

Colyzeo Investment Advisors Limited

**Directors' report and financial
statements**

Registered number 4765071

31 December 2004



Directors' report and financial statements

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Directors' report

The directors present their annual report and the financial statements for the year. The comparative period presented is from 15 May 2003, being the date of incorporation, to 31 December 2003.

Principal activities

The company provides property investment advice.

Currency

The company has prepared its financial statements in Euros since the directors consider this to be the functional currency.

Proposed dividend

No dividend has been paid or proposed in the year (2003: *£nil*)

Directors and directors' interests

The directors who held office during the year were as follows:

T J Barrack, Junior
S M C Bazin
P M Brion
J H Grunzweig
P G P Sayer

As set out in note 9, the company is controlled by TJ Barrack, Junior. None of the other directors who held office at the end of the financial period had any disclosable interest in the shares of the company.

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

Political contributions and charitable donations

The company made no political or charitable contributions (2003: *£nil*).

Auditors

The company qualifies as a small company in pursuant to S246 Companies Act 1985 and satisfies the exemption under S249A(3) from the requirement to be audited.

By order of the board



SMC Bazin
Director

10 Upper Bank Street
London E14 5JJ

28 April 2005

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 maintaining 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Profit and loss account
for the year ended 31 December 2004

	<i>Note</i>	Year ended 31 December 2004 Euros	7 month period ended 31 December 2003 Euros
Turnover		45,000	-
Operating costs		(32,260)	(1,825)
		<hr/>	<hr/>
Profit/(loss) before interest		12,740	(1,825)
Interest payable and similar charges		(1,257)	-
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation	2	11,483	(1,825)
Tax on profit/(loss) on ordinary activities	3	(2,897)	-
		<hr/>	<hr/>
Retained profit/(loss) for the financial period	7	8,586	(1,825)
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 5 to 7 form part of these financial statements.

All activities are continuing.

There are no recognised gains or losses other than the profit/(loss) for the year/period.

There is no difference between the reported profit/(loss) and the profit/(loss) for the year/period restated on a historical cost basis.

Balance sheet
at 31 December 2004

	<i>Note</i>	2004 Euros	2003 Euros
Current assets			
Debtors	4	45,000	1
Cash		563	-
		<hr/>	<hr/>
		45,563	-
Creditors: amounts falling due within one year	5	(38,801)	(1,825)
		<hr/>	<hr/>
Net current assets/(liabilities)		6,762	(1,824)
		<hr/>	<hr/>
Total assets less current liabilities		6,762	(1,824)
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	6	1	1
Profit and loss account	7	6,761	(1,825)
		<hr/>	<hr/>
Equity shareholders' funds/(deficit)	8	6,762	(1,824)
		<hr/>	<hr/>

The notes on pages 5 to 7 form part of these financial statements.

For the year ended 31 December 2004 the company was entitled to exemption under S249A(1) of the Companies Act 1985.

Members have not required the company to obtain an audit in accordance with S249B(2) of the Companies Act 1985.

The directors acknowledge their responsibility for:

- Ensuring the company keeps accounting records which comply with S221; and
- Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial period, and of its profit or loss for the period then ended in accordance with the requirements of S226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

These financial statements were approved by the board of directors on *28 April* 2005 and were signed on its behalf by:

SME Bazin
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The company has taken advantage of the exemption available in Financial Reporting Standard 1 (revised) not to produce a cash flow statement as it qualifies as a small company for Companies Act 1985 purposes.

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax on a non-discounted, full provision basis.

Tangible fixed assets

Tangible fixed assets are held at cost less depreciation. Depreciation is calculated on a straight line basis to write off the cost of tangible fixed assets to their residual value over their estimated useful lives as follows:

-	office equipment	3 years
-	computer software	5 years

Currency

The financial statements have been prepared in Euros since the directors consider this to be the functional currency. The company's share capital has been translated at a rate of £1.00 : Euros 1.45.

2 Profit/(loss) on ordinary activities before taxation

The company did not employ any staff during the year (2003: *nil*). None of the directors received any emoluments for their services to the company during the year (2003: *£nil*).

Notes (continued)

3 Tax on profit/(loss) on ordinary activities

	Year ended 31 December 2004 Euros	7 month period ended 31 December 2003 Euros
Current tax at 30%	2,897	-

i) Factors affecting the current year tax charge

	Year ended 31 December 2004 Euros	7 month period ended 31 December 2003 Euros
Profit/(loss) on ordinary activities before taxation	11,483	(1,825)
Tax on profit/(loss) on ordinary activities at 30%	3,445	(548)
Losses (utilised)/carried forward	(548)	548
Current year tax charge	2,897	-

ii) Factors that may affect the future tax charges

There is no unprovided deferred tax.

4 Debtors

	2004 Euros	2003 Euros
Amounts due from group undertakings	45,000	-
Unpaid share capital	-	1
	45,000	1

5 Creditors: amounts falling due within one year

	2004 Euros	2003 Euros
Bank loans and overdrafts	-	401
Amounts due to group undertakings	33,410	-
Corporation tax	2,897	-
Accruals and deferred income	2,494	1,424
	38,801	1,825

Notes (continued)

6 Called up share capital

	2004 Euros	2003 Euros
<i>Authorised</i>		
100 ordinary shares of £1 each	145	145
	<hr/>	<hr/>
<i>Allotted, called up and part paid</i>		
1 ordinary share of £1	1	1
	<hr/>	<hr/>

7 Profit and loss account

	2004 Euros	2003 Euros
At beginning of year/period	(1,825)	-
Retained profit/(loss) for the financial year/period	8,586	(1,825)
	<hr/>	<hr/>
At end of year/period	6,761	(1,825)
	<hr/>	<hr/>

8 Reconciliation of movements in equity shareholders' funds/(deficit)

	2004 Euros	2003 Euros
Shares issued in the year/period	-	1
Retained profit/(loss) for the financial year/period	8,586	(1,825)
	<hr/>	<hr/>
Net increase/(decrease) in shareholders funds	8,586	(1,824)
Opening equity shareholders' deficit	(1,824)	-
	<hr/>	<hr/>
Closing equity shareholders' funds/(deficit)	6,762	(1,824)
	<hr/>	<hr/>

9 Related party transactions

During the year the company charged €45,000 to Colyzeo Investment Management Limited all of which remains outstanding at year end. The company and Colyzeo Management Limited are both owned by Colony Capital, LLC.

10 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a wholly owned subsidiary undertaking of Colony Capital, LLC incorporated in United States of America. Colony Capital, LLC is owned by Thomas Barrack, Junior.

The only group in which the results of the company are consolidated is that headed by Colony Capital, LLC. The consolidated financial statements of this group are not available to the public.