is Leconport Estates, an unlimited liability company registered in England and Wales. Leconport Estates is a joint venture company formed by GE Capital Real Estate and the BT Pension scheme, through Hermes. Copies of the accounts of Leconport Estates are available from Hermes, Lloyds Chambers, 1 Portsoken Street, London, E1 8HZ.

14. POST BALANCE SHEET EVENT

On 27 September 2002 Birmingham Central Properties Limited transferred its interest in the company to Britel Fund Nominees Limited.

1. The first part of the paper is devoted to a discussion of the various methods of determining the rate of reaction. The second part is devoted to a discussion of the various methods of determining the order of reaction. The third part is devoted to a discussion of the various methods of determining the activation energy of a reaction. The fourth part is devoted to a discussion of the various methods of determining the equilibrium constant of a reaction. The fifth part is devoted to a discussion of the various methods of determining the rate of reaction. The sixth part is devoted to a discussion of the various methods of determining the order of reaction. The seventh part is devoted to a discussion of the various methods of determining the activation energy of a reaction. The eighth part is devoted to a discussion of the various methods of determining the equilibrium constant of a reaction. The ninth part is devoted to a discussion of the various methods of determining the rate of reaction. The tenth part is devoted to a discussion of the various methods of determining the order of reaction. The eleventh part is devoted to a discussion of the various methods of determining the activation energy of a reaction. The twelfth part is devoted to a discussion of the various methods of determining the equilibrium constant of a reaction. The thirteenth part is devoted to a discussion of the various methods of determining the rate of reaction. The fourteenth part is devoted to a discussion of the various methods of determining the order of reaction. The fifteenth part is devoted to a discussion of the various methods of determining the activation energy of a reaction. The sixteenth part is devoted to a discussion of the various methods of determining the equilibrium constant of a reaction. The seventeenth part is devoted to a discussion of the various methods of determining the rate of reaction. The eighteenth part is devoted to a discussion of the various methods of determining the order of reaction. The nineteenth part is devoted to a discussion of the various methods of determining the activation energy of a reaction. The twentieth part is devoted to a discussion of the various methods of determining the equilibrium constant of a reaction.

WILMSLOW (No. 3) LIMITED PARTNERSHIP

Report and Accounts 30 June 2002

THESE ACCOUNTS
FORM PART OF THE
GROUP ACCOUNTS
OF COMPANY
No. 3974021

STATEMENT OF PARTNERS' RESPONSIBILITIES IN RESPECT OF THE PREPARATION OF ACCOUNTS

The Wilmslow (No. 3) Limited Partnership is registered pursuant to the provisions of The Limited Partnerships Act 1907. The Partnerships and Unlimited Companies (Accounts) Regulations 1993 (SI 1820, 1993) require certain qualifying partnerships to prepare and have audited annual accounts and reports as required for a company by the Companies Act 1985. The Partnership is a qualifying partnership as all its members are limited companies.

Wilmslow (No. 3) General Partner Limited, acting as the General Partner, is responsible under Article 11 of the Limited Partnership Agreement of 28 July 2000 for the preparation of the Partnership accounts in accordance with English law and United Kingdom generally accepted accounting principles and practices.

The General Partner is required to prepare accounts for each period of the Partnership which give a true and fair view of the state of affairs of the Partnership as at the end of the financial year and of the profit or loss for that period. In preparing those accounts, the general partner is required to:

- 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 partnership will continue in business.

The general partner is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the partnership and to enable them to ensure that the accounts comply with SI 1820, 1993 (Regulation 4). It is also responsible for the partnership's system of internal financial control, for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WILMSLOW (NO. 3) LIMITED PARTNERSHIP

We have audited the partnership's financial statements for the year ended 30 June 2002 which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement, Statement of Total Recognised Gains and Losses, The Statement of Profit Appropriation and the related notes 1 to 15. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the members of the limited partnership pursuant to The Partnership and Unlimited Companies (Accounts) Regulations 1993 (SI 1820,1993) (the "Statutory Instrument"). Our audit work has been undertaken so that we might state to the partnership'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 partnership and the partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Partners and Auditors

As described in the Statement of Partners' Responsibilities the General Partner is responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with United Kingdom Auditing Standards. We report to you our opinion as to whether the financial statements give a true and fair view.

Basis of audit opinion

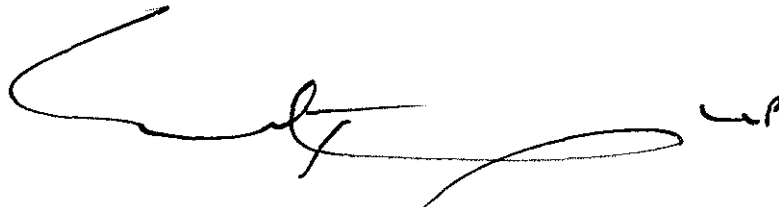
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Partners in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Partnership'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 affairs of the Partnership as at 30 June 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Regulations of the Limited Partnership Agreement which are governed by The Partnership and Unlimited Companies (Accounts) Regulations 1993.

