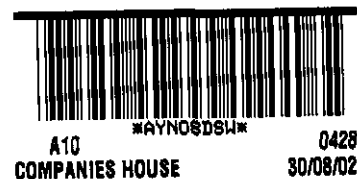


SWANDEAN LIMITED
FINANCIAL STATEMENTS

31 AUGUST 2001

Company Registration Number 3956953



MACINTYRE HUDSON
Chartered Accountants & Registered Auditors
Euro House
1394 High Road
London
N20 9YZ

SWANDEAN LIMITED**THE DIRECTOR'S REPORT****PERIOD FROM 27 MARCH 2000 TO 31 AUGUST 2001**

The director has pleasure in presenting his report and the financial statements of the company for the period from 27 March 2000 to 31 August 2001.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was the acquisition and realisation of debts of leasing companies with a view to profit.

In the opinion of the director, the state of the company's affairs is satisfactory.

RESULTS AND DIVIDENDS

The trading results for the period, and the company's financial position at the end of the period are shown in the attached financial statements.

The director has not recommended a dividend.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the period together with their beneficial interests in the shares of the company were as follows:

		Ordinary Shares of £1 each	
		At 31 August 2001	At 27 March 2000 or later date of appointment
R P Borley	(Appointed 17 May 2000)	3	-
Bloomsbury Directors Limited	(Served 27 March 2000 to 17 May 2000)	-	-
		<hr/>	<hr/>

P M Button was appointed as a director on 28 September 2001.

R P Borley resigned as a director on 28 September 2001.

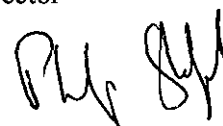
AUDITORS

MacIntyre Hudson were appointed auditors during the period. A resolution to re-appoint MacIntyre Hudson as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
57 Queen Anne Street
London
W1G 9HJ

Signed by order of the director

P A D ENGLEFIELD
Company Secretary



Approved by the director on 19 August 2002

SWANDEAN LIMITED

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

PERIOD FROM 27 MARCH 2000 TO 31 AUGUST 2001

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 at the end of the period and of the profit or loss for the period then ended.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies, as described on page 8, and then apply them consistently;

- make judgements and estimates that are reasonable and prudent;

- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- 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. The directors 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.

SWANDEAN LIMITED**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
SWANDEAN LIMITED****PERIOD FROM 27 MARCH 2000 TO 31 AUGUST 2001**

We have audited the financial statements of Swandean Limited for the period ended 31 August 2001 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, and notes 1 to 14. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities 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 August 2001 and of the profit of the company for the period then ended, and except for the omission of information about capital and reserves of subsidiaries required by Schedule 5 Companies Act 1985 have been properly prepared in accordance with the Companies Act 1985.

Euro House
1394 High Road
London N20 9YZ


MACINTYRE HUDSON
Chartered Accountants &
Registered Auditors

Date 21 August 2002

SWANDEAN LIMITED**PROFIT AND LOSS ACCOUNT****PERIOD FROM 27 MARCH 2000 TO 31 AUGUST 2001**

	Note	Period from 27 Mar 00 to 31 Aug 01 £
TURNOVER	3	16,826,645
Cost of sales		(11,049,498)
GROSS PROFIT		<u>5,777,147</u>
Administrative expenses		(3,400,383)
OPERATING PROFIT	4	<u>2,376,764</u>
Interest receivable		13,084
Interest payable	6	(257,946)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>2,131,902</u>
Tax on profit on ordinary activities	7	(468,716)
RETAINED PROFIT FOR THE FINANCIAL PERIOD		<u><u>1,663,186</u></u>

The company has no recognised gains or losses other than the results for the period as set out above.

All of the activities of the company are classed as continuing.

SWANDEAN LIMITED**BALANCE SHEET****31 AUGUST 2001**

	Note	31 Aug 01 £	£
CURRENT ASSETS			
Debtors	8	2,162,809	
Investments	9	2,000	
Cash at bank and in hand		6,172	
		<u>2,170,981</u>	
CREDITORS: Amounts falling due within one year	10	<u>(507,792)</u>	
NET CURRENT ASSETS			<u>1,663,189</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,663,189</u>
CAPITAL AND RESERVES			
Called-up equity share capital	12		3
Profit and loss account			<u>1,663,186</u>
SHAREHOLDERS' FUNDS	13		<u>1,663,189</u>

These financial statements were approved and signed by the director on 19 August 2002



.....
P M BUTTON

SWANDEAN LIMITED**CASH FLOW STATEMENT****PERIOD FROM 27 MARCH 2000 TO 31 AUGUST 2001**

	Period from 27 Mar 00 to 31 Aug 01	
	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES		253,031
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	13,084	
Interest paid	(257,946)	
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(244,862)
ACQUISITIONS AND DISPOSALS		
Purchase of subsidiary undertakings	(2,000)	
NET CASH INFLOW FROM ACQUISITIONS AND DISPOSALS		(2,000)
CASH INFLOW BEFORE FINANCING		6,169
FINANCING		
Issue of equity share capital	3	
NET CASH INFLOW FROM FINANCING		3
INCREASE IN CASH		6,172

**RECONCILIATION OF OPERATING PROFIT TO
NET CASH INFLOW FROM OPERATING ACTIVITIES**

	Period from 27 Mar 00 to 31 Aug 01 £
Operating profit	2,376,764
Increase in debtors	(2,162,809)
Increase in creditors	39,076
Net cash inflow from operating activities	253,031

