

Company Registration Number: 386 4364

WANDSWORTH GP Limited

(Formerly HACKREMCO (NO. 1566) LIMITED)

**Directors' Report and Accounts
for the period from 25 October 1999 to
31 December 2000**



WANDSWORTH GP Limited
(Formerly HACKREMCO (NO. 1566) LIMITED)

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WANDSWORTH GP Limited
(Formerly HACKREMCO (NO. 1566) LIMITED)

DIRECTORS AND PROFESSIONAL ADVISERS

Directors

C J Hoddell
J M Robertson
A Dixon
J Chuter

Secretary and Registered Office

S C Laws
Granville House
132-135 Sloane Street
London SW1X 9AX

Auditors

Deloitte & Touche
Chartered Accountants
Hill House
1 Little New Street
London EC4A 3TR

Solicitors

Linklaters & Alliance
One Silk Street
London EC2Y 8HQ

Bankers

Bank of Scotland
St James's Gate
14 - 16 Cockspur Street
London SW1Y 5BL

**WANDSWORTH GP Limited
(Formerly HACKREMCO (NO. 1566) LIMITED)**

DIRECTORS' REPORT

The directors of Wandsworth GP Limited have pleasure in submitting their report and the audited accounts for the period from 25 October 1999 to 31 December 2000.

Statement of Directors' Responsibilities

The directors are required to prepare financial statements for each financial period 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 the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent and;
- c) prepare 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 keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. 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.

Change of Name, Review of the Business and Future Prospects

The Company was incorporated on 25 October 1999 as HACKREMCO (NO. 1566) Limited. The company name was changed to Wandsworth GP Limited on 3 December 1999 and was established as the General Partner of a UK registered limited partnership, Wandsworth LP, under a Limited Partnership Agreement dated 22 December. The partnership is between Wandsworth GP Limited, Portfolio Holdings (Investments) LP, REIB International Holdings Limited, AP PHI Investors L.L.C. and Portfolio Management Partners. The Company is 50% owned by Portfolio Holdings (Investments) LP and 50% owned by REIB Europe Operator Limited.

The principal activity of the Company is that of a General Partner of Wandsworth LP. The purpose of the partnership is to acquire and hold a property located in the United Kingdom. The property was acquired on 8 March 2000.

In the opinion of the Directors of Wandsworth GP Limited, the financial position of the Company at the balance sheet date was satisfactory as are the future prospects of the Company.

Results and Dividends

The results for the period are detailed on page 7. The retained loss of £6,197 has been transferred to reserves, giving a retained loss of £6,197 carried forward.

Share Capital

Details of Share Capital are set out in Note 6.

WANDSWORTH GP Limited
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DIRECTORS' REPORT (continued)

Directors and their Interests

The directors holding office during the period were as follows:

	Date of Appointment	Date of Resignation
Hackwood Directors Limited	25 October 1999	6 December 1999
C J Hoddell	6 December 1999	
J M Robertson	6 December 1999	
S Dahlmeyer	22 December 1999	28 March 2000
A Dixon	22 December 1999	
J Chuter	28 March 2000	

None of the directors hold any of the share capital in the Company. C J Hoddell and J M Robertson are directors of the holding company, Portfolio Holdings Limited. Their interests in the share capital of Portfolio Holdings Limited are disclosed in the accounts of that company.

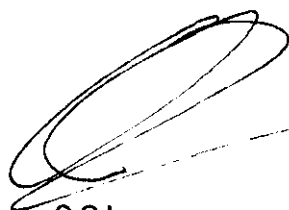
Payment to Suppliers

The Partnership agrees terms and conditions with individual suppliers. It is then the Partnership's policy to settle debts within those terms. On average, invoices are settled within 30 days.

Auditors

Deloitte & Touche were appointed as first auditors to the Company in accordance with section 384 of the Companies Act 1985. It is proposed that Deloitte & Touche be reappointed as auditors to the Company.

By Order of the Board



S C Laws
Secretary

132-135 Sloane Street
London
SW1X 9AX

30 October 2001

AUDITORS' REPORT TO THE SHAREHOLDERS

OF

WANDSWORTH GP Limited (Formerly HACKREMCO (NO. 1566) LIMITED)

We have audited the financial statements on pages 7 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

As described on page 4 the Company's directors are responsible for the preparation of financial statements which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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 managers 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 as at 31 December 2000 and of its loss for the period from incorporation on 25 October 1999 to 31 December 2000 and has been properly prepared in accordance with the Companies Act 1985.