Ernst & Young LLP
LONDON
Date:



30 APR 2003

PROFIT AND LOSS ACCOUNT
for the year ended 30 June 2002

	<i>Notes</i>	<i>2002</i> <i>£000</i>	<i>2001</i> <i>£000</i>
Turnover	3	11,311	8,154
Cost of sales		<u>(1,749)</u>	<u>(1,359)</u>
Gross profit		9,562	6,795
Administrative expenses		<u>(1,774)</u>	<u>(1,125)</u>
Operating Profit	4	7,788	5,670
Interest receivable		67	60
Interest payable and similar charges	6	<u>(6,294)</u>	<u>(4,768)</u>
Profit on ordinary activities	12	<u>1,561</u>	<u>962</u>

PROFIT APPROPRIATION

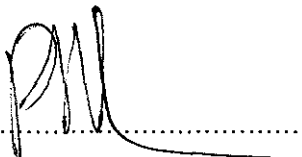
Wilmslow (No. 3) General Partner Limited	15	10
Westfield UK (Nominee) Limited	773	476
MEPC Eagle LP Limited	<u>773</u>	<u>476</u>
	<u>1,561</u>	<u>962</u>

STATEMENT OF TOTAL RECOGNISED GAINS & LOSSES
for the year ended 30 June 2002

		<i>2002</i> <i>£000</i>	<i>2001</i> <i>£000</i>
Profit for the year		1,561	962
Deficit arising on revaluation of fixed assets	7	<u>(8,401)</u>	-
TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR		<u>(6,840)</u>	<u>962</u>

BALANCE SHEET
at 30 June 2002

	Notes	2002 £000	2001 £000 Restated*
FIXED ASSETS			
Investment property	7	124,000	130,485
Developments in progress	7	2,231	-
Plant & Equipment	7	104	58
		<u>126,335</u>	<u>130,543</u>
CURRENT ASSETS			
Debtors	8	1,226	938
Cash at bank and in hand		<u>3,100</u>	<u>2,381</u>
		<u>4,326</u>	<u>3,319</u>
CREDITORS: amounts falling due within one year	9	<u>(5,041)</u>	<u>(3,511)</u>
NET CURRENT LIABILITIES		<u>(715)</u>	<u>(192)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		125,620	130,351
CREDITORS: amounts falling due after more than one year	10	<u>(82,294)</u>	<u>(82,169)</u>
NET ASSETS		<u>43,326</u>	<u>48,182</u>
FINANCED BY			
Partners' capital accounts	12	100	100
Partners' subordinated debt	12	47,196	47,196
Partners' current accounts	12	<u>(3,970)</u>	<u>886</u>
		<u>43,326</u>	<u>48,182</u>

Signed on behalf of the General Partner: 

Date: 30 April 2003

*The basis for the restatement is explained in Note 12, Partners' Accounts.

CASH FLOW STATEMENT
for the year ended 30 June 2002

	Notes	2002 £000	2001 £000 <i>Restated*</i>
Net cash inflow from operating activities	13(a)	7,994	7,112
Returns on investment and servicing of finance:			
Interest received		67	60
Interest paid		(5,147)	(3,622)
Capital expenditure and financial investment:			
Purchase and expenditure on Freehold property		(4,147)	(130,485)
Purchase of other tangible fixed assets		(66)	(73)
Distributions to partners		<u>(1,020)</u>	<u>(76)</u>
Net cash outflow before financing		(2,319)	(127,084)
Financing:			
Receipt of capital from partners	12	-	100
Proceeds from subordinated loans	12	-	47,196
Partners' contributions to current accounts	12	3,014	-
Proceeds from bank loan and tenant deposits	10	24	82,607
Loan fees paid		<u>-</u>	<u>(438)</u>
Increase in cash and cash equivalents	13(b)	<u>719</u>	<u>2,381</u>
Reconciliation of net cash flow to movements in net debt			
Increase in cash and cash equivalents		719	2,381
Cash inflow from increase in debt		<u>(24)</u>	<u>(129,365)</u>
Movement in net debt in the period	13(b)	<u>695</u>	<u>(126,984)</u>
Net debt at 1 July 2001/28 July 2000	13(b)	(126,984)	-
Net debt at 30 June 2002	13(b)	<u>(126,289)</u>	<u>(126,984)</u>

*The basis for the restatement is explained in Note 12, Partners' Accounts.