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	£
Increase in cash in the period	6,172
Current asset investment	2,000
Movement in net funds in the period	8,172
Net funds at 31 Aug 01	8,172

SWANDEAN LIMITED**CASH FLOW STATEMENT** *(continued)***PERIOD FROM 27 MARCH 2000 TO 31 AUGUST 2001****ANALYSIS OF CHANGES IN NET FUNDS**

	At 27 Mar 2000 £	Cash flows £	Other changes £	At 31 Aug 2001 £
Cash in hand and at bank	-	6,172	-	6,172
Current asset investment	-	-	2,000	2,000
Net funds	<u>-</u>	<u>6,172</u>	<u>2,000</u>	<u>8,172</u>

SWANDEAN LIMITED**NOTES TO THE FINANCIAL STATEMENTS****PERIOD FROM 27 MARCH 2000 TO 31 AUGUST 2001****1. ACCOUNTING POLICIES****Basis of accounting**

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

Turnover

The turnover in the profit and loss account represents income accruing to the company during the period.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Basis of consolidation

The subsidiaries have not been consolidated because they have been acquired during the year with a view to subsequent resale. Financial Reporting Standard No. 2 does not permit consolidation in such circumstances. These investments have been treated as current assets as required by Financial Reporting Standard No. 2.

2. FOREIGN CURRENCY TRANSLATION

During the year the company incurred a translation loss on loan transactions denominated in foreign currencies of £267,918, and an exceptional gain on translation of inter-company debtors acquired of £146,936.

3. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	Period from
	27 Mar 00
	to
	31 Aug 01
	£
<i>United Kingdom</i>	16,826,645

SWANDEAN LIMITED**NOTES TO THE FINANCIAL STATEMENTS****PERIOD FROM 27 MARCH 2000 TO 31 AUGUST 2001****4. OPERATING PROFIT**

Operating profit is stated after charging:

	Period from 27 Mar 00 to 31 Aug 01 £
Director's emoluments	-
Auditors' remuneration	
- as auditors	6,000
- non audit services	14,000
Net loss on foreign currency translation	<u>121,086</u>

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial period amounted to:

	Period from 27 Mar 00 to 31 Aug 01 No.
Number of management staff	<u>1</u>
No salaries or wages have been paid to employees, including the directors, during the period.	

6. INTEREST PAYABLE

	Period from 27 Mar 00 to 31 Aug 01 £
Other similar charges payable	<u>257,946</u>

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Period from 27 Mar 00 to 31 Aug 01 £
Corporation tax based on the results for the period at 30%	<u>468,716</u>

SWANDEAN LIMITED**NOTES TO THE FINANCIAL STATEMENTS****PERIOD FROM 27 MARCH 2000 TO 31 AUGUST 2001****8. DEBTORS**

	31 Aug 01
	£
Amounts owed by group undertakings	1,862,809
Other debtors	300,000
	<u>2,162,809</u>

9. INVESTMENTS

	31 Aug 01
	£
Shares in group undertakings	<u>2,000</u>

During the year the company purchased 100% interests in the following companies for aggregate consideration of £2,000:

	Incorporated
Leasing Solutions (UK) Limited	England & Wales
Leasing Solutions No 3 Limited	England & Wales
<i>Leasing Solutions No 6 Limited</i>	<i>England & Wales</i>
Leasing Solutions International BV	Belgium
Leasing Solutions GmbH	Germany
Leasing Solutions International N.V	The Netherlands
Leasing Solutions France SA	France
LSI Italy S.r.l.	Italy
LSI Rentals Spain SA	Spain
Leasing Solutions Finland OY	Finland
Silanta Investments Limited	Bahamas

It was not possible to obtain the information regarding the companies' aggregate capital and reserves required to be disclosed under Schedule 5 of the Companies Act 1985.

10. CREDITORS: Amounts falling due within one year

	31 Aug 01
	£
Trade creditors	17,901
Other creditors including taxation and social security:	
Corporation tax	468,716
Accruals and deferred income	21,175
	<u>507,792</u>

11. TRANSACTIONS WITH THE DIRECTOR

During the period Mr Borley provided services to the company amounting to £25,000.

SWANDEAN LIMITED**NOTES TO THE FINANCIAL STATEMENTS****PERIOD FROM 27 MARCH 2000 TO 31 AUGUST 2001****11a. RELATED PARTY TRANSACTIONS**

During the period the company received loans and made loans to Silanta Investments Limited of £1,500,000 and £1,600,623 respectively. At the balance sheet date Silanta Investments Limited was a wholly owned subsidiary of Swandean Limited and owed an amount of £1,612,809 to the company.

Turnover represents income from Leasing Solutions UK Limited a wholly owned subsidiary of Swandean Limited. At the balance sheet date an amount of £250,000 was owing to Swandean Limited.

12. SHARE CAPITAL**Authorised share capital:**

	31 Aug 01
	£
10,000 Ordinary shares of £1 each	<u>10,000</u>

Allotted, called up and fully paid:

	31 Aug 01
	£
Issue of ordinary shares	<u>3</u>

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Period from
	27 Mar 00 to
	31 Aug 01
	£ £
Profit for the financial period	1,663,186
New equity share capital subscribed	<u>3</u>
Net addition to funds	<u>1,663,189</u>
Closing shareholders' equity funds	<u><u>1,663,189</u></u>

14. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the director.