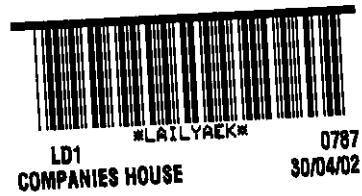


Company Registration Number: 2910783

THE GENERAL PROPERTY INVESTMENT COMPANY LIMITED

Financial Statements

for the year ended
30 June 2001



THE GENERAL PROPERTY INVESTMENT COMPANY LIMITED

DIRECTORS' REPORT

The directors have pleasure in submitting their report and the audited financial statements for the year ended 30 June 2001.

Principal activities, Review of the Business and Future developments

The principal activity of the company is that of a holding and investment company.

The directors intend to continue these activities for the foreseeable future.

In the opinion of the directors the financial position of the company at the balance sheet date was satisfactory.

Results and dividends

The results for the year are detailed on page 4. The Company made a loss on ordinary activities before taxation of £304,835 (2000: profit £1,080,034)

The directors do not recommend the payment of a dividend for the year. The retained loss for the year is £240,852 (2000: profit £1,033,170) which has been transferred to reserves, giving an accumulated profit carried forward of £3,337,992 (2000: £3,578,844).

Directors and their interests

The directors holding office during the year were as follows:

J L Beckwith
CIM Graham
PD Cable (appointed 21 July 2000)

ACC Collett was appointed as a director on 18 January 2002.

The company secretary is S A Holder.

None of the directors have any interests in the share capital of the Company other than by virtue of their interests in its holding company, Pacific Investments PLC, which are disclosed in the financial statements of that company.

Statement of 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:

- a) Select suitable accounting policies and apply them consistently;
- b) Make reasonable and prudent judgements in preparing the financial statements;
- c) State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d) Prepare financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

THE GENERAL PROPERTY INVESTMENT COMPANY LIMITED

DIRECTORS' REPORT (continued)

The directors confirm that they have complied with the above requirements in preparing the financial statements.

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

During the year, Moore Stephens resigned as auditors of the company, and on 11 September 2001, the Directors appointed PricewaterhouseCoopers as auditors. A resolution to re-appoint PricewaterhouseCoopers as auditors will be proposed at the next Annual General Meeting.

By order of the board



P D Cable
Director

124 Sloane Street
London
SW1X 9BW

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
OF
THE GENERAL PROPERTY INVESTMENT COMPANY LIMITED

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.


Basis of audit 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 at 30 June 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London

19 April 2002

THE GENERAL PROPERTY INVESTMENT COMPANY LIMITED

Profit and Loss Account for the year ended 30 June 2001

	Note	2001 £	2000 £
Administrative expenses		(433,143)	(271,341)
Operating loss	2	<u>(433,143)</u>	<u>(271,341)</u>
Investment income		616	23,730
Profit on sale of investments		-	1,011,395
(Loss)/Profit before interest and taxation		<u>(432,527)</u>	<u>763,784</u>
Interest receivable and similar income	4	537,504	471,979
Interest payable and similar charges	5	(409,812)	(155,729)
(Loss)/Profit on ordinary activities before taxation		<u>(304,835)</u>	<u>1,080,034</u>
Taxation	6	63,983	(46,864)
(Loss)/Profit on ordinary activities after taxation	13	<u><u>(240,852)</u></u>	<u><u>1,033,170</u></u>

Operating loss and results derive wholly from continuing operations.

There is no difference between the loss on ordinary activities before taxation stated above and the historical cost equivalents.

There are no recognised gains or losses other than the loss for the year shown above.