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The accounts are prepared under the historical cost convention modified to include the revaluation of investment properties and in accordance with all applicable accounting standards in the United Kingdom.

DEPRECIATION

Depreciation is provided on assets (excluding the investment property) to write off the cost or revalued amounts less estimated residual value (based on prices prevailing at the date of acquisition or revaluation). Depreciation rates are applied to cost or the revalued amounts, at the following rates:

Computer equipment	30%
Other plant and machinery	20%

INVESTMENT PROPERTY

The Partnership's investment property is held for long term investment. Investment properties are accounted for in accordance with SSAP19, as follows:

- (i) Investment properties are revalued annually and the surpluses or deficits are transferred to a revaluation reserve. In the case of permanent impairment in value of individual properties, any deficits below cost are taken to the profit and loss account for the period and;
- (ii) No depreciation or amortisation is provided in respect of investment properties with over 20 years to run.

DEVELOPMENTS IN PROGRESS

All expenditure incurred by the partnership in connection with the potential redevelopment of the investment property has been classified separately within note 7, "tangible fixed assets", as developments in progress. This amount is stated at cost.

TAXATION

No taxation is provided, as the tax liabilities on the partnership's profits are a liability of the partners and not of the partnership.

BORROWING EXPENSES

All costs incurred directly in connection with the issue of debt are deducted from the proceeds and the net amount included in liabilities. Such costs, together with any discount on issue, are charged to the profit and loss account over the term of the debt at a constant return on the carrying amount of the liability.

COMPARATIVE FIGURES

Profit and loss account figures for the period ended 30 June 2001 reflect a trading period from the date of establishment of the Partnership, 28 July 2000.

NOTES TO THE ACCOUNTS

2. PRINCIPAL ACTIVITY

The Partnership Agreement dated 28 July 2000 states that the purpose of the Partnership is to carry out property investment.

The principal activity of the Partnership during the year was the ownership of The Eagle Centre, Derby.

During the year Wilmslow (No. 3) General Partner Limited, acting as general partner, had an interest of 1% in the profits and assets of the Partnership. Westfield UK (Nominee) Limited and MEPC Eagle LP Limited, acting as limited partners, each had an interest in 49.5% in the profits and assets of the Partnership.

3. TURNOVER

	2002	2001
	£000	£000
Rental Income	7,556	5,854
Service Charge Recoveries	1,360	1,082
Other Income	2,395	1,218
	<u>11,311</u>	<u>8,154</u>

Turnover is stated net of value added tax, and relates to one geographical market, the United Kingdom.

4. OPERATING PROFIT

This is stated after charging:

	2002	2001
	£000	£000
Auditors Remuneration – audit fees	12	8
Depreciation of owned fixed assets	<u>20</u>	<u>15</u>

5. STAFF COSTS

The Partnership did not employ staff directly during the year. (period ended 30 June 2001: £nil)

NOTES TO THE ACCOUNTS

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2002 £000	2001 £000
Bank Interest	6,193	4,693
Amortisation of loan fees	101	75
	<u>6,294</u>	<u>4,768</u>

7. TANGIBLE FIXED ASSETS

	<i>Freehold investment property £000</i>	<i>Developments in Progress £000</i>	<i>Plant and equipment £000</i>	<i>Total £000</i>
Cost or valuation				
At 1 July 2001	130,485	-	73	130,558
Additions	1,916	2,231	66	4,213
Deficit arising on revaluation	(8,401)	-	-	(8,401)
At 30 June 2002	<u>124,000</u>	<u>2,231</u>	<u>139</u>	<u>126,370</u>
Depreciation				
At 1 July 2001	-	-	15	15
Provided during the year	-	-	20	20
At 30 June 2002	<u>-</u>	<u>-</u>	<u>35</u>	<u>35</u>
NET BOOK VALUE				
At 30 June 2002	<u>124,000</u>	<u>2,231</u>	<u>104</u>	<u>126,335</u>
At 1 July 2001	<u>130,485</u>	<u>-</u>	<u>58</u>	<u>130,543</u>

The freehold investment property was valued by Knight Frank, Chartered Surveyors, as at 30 June 2002 on the basis of open market value in accordance with the Appraisal and Valuation Manual of The Royal Institution of Chartered Surveyors. The historical cost of the investment property included at valuation is as follows:

	£000
At 30 June 2002	132,401
At 1 July 2001	130,485

NOTES TO THE ACCOUNTS

8. DEBTORS

	2002 £000	2001 £000
Trade debtors	674	807
Other debtors	164	104
Prepayments and accrued income	388	27
	<u>1,226</u>	<u>938</u>

