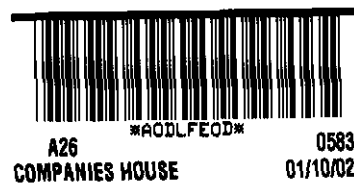


Company Registration No. 3138090

**LIPMANN TRADING LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2001**

13424-A-2001

**Registered Office**  
Suite 205, Moghul House  
57 Grosvenor Street  
Mayfair  
London  
W1X 9DA



# **LIPMANN TRADING LIMITED**

## **DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2001**

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The director presents her report and financial statements for the year ended 31 December 2001.

### **Principal activities and review of the business**

The principal activity of the company is that of an investment company.

### **Results and dividends**

The results for the year are set out on page 3.

### **Directors**

The following directors have held office since 1 January 2001:

S.J. Townsend	(Appointed 2 January 2001 and resigned 2 July 2002)
S.J. Townsend	(Resigned 2 January 2001)
A.M. Taylor	(Resigned 2 July 2002)
L.R. Taylor	

The directors have no interest in the issued share capital of the company.

### **Auditors**

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Matthew Edwards & Co. be reappointed as auditors of the company will be put to the Annual General Meeting.

### **Director's responsibilities**

Company law requires the director 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable her to ensure that the financial statements comply with the Companies Act 1985. She is 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.

By order of the board

  
L.R. Taylor (Director)

Date : 08 JUL 2002

**MATTHEW EDWARDS & CO**  
CHARTERED ACCOUNTANTS

'Clinch's House, Lord Street, Douglas, Isle of Man IM99 1RZ  
Telephone: +44 (0) 1624 663166 Facsimile: +44 (0) 1624 617266  
E-mail tax@matthew-edwards.com

**INDEPENDENT AUDITORS' REPORT  
TO THE SHAREHOLDERS OF LIPMANN TRADING LIMITED**

We have audited the financial statements of Lipmann Trading Limited on pages 3 to 8 for the year ended 31 December 2001. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

**Respective responsibilities of the directors and auditors**

As described in the statement of directors' responsibilities on page 1 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and 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 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 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 December 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Matthew Edwards & Co.*  
**Matthew Edwards & Co.**  
Chartered Accountants  
Registered Auditor

*8 July 2002*  
Clinch's House, Lord Street  
Douglas, Isle Of Man

**LIPMANN TRADING LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DÉCEMBER 2001**

	Notes	2001 £	2000 £
Administrative expenses		(3,807)	(4,540)
<b>Operating loss</b>	<b>2</b>	<b>(3,807)</b>	<b>(4,540)</b>
Other interest receivable and similar income	3	-	84
Amounts written off investments	4	-	(1,791,256)
Interest payable and similar charges	5	(547)	-
<b>Loss on ordinary activities before taxation</b>		<b>(4,354)</b>	<b>(1,795,712)</b>
Tax on loss on ordinary activities	6	-	-
<b>Loss on ordinary activities after taxation</b>	<b>10</b>	<b>(4,354)</b>	<b>(1,795,712)</b>
<b>Loss brought forward at 1 January 2001</b>		<b>(3,282,624)</b>	<b>(1,486,912)</b>
<b>Loss carried forward at 31 December 2001</b>		<b>(3,286,978)</b>	<b>(3,282,624)</b>

All of the company's activities are derived from continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

**LIPMANN TRADING LIMITED**

**BALANCE SHEET  
AS AT 31 DECEMBER 2001**

	Notes	2001 £	£	2000 £	£
<b>Fixed assets</b>					
Investments	7	3,050,109		3,050,109	
<b>Creditors: amounts falling due within one year</b>	8	(6,336,087)		(6,331,733)	
<b>Net current liabilities</b>		(6,336,087)		(6,331,733)	
<b>Total assets less current liabilities</b>		(3,285,978)		(3,281,624)	
<b>Capital and reserves</b>					
Called up share capital	9	1,000		1,000	
Profit and loss account	10	(3,286,978)		(3,282,624)	
<b>Shareholders' funds - equity interests</b>	11	(3,285,978)		(3,281,624)	

The financial statements were approved by the Board on 08 JUL 2002



L.R. Taylor

Director

# LIPMANN TRADING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

### 1 Accounting policies

#### 1.1 Accounting convention

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

The financial statements have been prepared on the going concern basis. This is considered appropriate as the ultimate beneficial shareholders will continue to provide financial support to the company for the foreseeable future.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

#### 1.2 Investments

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

#### 1.3 Foreign currency translation

The company's accounting records are maintained in Pounds Sterling.