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

THE GENERAL PROPERTY INVESTMENT COMPANY LIMITED

Balance Sheet as at 30 June 2001

	Note	2001 £	2000 £
FIXED ASSETS			
Tangible assets	7	2,559	-
Investments	8	<u>12,628,445</u>	<u>7,802,679</u>
		<u>12,631,004</u>	<u>7,802,679</u>
CURRENT ASSETS			
Debtors	9	2,338,714	857,026
Cash at bank and in hand		<u>-</u>	<u>1,374,163</u>
		<u>2,338,714</u>	<u>2,231,189</u>
CREDITORS (amounts falling due within one year)	10	<u>(2,563,928)</u>	<u>(1,755,756)</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(225,214)</u>	<u>475,433</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		12,405,790	8,278,112
CREDITORS (amounts falling due after one year)	11	<u>(6,567,797)</u>	<u>(2,199,267)</u>
NET ASSETS		<u>5,837,993</u>	<u>6,078,845</u>
CAPITAL AND RESERVES			
Called up share capital	12	2,500,001	2,500,001
Profit and loss account	13	3,337,992	3,578,844
SHAREHOLDERS' FUNDS	14	<u>5,837,993</u>	<u>6,078,845</u>
Representing			
Equity shareholders' interests		3,337,993	3,578,845
Non-equity shareholders' interests		2,500,000	2,500,000
		<u>5,837,993</u>	<u>6,078,845</u>

The financial statements were approved by the Board of Directors on *17 April 2002*
and signed on its behalf by

PD Cable
Director



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

THE GENERAL PROPERTY INVESTMENT COMPANY LIMITED

Notes to the Financial Statements for the year ended 30 June 2001

1 Accounting policies

These financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom.

Financial Reporting Standard 18 - 'Accounting Policies', effective for accounting periods ending on or after 22 June 2001 has been adopted. The directors have reviewed the company's accounting policies and consider that the financial statements are prepared in accordance with FRS 18. A summary of the more significant accounting policies is shown below:

Basis of preparation - These financial statements have been prepared under the historical cost convention and on a going concern basis. The directors consider the going concern basis to be appropriate.

Tangible fixed assets - Tangible fixed assets are stated at their purchase price, together with any incidental expenses of acquisition.

Depreciation - Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Computer equipment	3 years
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Deferred taxation - Provision is made for deferred taxation, using the liability method, on all timing differences to the extent that it is probable that the liability or asset will crystallise.

Foreign currencies - Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into sterling at the financial year end exchange rates. All differences are taken to the profit and loss account.

Cash flow statement - The Company is exempt from the requirement to publish a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996) as it is included within the consolidated financial statements of Pacific Investments PLC and more than 90% of the voting rights are controlled within the group.

Investments - Investments are stated at cost less provision for any permanent diminution in value. Realised gains and losses are dealt with through the profit and loss account.

Group accounts - The Company is exempt under section 228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Pacific Investments PLC, a company registered in England and Wales.

Related parties - The Company has taken advantage of the exemption under FRS 8 not to disclose any transactions with other group companies on the basis that more than 90% of the voting rights are controlled within the group and consolidated financial statements are publicly available.

2 Operating loss

Operating loss is stated after charging/(crediting):	2001 £	2000 £
Auditors' remuneration - audit fees	2,000	4,200
- other non-audit fees	2,250	1,021
Depreciation	413	-
Foreign exchange gain	(121,725)	(33,416)

3 Staff costs

	2001 £	2000 £
Wages and salaries	165,607	124,526
Social security costs	16,907	11,586
	<u>182,514</u>	<u>136,112</u>

The average monthly number of employees during the year was 3 (2000: 2) in an administrative capacity.

Directors' remuneration	2001 £	2000 £
Emoluments	<u>147,996</u>	<u>48,248</u>

THE GENERAL PROPERTY INVESTMENT COMPANY LIMITED

Notes to the Financial Statements (continued)
for the year ended 30 June 2001

4 Interest receivable and similar income

	2001 £	2000 £
Bank interest receivable	28,844	43,532
Group interest receivable	508,660	428,447
	<u>537,504</u>	<u>471,979</u>

5 Interest payable and similar charges

	2001 £	2000 £
Interest payable on bank loans	52,285	29,438
Interest payable on other loans	357,527	126,291
	<u>409,812</u>	<u>155,729</u>

6 Taxation

	2001 £	2000 £
Tax (credit)/charge for the year	(120,360)	232,285
Under/(over) provision for group relief in previous year	56,377	(185,421)
	<u>(63,983)</u>	<u>46,864</u>

7 Tangible assets

	Computer equipment 2001 £
Cost	
At 1 July 2000	-
Additions	2,972
At 30 June 2001	<u>2,972</u>
Accumulated depreciation	
At 1 July 2000	-
Charge for the year	413
At 30 June 2001	<u>413</u>
Net book value at 30 June 2001	<u>2,559</u>

