

GREATERHAVEN LIMITED

Company No: 2232835

FINANCIAL STATEMENTS

for the year ended

30 SEPTEMBER 2001



GREATERHAVEN LIMITED

DIRECTORS

Mr. Sighismond Berger
Mr. Milton Gross
Mrs. Rifka Gross
Mr. Samuel Berger
Mrs. Lily Berger
Mr. Berish Berger
Mrs. Pessie Berger
Mr. Abraham Klein
Mrs. Sarah Rachel Klein
Mrs. Zelda Sternlicht
Mr. Joshua Sternlicht

SECRETARY

Mrs. Pessie Berger

REGISTERED OFFICE

13-17 New Burlington Place
Regent Street
London W1S 2HL

AUDITORS

Cohen Arnold & Co.
13-17 New Burlington Place
Regent Street
London W1S 2HL

GREATERHAVEN LIMITED
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FOR THE YEAR ENDED 30 SEPTEMBER 2001

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GREATERHAVEN LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 September 2001.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The company's principal activities during the year were those of property investment and acting as a parent undertaking.

RESULTS AND DIVIDEND

The financial results of the company's activities for the year ended 30 September 2001, are fully reflected in the attached financial statements together with the notes thereon.

The directors do not recommend the payment of a dividend for the year under review.

LAND AND BUILDINGS

The company's investment properties are included in the Balance Sheet at cost.

The directors are of the opinion that the open market value of the company's investment property is at least equal to the amount at which it is included in the financial statements.

DIRECTORS AND THEIR INTEREST IN SHARE CAPITAL

The directors who served during the year and their interest in the share capital of the company are as follows:

Mr. Sighismond Berger
Mr. Milton Gross
Mrs. Rifka Gross
Mr. Samuel Berger
Mrs. Lily Berger
Mr. Berish Berger
Mrs. Pessie Berger
Mr. Abraham Klein
Mrs. Sarah Rachel Klein
Mrs. Zelda Sternlicht
Mr. Joshua Sternlicht

Messrs. Berish Berger, Milton Gross and Abraham Klein held a joint interest in 99 ordinary shares of the company as trustees of the S. Berger Settlement.

The Articles of Association do not require the directors to retire by rotation.

No director has a service contract with the company.

GREATERHAVEN LIMITED

DIRECTORS' REPORT

(Cont'd)

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of the company and of its profit or loss for that period. In preparing the financial statements, the directors are required to:

- i) select suitable accounting policies and apply them consistently
- ii) make judgements and estimates that are reasonable and prudent
- iii) follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements
- iv) 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 maintaining 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.

DONATIONS

During the year the company made no charitable donations or political contributions.

CLOSE COMPANY

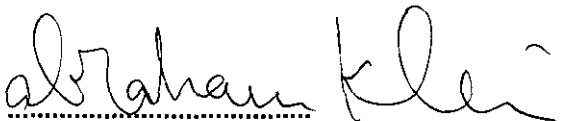
The company is a close company as defined by the Income and Corporation Taxes Act 1988.

AUDITORS

The auditors, Cohen, Arnold & Co, are willing to continue in office and a resolution re-appointing them in accordance with Section 385 of the Companies Act 1985 and authorising the board to fix their remuneration will be proposed at the Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the Board



Mr. Abraham Klein - Director

Date: 19th November 2002

GREATERHAVEN LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDING 30 SEPTEMBER 2001

We have audited the financial statements on pages 4 to 11 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2, the directors of the company are responsible for the preparation of the financial statements in accordance with the applicable law and United Kingdom Accounting Standards.

It is our responsibility to audit the financial statements in accordance with relevant legal and regulatory requirements and the United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We have 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 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 and 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.

DEPARTURE FROM ACCOUNTING STANDARDS

The directors have not fully complied with the disclosure requirements of Financial Reporting Standard No: 8 (FRS 8). It is considered that amounts due from related parties are £1,354,346 and amounts due to related parties are £1,686,649.

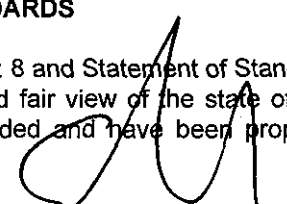
The company's investment property is included in the financial statements on the basis indicated in Note 1 on Accounting Policies. This does not comply with the requirements of Statement of Standard Accounting Practice No. 19 which requires such property to be stated at open market value. However, as stated in their report, the directors are of the opinion that the company's investment property has an open market value at least equal to the amount at which it is included in the financial statements.

QUALIFIED OPINION ARISING FROM DEPARTURE FROM ACCOUNTING STANDARDS

Except for non-compliance with the requirements of Financial Reporting Standard No: 8 and Statement of Standard Accounting Practice No: 19, in our opinion the financial statements give a true and fair view of the state of the company's affairs at 30th September 2001 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.