Transactions in other currencies are converted at the rate ruling at the date of the transaction. Current assets and liabilities are converted at the rate of exchange ruling at the balance sheet date. Any material gains or losses resulting from the conversion are taken to the profit and loss account.

#### 1.4 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

<b>2 Operating loss</b>	<b>2001</b>	<b>2000</b>
	£	£
Operating loss is stated after charging:		
Auditors' remuneration	796	611
	<u>796</u>	<u>611</u>
<b>3 Other interest receivable and similar income</b>	<b>2001</b>	<b>2000</b>
	£	£
Profit on foreign exchange	-	84
	<u>-</u>	<u>84</u>
<b>4 Amounts written off investments</b>	<b>2001</b>	<b>2000</b>
	£	£
Amounts written off fixed asset investments:		
- temporary diminution in value	-	1,791,256
	<u>-</u>	<u>1,791,256</u>

**LIPMANN TRADING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2001**

<b>5 Interest payable and similar expenses</b>	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Loss on foreign exchange	547	-
	<u>547</u>	<u>-</u>

**6 Taxation**

On the basis of these financial statements no provision has been made for corporation tax.

**7 Fixed asset investments**

	<b>Shares in subsidiary undertakings £</b>
<b>Cost</b>	
At 1 January 2001 & at 31 December 2001	6,304,826
<b>Provisions for diminution in value</b>	
At 1 January 2001 & at 31 December 2001	3,254,717
<b>Net book value</b>	
At 31 December 2001	3,050,109
At 31 December 2000	3,050,109

**Holdings of 20% or more**

The company holds 20% or more of the share capital of the following companies:

<b>Company</b>	<b>Country of registration or incorporation</b>	<b>Shares held Class</b>	<b>%</b>
<b>Subsidiary undertakings</b>			
S.I.F.I.S	Italy	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	<b>Principal Activity</b>	<b>Capital and reserves</b>	<b>Profit/(loss) for the year</b>
S.I.F.I.S	Development of Real Estate	3,028,712	60,402

The full name of S.I.F.I.S is Società Industriale Finanziaria Immobiliare Sestrese SpA.

**LIPMANN TRADING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2001**

<b>8 Creditors: amounts falling due within one year</b>	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Other creditors	6,331,743	6,331,032
Accruals and deferred income	4,344	701
	<u>6,336,087</u>	<u>6,331,733</u>

**9 Share Capital**

The authorised share capital of the Company comprises 10000 ordinary £1 shares of which 1000 have been issued and are fully paid up (2000 - 1000).

**10 Statement of movements on profit and loss account**

	<b>Profit and loss account £</b>
Balance at 1 January 2001	(3,282,624)
Retained loss for the year	<u>(4,354)</u>
Balance at 31 December 2001	<u><u>(3,286,978)</u></u>

<b>11 Reconciliation of movements in shareholders' funds</b>	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Loss for the financial year	(4,354)	(1,795,712)
Opening shareholders' funds	<u>(3,281,624)</u>	<u>(1,485,912)</u>
Closing shareholders' funds	<u><u>(3,285,978)</u></u>	<u><u>(3,281,624)</u></u>

**12 Contingent liabilities**

There were no known contingent liabilities as at the balance sheet date.

**13 Capital commitments**

There were no major capital commitments at the balance sheet date.

**14 Employees**

**Number of employees**

There were no employees during the year apart from the directors'. The directors' received no remuneration during the year.



**LIPMANN TRADING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2001**

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**15 Ultimate Controlling Party and Related party transactions**

The directors are not aware of the ultimate controlling party, transactions related thereto and any other related party transactions.