

No. 2981529



WHITESWAN HOLDINGS LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31ST DECEMBER 1995



GERALD EDELMAN

CHARTERED ACCOUNTANTS

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# WHITESWAN HOLDINGS LIMITED

## REPORT OF THE DIRECTORS

The directors submit their report and the financial statements of the company for the period from incorporation on 20th October 1994 to 31st December 1995.

### CHANGE OF NAME

The company was incorporated as Financeport Limited on 20th October 1994 and changed its name to Whiteswan Holdings Limited on 4th November 1995.

### ACTIVITY

The principal activity of the company is investment holding.

### RESULTS AND STATE OF AFFAIRS

The financial statements on pages 4 to 9 set out the results for the period ended 31st December 1995 and reflect the state of the company's affairs at that date.

### FIXED ASSETS

Details of fixed assets are shown in notes 7 and 8 to the financial statements.

### DIVIDENDS

The directors do not propose to declare any dividend in respect of the period.

### HOLDING COMPANY

At the balance sheet date the company was a wholly owned subsidiary of Transworld Land Co Limited, a company incorporated in Great Britain and registered in England.

### DIRECTORS AND THEIR INTERESTS

The members of the board during the period were as follows:-

Luciene James Limited - resigned 26th October 1994

A. Kostenbaum - appointed 26th October 1994

M.R. Turner - appointed 26th October 1994

The directors had no interest in the shares of the company.

WHITESWAN HOLDINGS LIMITED

REPORT OF THE DIRECTORS  
(CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by United Kingdom company law 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 results for that period.

The directors confirm that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates have been used in the preparation of the financial statements and that, except for Statement of Standard Accounting Practice No.19, applicable accounting standards have been followed. The financial statements have been prepared on the going concern basis.

The directors are also responsible for maintaining 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 preventing and detecting fraud and other irregularities.

24th March 1997

DATED .....

BY ORDER OF THE BOARD



.....  
(M.R. TURNER)  
DIRECTOR

WHITESWAN HOLDINGS LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF WHITESWAN HOLDINGS LIMITED

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

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, except that the scope of our work was limited as explained below. 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.

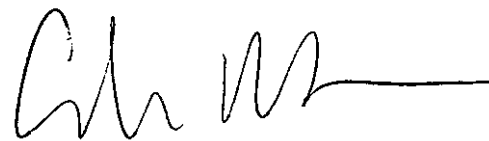
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

QUALIFIED OPINION ARISING FROM LIMITATION IN AUDIT SCOPE

The company's investment properties have not been revalued at the year end date as required by Statement of Standard Accounting Practice No.19. We have been unable to obtain any independent information to enable us to quantify the effects of this non-compliance on the financial statements.

Except for the effects of any adjustments that would be necessary in stating the investment properties at open market value, in our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31st December 1995 and of its results for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

25 Harley Street  
London W1N 2BR

  
GERALD EDELMAN  
REGISTERED AUDITOR AND  
CHARTERED ACCOUNTANTS

24th March 1997

WHITESWAN HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST DECEMBER 1995

	<u>Note</u>	<u>1995</u> £
<u>Turnover</u>	2	8,829,054
Property outgoings		(887,252)
		<hr/>
<u>Net revenue from property</u>		7,941,802
Administrative expenses		(183,883)
		<hr/>
<u>Trading profit</u>	3	7,757,919
Profit on sale of investments property		14,405
Other operating income	4	10,545,429
Interest receivable	5	54,480
Interest payable	6	(7,475,805)
		<hr/>
<u>Retained profit for the period</u>	12	<u>£10,896,428</u>


There have been no acquired or discontinued operations during the period. The results shown above for this period and the previous year therefore relate to continuing operations.

WHITESWAN HOLDINGS LIMITED

BALANCE SHEET AS AT 31ST DECEMBER 1995

	<u>Note</u>	£	<u>1995</u>	£
<u>FIXED ASSETS</u>				
Tangible assets	7		110,646,725	
Investment in subsidiaries	8		1,510,902	
				<hr/>
			112,157,627	
<u>CURRENT ASSETS</u>				
Debtors	9	2,367,807		
Cash at bank and in hand		176,098		
		<hr/>		
		2,543,905		
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN</u>				
<u>ONE YEAR</u>	10	(103,795,104)		
		<hr/>		
<u>NET CURRENT LIABILITIES</u>			(101,251,199)	
			<hr/>	
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			£ 10,906,428	
			<hr/>	
<u>CAPITAL AND RESERVES</u>				
Called up share capital	11		10,000	
Profit and loss account	12		10,896,428	
			<hr/>	
			£ 10,906,428	
			<hr/>	

APPROVED BY THE BOARD OF DIRECTORS ON 24TH MARCH 1997 AND SIGNED ON ITS BEHALF BY:

  
..... DIRECTOR  
(M.R. TURNER)

WHITESWAN HOLDINGS LIMITED

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 1995

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains and losses other than those included in the results shown on page 4 and therefore no separate statement of total recognised gains and losses has been presented.