London

Date: 25 Nov 2002


COHEN ARNOLD & CO
Chartered Accountants and
Registered Auditor

GREATERHAVEN LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2001

		<u>2001</u>		<u>2000</u>
		£	£	£
Net rental income	3	492,332		537,914
Administrative expenses	4	(65,738)		(35,972)
		<hr/>		<hr/>
OPERATING PROFIT		426,594		501,942
Surplus on disposal of investment property	5	235,722		173,156
Interest receivable and similar income		1,998		1,315
Interest payable and similar charges	6	(186,217)		(189,131)
Exceptional items	7	(7,530)		4,543
		<hr/>		<hr/>
		(193,747)		(184,588)
		<hr/>		<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		470,567		491,825
Taxation	8	(70,000)		(50,000)
		<hr/>		<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		400,567		441,825
Adverse balance brought forward		(2,543,151)		(2,984,976)
		<hr/>		<hr/>
ADVERSE BALANCE CARRIED FORWARD		£(2,142,584)		£(2,543,151)
		<hr/>		<hr/>

None of the company's activities were acquired or discontinued during the financial year or in the previous year.

The company has no recognised gains or losses other than those reflected in the above Profit and Loss Account for the year under review or for the previous period.

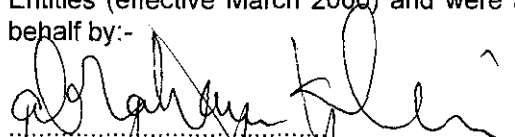
The notes on pages 6 to 11 form part of these financial statements.

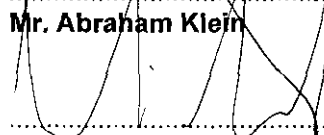
GREATERHAVEN LIMITED

BALANCE SHEET AS AT 30 SEPTEMBER 2001

	Notes	£	2001 £	£	2000 £
FIXED ASSETS					
Tangible assets	9		6,033,512		5,882,448
CURRENT ASSETS					
Debtors	10	1,494,461		1,209,646	
Cash at bank and in hand		540		8,699	
			<hr/>	<hr/>	
			1,495,001		1,218,345
CREDITORS: Amounts falling due within one year	11	(1,963,778)		(1,894,420)	
			<hr/>	<hr/>	
NET CURRENT LIABILITIES			(468,777)		(676,075)
			<hr/>		<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			5,564,735		5,206,373
CREDITORS: Amounts falling due after one year	12		(2,337,594)		(2,379,799)
			<hr/>		<hr/>
NET ASSETS			£3,227,141		£2,826,574
			<hr/>		<hr/>
CAPITAL AND RESERVES					
Called up share capital	13		5,369,725		5,369,725
Profit and loss account			(2,142,584)		(2,543,151)
			<hr/>		<hr/>
			£3,227,141		£2,826,574
			<hr/>		<hr/>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 2000) and were approved by the Board on 19th November 2002 and signed on its behalf by:-


 Mr. Abraham Klein
 Directors


 Mr. Joshua Sternlicht

The notes on pages 6 to 11 form part of these financial statements.

GREATERHAVEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2001

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in the preparation of the company's financial statements.

1.1 BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and in accordance with applicable accounting standards except for the policy of accounting for investment property referred to in Note 1.2 below.

1.2 INVESTMENT PROPERTY

Investment property is included in the balance sheet at historical cost, which is not in accordance with Statement of Standard Accounting Practice No. 19, which requires such property to be stated at current market value.

1.3 DEPRECIATION

In accordance with Statement of Standard Accounting Practice No. 19, no depreciation or amortisation is provided in respect of freehold investment properties or on leasehold investment properties having an unexpired term of more than twenty years. This departure from the requirements of the Companies Act 1985, for all properties to be depreciated, is necessary, as the directors consider that this accounting policy results in the financial statement giving a true and fair view.

Fixtures and fittings are depreciated so as to write off their respective costs over their estimated useful lives at 15% per annum on the reducing balance basis.

Low value items of furniture and fittings are written off in the year in which they are acquired.

1.4 ACQUISITION AND DISPOSAL OF PROPERTY

Acquisitions and disposals are considered to have taken place at the date of legal completion and are included in the financial statements accordingly.

1.5 CASH FLOW STATEMENT

The company is exempt from the requirement to prepare a Cash Flow Statement (in accordance with Financial Reporting Standard No. 1) on the basis of it being a "small company" as defined by Section 247 Companies Act 1985.

2. FORMAT OF FINANCIAL STATEMENTS

The financial statements are presented in accordance with the format described in Schedule 4 of the Companies Act 1985 with suitable adaptation thereof which the directors consider to be appropriate having regard to the nature of the company's activities.

GREATERHAVEN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2001

3. TURNOVER

The turnover of the company is represented by rents and charges receivable in respect of its investment property.

