

STARMONT ESTATES LIMITED
REPORT AND ABBREVIATED FINANCIAL STATEMENTS
31ST DECEMBER, 2000



REPORT OF THE AUDITORS TO THE DIRECTORS OF
STARMONT ESTATES LIMITED
PURSUANT TO SECTION 247B COMPANIES ACT 1985

We have examined the abbreviated financial statements set out on pages 2 and 3 together with the full financial statements for the year ended 31st December, 2000, prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of Directors and Auditors

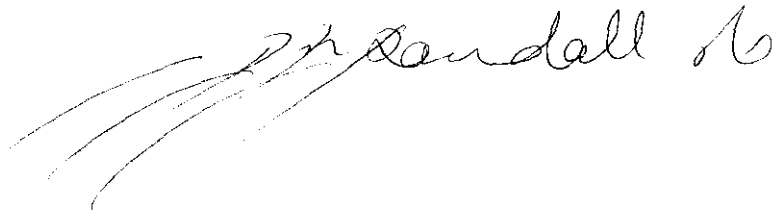
The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors statement on page 2 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purposes of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled under ss247 and 247A of the Companies Act 1985 to deliver abbreviated accounts prepared in accordance with Schedule 8A to that Act in respect of the year ended 31st December, 2000 and the abbreviated accounts on pages 3 to 4 have been properly prepared in accordance with that Schedule.

A handwritten signature in dark ink, appearing to read 'P.M. Randall', with a stylized flourish at the end.

Date: 21/12/01
P.M. RANDALL & CO.
LONDON

CHARTERED ACCOUNTANTS
REGISTERED AUDITOR

STARMONT ESTATES LIMITED
ABBREVIATED BALANCE SHEET

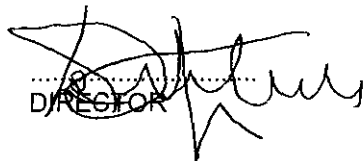
31ST DECEMBER 2000

	Note	2000 ITL	ITL	ITL	1999 ITL
INVESTMENT	2		1,805,952,507		1,805,952,507
CURRENT ASSETS					
Cash and bank balances		1,112,673		1,112,673	
CREDITORS					
Amounts falling due within one year		(1,815,763,808)		(1,811,614,883)	
NET CURRENT (LIABILITIES)			(1,814,651,135)		(1,810,502,210)
			(8,698,628)		(4,549,703)
CAPITAL AND RESERVES					
Called up share capital	3		2,396,000		2,396,000
Profit and loss account (deficit)			(11,094,628)		(6,945,703)
			(8,698,628)		(4,549,703)

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These financial statements were approved by the Board on 20/12/01

Signed on behalf of the board of directors
For and on behalf of Strand Directors Limited


 DIRECTOR

STARMONT ESTATES LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

31ST DECEMBER 2000

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities. A summary of the more important accounting policies is set out below:-

a) Accounting Convention

The Financial Statements have been prepared using the historical cost convention.

b) Foreign Currency Translation

Issued share capital is translated into Italian Lira at the rate of exchange ruling on the date of issue.

All other assets and liabilities denominated in foreign currencies are translated into Italian Lira at the rate of exchange ruling on the balance sheet date.

Income received and expenditure incurred in foreign currencies is translated into Italian Lira at the rate of exchange ruling on the date the transaction took place.

c) Investment

The investment is stated at cost. No consolidated accounts have been prepared as to do so would cause undue cost and delay and would be of no material value to the members of the company.

d) Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. In the director's opinion the company can take advantage of the exemptions relating to small and medium sized groups, provided by section 248 of the Companies Act 1985, not to prepare group accounts.

e) Going Concern

The financial statements have been prepared on a going concern basis subject to the continuing support of the loan creditor.

2. INVESTMENT

	2000 ITL	1999 ITL
At cost	<u>1,805,952,507</u>	<u>1,805,952,507</u>

3. SHARE CAPITAL

	Authorised 2000 & 1999 £	Issued and fully paid 2000 & 1999 £ ITL
Ordinary shares of £1.00 each	<u>10,000</u>	<u>1,000 2,396,000</u>