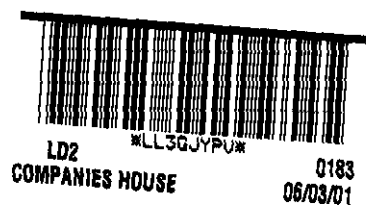


Holaw (581) Limited

FINANCIAL STATEMENTS

for the period ended

31 May 2000



Company Registration No. 03806419

Holaw (581) Limited

DIRECTORS AND OFFICERS

DIRECTORS

R Tchenguiz
V A Tchenguiz
P V Taylor

SECRETARY

M H P Ingham

COMPANY NUMBER

03806419 (England)

REGISTERED OFFICE

18 Upper Grosvenor Street
London
W1K 7PW

AUDITORS

Baker Tilly
The Clock House
140 London Road
Guildford
Surrey GU1 1UW

BUSINESS ADDRESS

18 Upper Grosvenor Street
London
W1K 7PW

SOLICITORS

Julian Holy
31 Brechin Place
London
SW7 4QD

Holaw (581) Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Holaw (581) Limited for the period ended 31 May 2000.

INCORPORATION

The company was incorporated on 13 July 1999.

PRINCIPAL ACTIVITIES

The principal activity of the company was that of acting as an intermediate holding company.

REVIEW OF THE BUSINESS

The company did not trade during the year.

In the opinion of the directors the financial position of the company at 31 May 2000 was satisfactory given the support of the United Kingdom holding company.

DIVIDENDS

The directors do not recommend payment of a dividend.

DIRECTORS

The following directors have held office since 13 July 1999:-

R Tchenguiz	(Appointed 28 July 1999)
V A Tchenguiz	(Appointed 28 July 1999)
P V Taylor	(Appointed 14 February 2000)
Brechin Place Directors Ltd	(Appointed 13 July 1999 and resigned 28 July 1999)
London Law Services Ltd	(Appointed 13 July 1999 and resigned 13 July 1999)

DIRECTORS' INTERESTS IN SHARES

The directors at 31 May 2000 had no beneficial interest in the share capital of the company at any time during the period.

The interests of the directors in the share capital of the United Kingdom holding company, Rotch Property Group Limited, are set out in the directors' report of that company.

Holaw (581) Limited

DIRECTORS' REPORT

AUDITORS

Baker Tilly, Chartered Accountants, were appointed as the first auditors of the Company. Pursuant to an elective resolution, the company has elected not to re-appoint its auditors annually and Baker Tilly will therefore continue in office in accordance with the provisions of section 386 of the Companies Act 1985.

By order of the Board



R Tchenguiz
Director

31 January 2001

Holaw (581) Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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.

AUDITORS' REPORT TO THE SHAREHOLDERS OF HOLAW (581) LIMITED

We have audited the financial statements on pages 6 to 9.

Respective responsibilities of directors and auditors

As described on page 4 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.

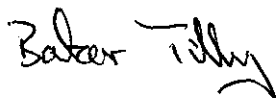
Basis of opinion

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 May 2000 and have been properly prepared in accordance with the Companies Act 1985.



BAKER TILLY

Registered Auditor
Chartered Accountants
The Clock House
140 London Road
Guildford
Surrey GU1 1UW

31 January 2001

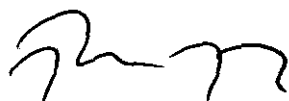
Holaw (581) Limited

BALANCE SHEET

31 May 2000

	<i>Notes</i>	2000 £
FIXED ASSETS		
Investments	1	102
CREDITORS: Amounts falling due within one year	2	(2)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>100</u>
CAPITAL AND RESERVES		
Called up share capital	3	<u>100</u>
EQUITY SHAREHOLDERS' FUNDS	4	<u>100</u>

Approved by the Board on 31 January 2001



R Tchenguiz
Director

Holaw (581) Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with applicable accounting standards.

The following accounting policies have been used in dealing with items which are considered material in relation to the financial statements.

The financial statements have been prepared under the historical cost convention.

The company has not prepared consolidated accounts as it is a wholly owned subsidiary of a United Kingdom registered company.

INVESTMENTS

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

CASH FLOW STATEMENT

The company is exempt from the requirement to prepare a cash flow statement as it is a wholly owned subsidiary undertaking.

PROFIT AND LOSS ACCOUNT

The company did not trade during the period. Accordingly, no profit and loss account is presented as part of these financial statements.

Holaw (581) Limited

NOTES TO THE FINANCIAL STATEMENTS for the Period ended 31 May 2000

1. FIXED ASSET INVESTMENTS

	<i>Shares in subsidiary undertakings £</i>
Cost	
13 July 1999	-
Additions	102
	<hr/>
31 May 2000	102
	<hr/> <hr/>

In the opinion of the directors the aggregate value of the company's investment in the subsidiary undertakings is not less than the amount included in the balance sheet.

The subsidiary undertakings are Holaw (580) Limited and Pipesafe Limited. Both act as property investment companies. These companies were acquired upon their incorporation for the nominal value of their share capital.

The details of the subsidiary undertakings are:

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Holaw (580) Limited	England	£1 Ordinary	100
Pipesafe Limited	England	£1 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/(loss) for the year £
Holaw (580) Limited	1,548,078	26,600
Pipesafe Limited	8,021,217	(1,892,892)
	<hr/> <hr/>	<hr/> <hr/>

2. CREDITORS: Amounts falling due within one year	2000 £
Amounts owed to United Kingdom holding company	2
	<hr/> <hr/>

Holaw (581) Limited

NOTES TO THE FINANCIAL STATEMENTS for the Period ended 31 May 2000

3. SHARE CAPITAL	2000 £
Authorised 100 ordinary shares of £ 1 each	100
	<hr/>
Allotted, issued and fully paid 100 ordinary shares of £ 1 each	100
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4. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2000 £
Profit for the financial period	-
Proceeds from issue of shares	100
	<hr/>
Net addition to shareholders' funds	100
Opening shareholders' funds	-
	<hr/>
Closing shareholders' funds	100
	<hr/>
5. OWNERSHIP AND CONTROL	

The company's immediate holding company is Holaw (582) Limited, a company registered in England.

The company's closest intermediate holding company for which group accounts are drawn up is Rotch Property Group Limited, which is registered in England. This parent undertaking is the holding company of both the largest and the smallest group for which group accounts are prepared and of which the company is a member. Copies of the financial statements are available from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

In view of the company's deficiency of current assets, this holding company has agreed to provide financial support as and when required in order for the company to meet its external obligations.

The directors regard the ultimate holding company to be Vin-Rotch Properties Limited Inc., a company incorporated in the Republic of Panama.

The ultimate controlling party is the Tchenguiz Family Trust.

6. RELATED PARTY TRANSACTIONS

The company is exempt from disclosing intra-group related party transactions under Financial Reporting Standard 8 by virtue of it being a wholly owned subsidiary undertaking of Rotch Property Group Limited, for which group accounts are prepared.