The net rental income is comprised as follows:

	<u>2001</u> £	<u>2000</u> £
Rents and charges receivable	920,754	926,137
Property outgoings	(428,422)	(388,223)
	<hr/>	<hr/>
NET RENTAL INCOME	£492,332	£537,914
	<hr/>	<hr/>

4. ADMINISTRATIVE EXPENSES

	<u>2001</u> £	<u>2000</u> £
Directors' emoluments	25,600	25,600
Auditors' remuneration	7,990	2,350
Accountancy fees	4,700	4,700
Legal and professional	23,350	-
Bank charges	92	90
Office and administration costs	4,006	3,232
	<hr/>	<hr/>
	£65,738	£35,972
	<hr/>	<hr/>

5. SURPLUS ON DISPOSAL OF INVESTMENT PROPERTY

	<u>2001</u> £	<u>2000</u> £
Net sale proceeds	349,046	246,005
Cost of properties sold	(113,324)	(72,849)
	<hr/>	<hr/>
	£235,722	£173,156
	<hr/>	<hr/>

GREATERHAVEN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2001

6. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>2001</u> £	<u>2000</u> £
Mortgage interest	186,217	189,238
Finance costs	-	(107)
	<hr/>	<hr/>
	£186,217	£189,131
	<hr/>	<hr/>

7. EXCEPTIONAL ITEMS

	<u>2001</u> £	<u>2000</u> £
(a) Capital distribution on liquidation of subsidiaries	-	9,841,464
<u>Less:</u> Historical cost of subsidiaries	-	(13,821,491)
	<hr/>	<hr/>
Deficit on liquidation of subsidiaries	-	(3,980,027)
<u>Add:</u> Provision for permanent diminution in value of subsidiaries provided for in the accounts for the year ended 30 September 1998	-	3,979,790
	<hr/>	<hr/>
	-	(237)
(b) Payment under bank guarantee (adjusment)/recovered	(7,530)	4,780
	<hr/>	<hr/>
	£(7,530)	£4,543
	<hr/>	<hr/>

8. TAXATION

	<u>2001</u> £	<u>2000</u> £
Corporation tax based on profit for year	£70,000	£50,000
	<hr/>	<hr/>

GREATERHAVEN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2001

9. TANGIBLE FIXED ASSETS

	<u>Freehold Property</u> £	<u>Leasehold Property</u> £	<u>Fixtures & Fittings</u> £	<u>Total</u> £
Cost:				
<i>At 1st October 2000</i>	4,923,916	905,867	80,181	5,909,964
Additions	268,888	-	4,000	272,888
Disposals	(48,070)	(65,254)	-	(113,324)
	<hr/>	<hr/>	<hr/>	<hr/>
<i>At 30th September 2001</i>	£5,144,734	£840,613	£84,181	£6,069,528
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation:				
<i>At 1st October 2000</i>	-	-	27,516	27,516
Charge for the year	-	-	8,500	8,500
	<hr/>	<hr/>	<hr/>	<hr/>
<i>At 30th September 2001</i>	£-	£-	£36,016	£36,016
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value:				
<i>At 30th September 2001</i>	£5,144,734	£840,613	£48,165	£6,033,512
	<hr/>	<hr/>	<hr/>	<hr/>
<i>At 30th September 2000</i>	£4,923,916	£905,867	£52,665	£5,882,448
	<hr/>	<hr/>	<hr/>	<hr/>

10. DEBTORS

	<u>2001</u> £	<u>2000</u> £
Rental related debtors	122,529	192,208
Taxation recoverable	280	280
Loan debtors	1,354,346	940,826
Sundry debtors and prepayments	17,306	76,332
	<hr/>	<hr/>
	£1,494,461	£1,209,646
	<hr/>	<hr/>

GREATERHAVEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2001

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2001</u> £	<u>2000</u> £
Rental related creditors	1,819	-
Bank loans and overdrafts	1,233	-
Current instalment of mortgage advance	35,000	35,000
Corporation tax	120,000	50,000
Loan creditors	1,686,649	1,691,813
Sundry creditors and accruals	119,077	117,607
	<hr/>	<hr/>
	£1,963,778	£1,894,420
	<hr/>	<hr/>

12. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	<u>2001</u> £	<u>2000</u> £
Mortgage advance (secured)	2,372,594	2,414,799
<u>Less:</u> Current instalment	(35,000)	(35,000)
	<hr/>	<hr/>
	£2,337,594	£2,379,799
	<hr/>	<hr/>

The mortgage advance, which is secured by a first legal charge over certain of the company's properties, is repayable on 30th June 2023.

13. SHARE CAPITAL

	<u>2001</u> £	<u>2000</u> £
<u>Authorised</u>		
100 ordinary shares of £1 each	£100	£100
	<hr/>	<hr/>
<u>Issued and Fully Paid</u>		
100 ordinary shares of £1 each	100	100
<u>Share Premium Account</u>		
On issue of shares	5,369,625	5,369,625
	<hr/>	<hr/>
	£5,369,725	£5,369,725
	<hr/>	<hr/>

GREATERHAVEN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2001

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>2001</u> £	<u>2000</u> £
Profit for financial year	400,567	441,825
	<hr/>	<hr/>
Net movement to shareholders' funds	400,567	441,825
Opening shareholders' funds	2,826,574	2,384,749
	<hr/>	<hr/>
	£3,227,141	£2,826,574
	<hr/> <hr/>	<hr/> <hr/>

15. CONTROLLING PARTY

The share capital of the company is owned by Messrs Milton Gross, Berish Berger and Abraham Klein as trustees of the Sighismond Berger Settlement. Their families are numbered among the beneficiaries of the Settlement. All trustees are related to the members of the board of this company.