

Report and Accounts

Tishman Speyer Properties UK Limited

Period ending 31 December 1998



Tishman Speyer Properties UK Limited

Registered No. 3556917

DIRECTORS

D Augarten
J I Speyer
R V Tishman
P A Galiano
A J Nathan
G Roth
B D Saber
M Spies

SECRETARY

B D Saber

AUDITORS

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

BANKERS

Barclays Bank plc
8 - 9 Hanover Square
London W1A 4ZW

REGISTERED OFFICE

Millbank Tower
21 - 24 Millbank
London SW1P 4QP

Tishman Speyer Properties UK Limited

DIRECTORS' REPORT

The directors submit their annual report and the audited accounts of the company for the period ended 31 December 1998.

OPERATING RESULTS AND DIVIDENDS

The results for the period are shown on page 5 to these accounts. The directors do not recommend the payment of a dividend. The deficit for the year of £325,649 has been transferred to reserves.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company was incorporated on 28 April 1998. Its principal activity is that of a property management company.

DIRECTORS AND THEIR INTERESTS

The directors in office during the period were as follows:

D Augarten	(appointed 28 April 1998)
J I Speyer	(appointed 28 April 1998)
R V Tishman	(appointed 28 April 1998)

In addition, Mr P A Galiano, Mr A J Nathan, Mr G Roth, Mr B D Saber, and Mr M Spies were all appointed as directors of the company on 9 March 1999.

None of the directors had any interests in the shares of the company during the period.


YEAR 2000 COMPLIANCE

Although we are now in 2000, the generic Year 2000 issue remains. Procedures have been put in place with the aim of achieving Year 2000 compliance. These include obtaining assurances from all suppliers of computer hardware and software, as well as from third parties that goods and services purchased will, where possible, meet with Year 2000 compliance requirements. Current estimates anticipate that the cost to the company will not be material. Given the complexity of the problem it is not possible to guarantee that no Year 2000 problems will occur, although the board believes it has achieved an acceptable state of readiness.

AUDITORS

A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the board


Date: 28 January 2000

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 its profit or loss 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 a 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.

REPORT OF THE AUDITORS

to the members of Tishman Speyer Properties UK Limited

We have audited the accounts on pages 5 to 9, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 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 31 December 1998 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Registered Auditor
London

28 January 2000

Tishman Speyer Properties UK Limited

PROFIT AND LOSS ACCOUNT for the period ended 31 December 1998

		<i>Period ended 31 December 1998</i>
	<i>Notes</i>	<i>£</i>
TURNOVER	2	876,489
Operating costs	3	(1,202,229)
OPERATING LOSS		<u>(325,740)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST		<u>(325,740)</u>
Net interest receivable	6	91
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(325,649)</u>
Tax on loss on ordinary activities	7	-
LOSS FOR THE PERIOD AND AMOUNT TRANSFERRED FROM RESERVES	12	<u><u>(325,649)</u></u>

The company has no recognised gains or losses other than those included in the profit and loss account above.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS for the period ended 31 December 1998


	<i>Period ended 31 December 1998</i>
	<i>£</i>
Opening shareholders' funds	-
Loss for the period	(325,649)
Share capital allotted in the period	1
Other reserves: contribution by parent	342,379
Closing shareholders' funds carried forward	<u><u>16,731</u></u>

Tishman Speyer Properties UK Limited

BALANCE SHEET at 31 December 1998

	Notes	31 December 1998 £
FIXED ASSETS		
Tangible assets	8	193,767
CURRENT ASSETS		
Debtors	9	1,044,838
Cash at bank and in hand		134,846
		1,179,684
CREDITORS: amounts falling due within one year	10	(1,356,720)
NET CURRENT LIABILITIES		(177,036)
TOTAL ASSETS LESS CURRENT LIABILITIES		16,731
CAPITAL AND RESERVES		
Called up share capital	11	1
Other reserves	12	342,379
Profit and loss account	12	(325,649)
EQUITY SHAREHOLDERS' FUNDS		16,731

Approved by the board on 28 January 2000

Director 
Date 28 January 2000

Tishman Speyer Properties UK Limited

NOTES TO THE ACCOUNTS at 31 December 1998

1. ACCOUNTING POLICIES

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Cash flow statement

In accordance with Financial Reporting Standard 1 – Cash Flow Statements, no statement of cash flows has been prepared as the company has taken advantage of the filing exemptions under section 246 and 247 of the Companies Act 1985.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated to write down their cost to their estimated residual values by equal annual instalments over the period of their expected useful lives which are considered to be:

Office and computer equipment	–	Between 3 and 20 years
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2. TURNOVER

Turnover represents the invoiced amounts for services rendered and costs incurred exclusive of value added tax. The company's activities represent one class of business for the purposes of segmental reporting, that of property management services provided within the United Kingdom.

3. OPERATING COSTS

	<i>Period ended 31 December 1998 £</i>
Wages and salaries	504,202
Social security costs	25,594
Depreciation	963
Auditors remuneration	4,200
Other operating charges	667,270
	<hr/>
	1,202,229
	<hr/>

4. DIRECTORS' EMOLUMENTS

None of the directors received any emoluments in respect of their services to the company during the period.

5. STAFF COSTS

The average number of employees of the company during the period was 9.

Tishman Speyer Properties UK Limited

NOTES TO THE ACCOUNTS at 31 December 1998

6. NET INTEREST RECEIVABLE

*Period ended
31 December
1998
£*

Bank interest receivable	137
Bank interest payable	(46)
	<u>91</u>

7. TAX ON LOSS ON ORDINARY ACTIVITIES

No tax liability arose in the period due to the loss incurred.

8. TANGIBLE ASSETS

*Office and
computer
equipment
1998
£*

Cost:	
At 28 April 1998	—
Additions	194,730
At 31 December 1998	<u>194,730</u>
Depreciation:	
At 28 April 1998	—
Charge for the period	963
At 31 December 1998	<u>963</u>
Net book value:	
At 31 December 1998	<u>193,767</u>

9. DEBTORS

*31 December
1998
£*

Amounts owed by group undertakings	837,145
Prepayments	80,042
Other debtors	127,651
	<u>1,044,838</u>

Tishman Speyer Properties UK Limited

NOTES TO THE ACCOUNTS at 31 December 1998

10. CREDITORS: amounts falling due within one year

	<i>31 December 1998 £</i>
Trade creditors	135,453
Amounts owed to group undertakings	1,057,722
Other creditors	163,545
	<u>1,356,720</u>

11. SHARE CAPITAL

	<i>31 December 1998 £</i>
Authorised: 100 ordinary shares of £1 each	<u>100</u>
Allotted, called up and fully paid: 1 ordinary share of £1 each	<u>1</u>

During the period, one ordinary share of £1 was allotted, called up and fully paid at a premium of £342,379.

12. RESERVES

	<i>Other reserves £</i>	<i>Profit and loss account £</i>
At 28 April 1998	—	—
Contribution by parent arising on share issue	342,379	—
Retained loss the period	—	(325,649)
At 31 December 1998	<u>342,379</u>	<u>(325,649)</u>

13. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption allowed under FRS 8 – Related Party Disclosures not to disclose related party transactions with members of the group.

14. ULTIMATE PARENT UNDERTAKING

The company's ultimate parent undertaking is Tishman Speyer Properties, LP, a company incorporated in The United States of America. Copies of the account of Tishman Speyer Properties, LP may be obtained from its registered address at 520 Madison Avenue, New York, New York 10022.