**Deloitte & Touche
Chartered Accountants
and Registered Auditors
Hill House
1 Little New Street
London
EC4A 3TR**

30 October 2001

WANDSWORTH GP LIMITED
(Formerly HACKREMCO (NO. 1566) LIMITED)

Profit and Loss Account

for the period from 25 October 1999 to 31 December 2000

	Note	2000
		£
Share of loss in associate undertaking		(6,536)
Administration expenses		(15)
Operating loss	2	<u>(6,551)</u>
Interest receivable and other income		354
Loss on ordinary activities before taxation		<u>(6,197)</u>
Taxation		-
Retained loss for the financial period	7	<u><u>(6,197)</u></u>

The notes on pages 9 and 10 form an integral part of these accounts.

There are no recognised gains or losses other than the loss for the period shown above.

Operating loss is derived wholly from continuing operations.

WANDSWORTH GP LIMITED
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Balance Sheet
as at 31 December 2000

	Note	2000
		£
FIXED ASSETS		
Investments	3	(6,440)
CURRENT ASSETS		
Debtors	4	100
Cash at bank		10,266
		<u>10,366</u>
CREDITORS: Amounts falling due within one year	5	(9,937)
NET CURRENT ASSETS		<u>429</u>
NET LIABILITIES		<u>(6,011)</u>
CAPITAL AND RESERVES		
Called up share capital	6	100
Asset revaluation reserve	7	86
Profit and loss account	7	(6,197)
EQUITY SHAREHOLDERS' DEFICIT		<u>(6,011)</u>

The accounts were approved by the Board of Directors on 30 October 2001


C J Hoddell


J M Robertson

The notes on pages 9 and 10 form an integral part of these accounts.

WANDSWORTH GP LIMITED
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Notes to the Accounts

for the period from 25 October 1999 to 31 December 2000

1. Accounting Policies

Basis of accounting - The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

Cash Flow Statement - The Company has taken advantage of the exemption from preparing a cash flow statement contained in FRS1 (revised 1996) as it is a small company as defined by the companies legislation.

Investments - Investments are stated at cost less provision for any impairment.

2. Operating Loss

The directors did not receive any remuneration for services to the Company during the period. The Company had no employees during the period.

3. Investments

	2000 £
Investment in associated undertakings:	
Equity in Wandsworth LP	10
Share of loss in Wandsworth LP	(6,536)
Share of revaluation in Wandsworth LP	86
	<u>(6,440)</u>

The Company holds 1% of the equity in Wandsworth LP, a UK registered limited partnership, whose registered office is at 132-135 Sloane Street, London SW1X 9AX.

4. Debtors: amounts falling due within one year

	2000 £
Debtors are analysed as follows:	
Shareholder loans	<u>100</u>

WANDSWORTH GP LIMITED
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Notes to the Accounts

for the period from 25 October 1999 to 31 December 2000 - Continued

5. Creditors: amounts falling due within one year

	2000
	£
Creditors are analysed as follows:	
Shareholders loans	10
Loan from subsidiary undertaking	9,927
	<u>9,937</u>

6. Called up Share Capital

As at 31 December 2000 the authorised share capital of the Company comprised 100 shares of £1 each, comprising 50 'A' shares of £1 each and 50 'B' shares of £1 each, all of which had been issued at par and were fully paid.

7. Reserves

	2000
	£
Profit and loss account	
Retained loss for the period	<u>(6,197)</u>
 Asset revaluation reserve	
Movement for the period	<u>86</u>

8. Related Parties

The Company is included in the consolidated financial statements of its ultimate parent company. These financial statements are publicly available. Therefore, the Company has taken advantage of the exemption in FRS8 paragraph 3(c) from disclosure of transactions with entities that are part of the group or investees of the group qualifying as related parties.

9. Ultimate Parent Companies

The Company is 50% owned by Portfolio Holdings (Investments) LP, a limited liability company incorporated in Delaware. The registered offices for this are at c/o Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, County of New Castle, Delaware, 19808, USA. The other 50% owned by European Real Estate Opportunity Partners L.P which is also a limited liability company whose registered offices are at c/o 1201 North Market Street, Wilmington, Delaware, 19801, USA.

Portfolio Holdings (Investments) LP was established by a Limited Partnership Agreement dated 8 September 1999, between Portfolio Holdings (Investments) Limited (General Partner), AP PHI Investors L.L.C. (Limited Partner) and AP Pelham Partners XV L.L.C. (Limited Partner). Portfolio Holdings (Investments) LP was formed to acquire and hold interests in investment property vehicles investing in property located in the United Kingdom.