8 Investments

	2001 £	2000 £
Subsidiary undertakings	10,225,116	7,197,768
Associated undertakings	2,021,903	219,468
Other fixed asset investments	381,426	385,443
Cost and net book value at 30 June 2001	<u>12,628,445</u>	<u>7,802,679</u>

THE GENERAL PROPERTY INVESTMENT COMPANY LIMITED

Notes to the Financial Statements (continued) for the year ended 30 June 2001

8.1 Investment in subsidiaries

	Shares £	Loans £	Total £
Cost at 1 July 2000	24,679	7,173,089	7,197,768
Additions	5,589	4,390,249	4,395,838
Disposal	-	(1,368,490)	(1,368,490)
Cost at 30 June 2001	30,268	10,194,848	10,225,116

Details of subsidiary undertakings as at 30 June 2001 are given below.

At 30 June 2001, the Company owns 67% of Trinity Lake Corporation Inc., a company registered in North Carolina, USA. This company is developing a residential site in Greensboro, North Carolina. The company will provide the infrastructure to the site before selling tranches of individual building plots to building contractors. At the year end a loan of £1,607,912 (2000: £1,520,105) was outstanding to the Company. This loan is unsecured, interest bearing and repayable on demand.

On 13 October 2000, the Company acquired 99% of Bel Air Sarl, a holding company and 1% of Bel Air SCI, a French Company holding an investment in French real estate in the form of light industrial and office buildings. Bel Air Sarl holds 99% of Bel Air SCI.

On 3 July 2000, Kotey Investments B.V. was transferred at cost from GPIC France B.V. to River & Mercantile PLC (another 100% subsidiary of Pacific Investments PLC) in order to rationalise the group's fund management companies under the River & Mercantile PLC banner.

The Company owns 100% of the issued share capital of GPIC Holdings B.V., a company registered in the Netherlands, whose principal activity is to hold property investments. GPIC Holdings B.V. has the following subsidiaries:

Subsidiary	Principal Activity	% of Equity and votes held	Place of Incorporation
GPIC Spain B.V.	Holding company	100%	Netherlands
GPIC France B.V.	Holding company	100%	Netherlands
Tranquilliser Beheer B.V.	Holding company	100%	Netherlands
Organize Investments B.V.	Holding company	100%	Netherlands
Crossmoan B.V.	Holding company	100%	Netherlands
Wagon SARL	Investment property	99.8%	France
Pacific Management SARL	Property Management	100%	France
Union Desarrollos S.L.	Holding company	100%	Spain
Clivaden SARL	Holding company	100%	France
Clivaden SCI	Investment property	100%	France
Muguet SARL	Holding company	100%	France
Muguet SCI	Investment property	100%	France

8.2 Investment in associates

Investment in associated undertakings is analysed as follows:

	Shares £	Loans £	Total £
Cost at 30 June 2000	4,503	214,965	219,468
Additions	-	1,802,435	1,802,435
Cost at 30 June 2001	4,503	2,017,400	2,021,903

The Company has the following associated undertakings:

Associate	Principal Activity	Equity Share	Place of Incorporation
Elswick Corporation N.V.	Investment in property fund	50%	Netherlands Antilles
Pacific Investments (Asia) Limited	Investment in property fund	50%	Bermuda

THE GENERAL PROPERTY INVESTMENT COMPANY LIMITED

Notes to the Financial Statements (continued) for the year ended 30 June 2001

8.2 Investment in associates (continued)

The Company's subsidiaries have the following associated undertakings:

Associate	Principal Activity	Effective Equity Share	Place of Incorporation
Associated undertakings of GPIC Holdings B.V.			
Maremagnum B.V.	Property investment	20%	Netherlands
Odisea 2000 S.L.	Property development	20%	Spain
Bedford SARL	Holding company	25%	France
Baltic Exchange B.V.	Holding company	50%	Netherlands
Kirand B.V.	Holding company	33.3%	Netherlands
SAS Ambroise Croizat	Property investment	40%	France
Subsidiary undertakings of Bedford SARL			
SCI Cormontreuil	Property investment	25%	France
SCI La Neuville	Property investment	25%	France
SCI Chestnut	Property investment	25%	France
SCI Aile Nord	Property investment	25%	France
SCI Aile Six Pereire	Property investment	25%	France
Subsidiary undertakings of Baltic Exchange B.V.			
Villa Stockholm B.V.	Holding company	27.5%	Netherlands
Subsidiary undertakings of Kirand B.V.			
Stade 3 SARL	Property investment	33.3%	France
Stade 3 SCI	Property investment	33.3%	France

8.3 Other fixed assets investments

Other fixed asset investments of the Company are analysed as follows:

	Shares £	Loans £	Total £
Cost at 1 July 2000	25	385,418	385,443
Additions	-	6,275	6,275
Disposals	-	(10,292)	(10,292)
Cost at 30 June 2001	25	381,401	381,426

Loans amounting to £381,401 (2000 : £385,418) are interest free. There are no fixed terms of repayment and the directors do not expect repayment within the next twelve months.

