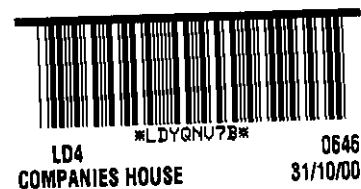




WHITESWAN HOLDINGS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1999



GERALD EDELMAN

CHARTERED ACCOUNTANTS

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WHITESWAN HOLDINGS LIMITED

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WHITESWAN HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1999

The directors present their report and financial statements for the year ended 31 December 1999.

Principal activities and review of the business

The principal activity of the company is investment holding and was dormant for the year under review.

Results and dividends

The directors do not recommend payment of an ordinary dividend.

Directors

The following directors have held office since 1 January 1999:

M. R. Turner

A. Kostenbaum - President

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 December 1999	1 January 1999
M. R. Turner	-	-
A. Kostenbaum - President	-	-

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Gerald Edelman be reappointed as auditors of the company will be put to the Annual General Meeting.

Directors' responsibilities

Company law requires the directors to prepare financial statements 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 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;
- 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 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 financial statements 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.

By order of the board



M. R. Turner

Director

9 October 2000

WHITESWAN HOLDINGS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF WHITESWAN HOLDINGS LIMITED

We have audited the financial statements on pages 3 to 6 which have been prepared under the historical cost convention and the accounting policies set out on page 4.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of financial statements. 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 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 as at 31 December 1999 and have been properly prepared in accordance with the Companies Act 1985.



Gerald Edelman

Chartered Accountants
Registered Auditor

9 October 2000


25 Harley Street
London
W1G 9BR

WHITESWAN HOLDINGS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1999

	Notes	1999 £	£	1998 £	£
Fixed assets					
Investments	2		1,510,900		1,510,900
Current assets					
Creditors: amounts falling due within one year	3	(654,360)		(654,360)	
Net current liabilities			(654,360)		(654,360)
Total assets less current liabilities			856,540		856,540
Capital and reserves					
Called up share capital	4		10,000		10,000
Profit and loss account	5		846,540		846,540
Shareholders' funds - equity interests	6		856,540		856,540

The financial statements were approved by the Board on 9 October 2000


M. R. Turner
Director

WHITESWAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.4 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 228 of the Companies Act 1985 as it is a subsidiary undertaking of Transworld Land Co Limited, a company incorporated in England, and is included in the consolidated accounts of that company.

2 Fixed asset investments

Shares in
subsidiary
undertakings
£

Cost

At 1 January 1999 & at 31 December 1999

1,510,900

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Springacre Properties Limited	England	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
Springacre Properties Limited	15,252,948	(117,809)

WHITESWAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

3	Creditors: amounts falling due within one year	1999 £	1998 £
	Amounts owed to parent and fellow subsidiary undertakings	654,360	653,949
	Accruals and deferred income	-	411
		<u>654,360</u>	<u>654,360</u>

4	Share capital	1999 £	1998 £
	Authorised		
	100,000 Ordinary shares of £ 1 each	<u>100,000</u>	<u>100,000</u>
	Allotted, called up and fully paid		
	10,000 Ordinary shares of £ 1 each	<u>10,000</u>	<u>10,000</u>

5 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 1999	<u>846,540</u>
Balance at 31 December 1999	<u>846,540</u>

6	Reconciliation of movements in shareholders' funds	1999 £	1998 £
	Loss for the financial year	-	-
	Opening shareholders' funds	<u>856,540</u>	<u>856,540</u>
	Closing shareholders' funds	<u>856,540</u>	<u>856,540</u>

7 Employees

Number of employees

There were no employees during the year apart from the directors.

8 Control

The company is a wholly owned subsidiary of Transworld Land Co Limited, whose ultimate holding company is Alkos Investment Syndicate SA, a company registered in Panama.

WHITESWAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 1999**

9 Related party transactions

The company has taken advantage of the exemptions conferred by Financial Reporting Standard No 8 from the requirement to make disclosures of transactions with other companies within the Transworld Land Co Limited group.