9. CREDITORS amounts falling due within one year

	2002 £000	2001 £000
Trade creditors	76	238
Accruals and deferred income	3,504	1,750
Amounts due to related parties	666	17
Other taxes and social security	705	299
Other creditors	90	1,207
	<u>5,041</u>	<u>3,511</u>

10. CREDITORS amounts falling due after more than one year

	2002 £000	2001 £000
Bank loan	82,600	82,600
Less: unamortised loan fees	(337)	(438)
	<u>82,263</u>	<u>82,162</u>
Other	31	7
	<u>82,294</u>	<u>82,169</u>

11. LOANS

	2002 £000	2001 £000
Wholly repayable between two and five years	<u>82,600</u>	<u>82,600</u>

The loan is secured by a charge over the investment property.

NOTES TO THE ACCOUNTS

12. PARTNERS' ACCOUNTS

Capital Accounts

	<i>Wilmslow (No. 3) General Partner Limited £</i>	<i>Westfield UK (Nominee) Limited £</i>	<i>MEPC Eagle LP Limited £</i>	<i>Total £</i>
At 1 July 2001	1,000	49,500	49,500	100,000
Movement during the year	-	-	-	-
At 30 June 2002	<u>1,000</u>	<u>49,500</u>	<u>49,500</u>	<u>100,000</u>

Subordinated Debt

	<i>Wilmslow (No. 3) General Partner Limited £000</i>	<i>Westfield UK (Nominee) Limited £000</i>	<i>MEPC Eagle LP Limited £000</i>	<i>Total £000</i>
At 1 July 2001 (as restated)	-	23,598	23,598	47,196
Movement during the year	-	-	-	-
At 30 June 2002	<u>-</u>	<u>23,598</u>	<u>23,598</u>	<u>47,196</u>

Current Accounts

	<i>Wilmslow (No.3) General Partner Limited £000</i>	<i>Westfield UK (Nominee) Limited £000</i>	<i>MEPC Eagle LP Limited £000</i>	<i>Total £000</i>
Profit Appropriation				
Balance at 1 July 2001 (as restated)	10	438	438	886
Drawings	(10)	(510)	(510)	(1,030)
Profit Appropriation	<u>15</u>	<u>773</u>	<u>773</u>	<u>1,561</u>
Balance at 30 June 2002	15	701	701	1,417
Contributions				
Balance at 1 July 2001	-	-	-	-
Contributions (Net)	<u>-</u>	<u>1,507</u>	<u>1,507</u>	<u>3,014</u>
Balance at 30 June 2002	-	1,507	1,507	3,014
Revaluation Reserve				
Balance at 1 July 2001	-	-	-	-
Adjustment to Revaluation Reserve	<u>-</u>	<u>(4,201)</u>	<u>(4,200)</u>	<u>(8,401)</u>
Balance at 30 June 2002	-	(4,201)	(4,200)	(8,401)
At 30 June 2002	<u>15</u>	<u>(1,993)</u>	<u>(1,992)</u>	<u>(3,970)</u>

No interest is charged on the partners' current, capital or subordinated debt accounts.

The opening balance in Partners' subordinated debt and Partners' current account has been restated by a total of £76,000. This adjustment represents Partners drawings in the prior year which was incorrectly reflected as a reduction in subordinated debt. The Partners Current Accounts at 1 July 2001 have been revised accordingly.

NOTES TO THE ACCOUNTS

13. RECONCILIATION OF OPERATING PROFIT TO CASHFLOW FROM OPERATIONS

(a) Note to cash flow statement

	2002 £000	2001 £000
Operating profit	7,788	5,670
Depreciation of tangible assets	20	15
Increase in creditors	474	2,365
Increase in debtors	(288)	(938)
Cash flow from operations	<u>7,994</u>	<u>7,112</u>

(b) Analysis of net debt

	Cash at Bank and in hand £000	Debt > 1 year £000	Total £000
At 1 July 2001	2,381	(129,365)	(126,984)
Cash flow	719	(24)	695
At 30 June 2002	<u>3,100</u>	<u>(129,389)</u>	<u>(126,289)</u>

14. RELATED PARTIES

Westfield Shoppingtowns Limited is deemed to be a related party to the Limited Partnership by virtue of the fact that there is a formal agreement in place to manage the Limited Partnership's day-to-day activities.

Total charges from Westfield Shoppingtowns Limited, (which included development work in progress) during the year amounted to £3,575,000, of which £666,000 remained outstanding at year end. (period ended 30 June 2001: £17,000).

15. POST BALANCE SHEET EVENT

On 27 September 2002 MEPC Eagle LP Limited transferred its interest in the partnership to Britel Fund Trustees Limited.