9 Debtors

	2001 £	2000 £
Amounts due from subsidiary undertakings	404,261	346,156
Amounts due from associated undertakings	-	57,142
Amounts due from fellow subsidiary undertakings	1,697,435	266,517
Tax recoverable	160,739	40,379
Prepayments and accrued income	61,460	44,430
Other debtors	14,819	102,402
	<u>2,338,714</u>	<u>857,026</u>

THE GENERAL PROPERTY INVESTMENT COMPANY LIMITED

Notes to the Financial Statements (continued) for the year ended 30 June 2001

10 Creditors (amounts falling due within one year)

	2001 £	2000 £
Bank loans and overdrafts	38,390	-
Trade creditors	3,144	-
Amounts due to ultimate holding company	1,150,042	907,487
Amounts due to fellow subsidiary undertakings	160,878	47,118
Amounts due to associated undertakings of Pacific Investments PLC	1,114,731	757,463
Accruals and deferred income	96,743	43,688
	<u>2,563,928</u>	<u>1,755,756</u>

11 Creditors (amounts falling due after one year)

	2001 £	2000 £
Amounts due to ultimate holding company	962,897	1,220,576
Bank loans due between 1 and 2 years	5,604,900	978,691
	<u>6,567,797</u>	<u>2,199,267</u>

Amounts due to the ultimate holding company are considered to be part of the company's longer term funding from Pacific Investments PLC and are unsecured, interest free and have no formal repayment terms in place.

The company's bank loans are denominated in Sterling, Euros and US Dollars and are provided by a committed bank facility from the Bank of Scotland. The loans are repayable within two to five years and are cross guaranteed by various Pacific Investment PLC subsidiaries. Interest is charged at a floating rate.

12 Called up share capital

The authorised, issued and fully paid share capital of the Company as at 30 June 2001 and 30 June 2000 is analysed as follows:

	Authorised 2001	2000	Allotted, called up and fully paid 2001 £	2000 £
Ordinary shares of £1 each	100	100	1	1
Preference shares of £1 each	4,999,900	4,999,900	2,500,000	2,500,000
	<u>5,000,000</u>	<u>5,000,000</u>	<u>2,500,001</u>	<u>2,500,001</u>

The preference shares are redeemable at par at the option of the Company between six and eleven years from the date of issue. The first possible redemption date of the 2,500,000 preference shares is 20 June 2003. Dividends are cumulative and payable at a rate of 7% per annum on 1 September and 1 March. In the event of a winding up of the Company, the preference shares will be repaid in priority of the ordinary shares. The preference shares do not carry the right to receive notice of or vote at any General meeting of the Company. The preference shareholders have waived their right to the dividend in respect of the year.

13 Profit and loss account

The Company's profit and loss account is analysed as follows:

	£
At 1 July 2000	3,578,844
Retained loss for the year	(240,852)
At 30 June 2001	<u>3,337,992</u>

14 Reconciliation of movement in shareholders' funds

	£
Loss for the financial year	(240,852)
Shareholders' funds at 1 July 2000	6,078,845
Shareholders' funds at 30 June 2001	<u>5,837,993</u>

THE GENERAL PROPERTY INVESTMENT COMPANY LIMITED

Notes to the Financial Statements (continued)
for the year ended 30 June 2001

15 Holding company and ultimate controlling party

As at 30 June 2001, the Company's immediate and ultimate holding company was Pacific Investments PLC, a company registered in England & Wales, which is the largest group of which the Company is a member and for which group accounts are prepared. The consolidated accounts of that company can be obtained from the secretary at 124 Sloane Street, SW1X 9BW.

In the opinion of the directors the ultimate controlling party is JL Beckwith, a director and majority shareholder of the parent company.