NOTE OF HISTORICAL COST PROFITS AND LOSSES

There is no difference between the retained profit for the period stated on page 4 and its historical cost equivalent.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	£
Total recognised gains for the period	10,896,428
Issue of shares	10,000
Net movement in shareholders' funds and balance at 31st December 1995	<hr/> £10,906,428 <hr/>

WHITESWAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 1995

1. ACCOUNTING POLICIES

The principal accounting policies adopted by the company are as follows:-

a) Convention

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

b) Investment properties

Properties held for investment purposes are periodically revalued. Where the revaluation is adopted in the financial statements any net surplus is transferred to revaluation reserve and any net deficit is taken to profit and loss account.

Realised net surpluses or deficits arising on the sale of properties held for investment are taken directly to the profit and loss account.

No provision is made for depreciation or amortisation of properties held for investment purposes. The directors consider that this accounting policy (which represents a departure from statutory accounting rules) is necessary to provide a true and fair view.

c) Group financial statements

The company has not prepared group financial statements. Information included in these financial statements therefore relates to the company and does not include any consolidated information.

2. TURNOVER

Turnover consists of gross rents, service charges receivable and sundry property income.

3. TRADING PROFIT

1995

The trading profit is stated after charging:

Auditors remuneration	£ 1,457
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4. OTHER OPERATING INCOME

£

Management fees receivable	64,404
Dividends receivable	10,481,025

£10,545,429

5. INTEREST RECEIVABLE

Bank interest	£ 54,480
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6. INTEREST PAYABLE

Bank interest	£ 7,475,805
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WHITESWAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 1995  
(CONTINUED)

7. TANGIBLE FIXED ASSETS

<u>Investment properties</u>	<u>Total</u>	<u>Freehold</u>	<u>Long leasehold</u>
Additions at cost and balance at 31st December 1995	£110,646,725	75,976,010	34,670,715

The company's freehold and leasehold investment properties are included in the financial statements at cost which, in the opinion of the directors, approximated to their market value at the balance sheet date.

8. INVESTMENT IN SUBSIDIARIES

The company owns the entire issued share capital of two companies, Springacre Properties Limited, a property investment company, and Distantview Limited, an intermediate holding company, both of which are incorporated in Great Britain and registered in England.

The company also has a number of indirect wholly-owned subsidiaries, all of which were inactive on their own account during the period ended 31st December 1995.

As indicated in note 1 the company has not prepared group financial statements and therefore the financial statements of the subsidiaries have not been consolidated.

<u>DEBTORS</u>	<u>1995</u> £
Trade debtor	271,658
Other debtors	93,246
Prepayments and accrued income	2,002,903
	<hr/>
	£ 2,367,807

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Bank borrowings	97,410,000
Trade creditors	7,501
Other creditors	1,353,467
Amounts due to parent company	4,888,262
Accruals and deferred income	135,874
	<hr/>
	£103,795,104

The deeds of title to the company's investment properties have been charged to secure the company's bank borrowings. The bank loan falls due after more than five years, with interest being charged at rates up to 1.05% over LIBOR.

The other loan has no specific terms for interest or repayment, although the loan creditor has indicated its willingness not to seek repayment within the foreseeable future.

WHITESWAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 1995  
(CONTINUED)

11. CALLED UP SHARE CAPITAL

Authorised

100,000 Ordinary shares of £1 each	£100,000
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Issued and fully paid

10,000 Ordinary shares of £1 each	£ 10,000
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12. PROFIT AND LOSS ACCOUNT

Retained profit for the period and balance at 31st December 1995	£10,896,428
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13. HOLDING COMPANY

At the balance sheet date the company was a wholly-owned subsidiary of Transworld Land Co Limited, which is incorporated in Great Britain and registered in England. The holding company is Alkos Investment Syndicate SA, a company registered in Panama.

14. PERIOD OF ACCOUNT

The financial statements cover the period from incorporation on 20th October 1994 to 31st December 1995. There are no comparative figures as these are the first financial statements of the company.