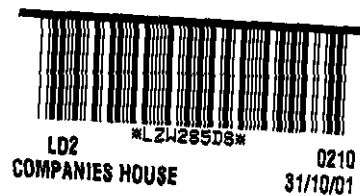


BELRUN LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2000



Company No. 2132321

BELRUN LIMITED

COMPANY INFORMATION

Directors	Mr BLK Heng Mr VK Sodhy
Secretary	Ms GCV Morris
Company Number	2132321
Registered Office	2nd Floor Pemberton House 15 Wrights Lane London W8 5SL
Auditors	BDO Stoy Hayward 8 Baker Street London W1M 1DA
Solicitors	Denton Hall 5 Chancery Lane Cliffords Inn London EC4A 1BU
Bankers	Oversea - Chinese Banking Corporation London Stonehouse 111 Cannon Street London EC4N 5AS

BELRUN LIMITED

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BELRUN LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2000

The directors present their report together with the audited financial statements for the year ended 31st December 2000.

Principal Activities and Review of Business

The company's principal activity is the renting out of apartments at Monarch House, 241 Kensington High Street, London, W8 as luxury furnished accommodation. The company traded at a loss during the year and the directors expect a similar result in the ensuing year.

Results and Dividends

The results for the year are set out in the profit and loss account on page 3.

The directors do not recommend a dividend.

Directors

The directors of the company during the year, neither of whom had an interest in the ordinary share capital of the company were:

Ordinary Shares	
31st	1st
December	January
2000	2000
Mr BLK Heng	-
Mr VK Sodhy	-

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 the company's affairs and of the profit or loss for that year. In preparing these financial statements the directors are required to:

Select suitable accounting policies and then apply them consistently;

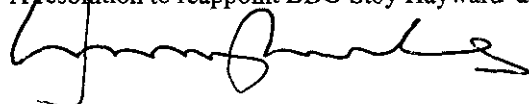
Make judgements and estimates that are reasonable and prudent;

Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and 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

A resolution to reappoint BDO Stoy Hayward as auditors will be put to the members at the Annual General Meeting.



Mr BLK Heng, Director
26th September 2001

AUDITORS' REPORT TO THE SHAREHOLDERS OF BELRUN LIMITED

We have audited the financial statements of Belrun Limited for the year ended 31st December 2000 on pages 3 to 8. These financial statements have been prepared under the accounting policies set out therein.

Respective Responsibilities of Directors and Auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom 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.

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.

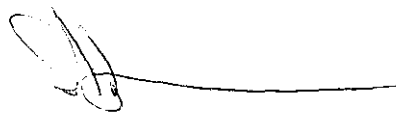
Basis of Audit Opinion

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 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 31st December 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BDO Stoy Hayward
Chartered Accountants and Registered Auditors

Date: 26th September 2001

BELRUN LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31ST DECEMBER 2000**

	Notes	2000 £	1999 £
Turnover	2	1,334,658	1,314,711
Direct expenses		1,128,622	1,171,149
Gross Profit		206,036	143,562
Administrative Expenses		296,221	266,642
Operating Loss	3	(90,185)	(123,080)
Interest Receivable		90,493	85,618
Interest Payable and Similar Charges	4	(104,121)	(108,699)
Loss on Ordinary Activities before Taxation		(103,813)	(146,161)
Tax on loss on ordinary activities	6	-	-
Loss for the Financial Year		(103,813)	(146,161)
Retained Loss Brought Forward		(2,243,088)	(2,096,927)
Retained Loss Carried Forward		(2,346,901)	(2,243,088)

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

The result for the year represents the movement in shareholders' funds.

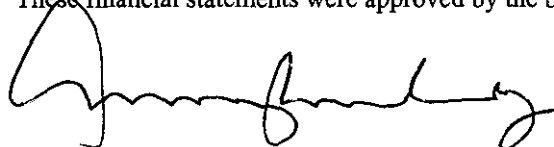
BELRUN LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER 2000

	Notes	£	2000 £	1999 £
Fixed Assets				
Tangible assets	7		204,016	270,765
Current Assets				
Debtors	8	1,802,089	1,795,822	
Cash at bank and in hand		4,759	2,253	
		<u>1,806,848</u>	<u>1,798,075</u>	
Creditors: Amounts Falling Due Within One Year	9	<u>4,357,665</u>	<u>4,311,828</u>	
Net Current Liabilities			<u>(2,550,817)</u>	<u>(2,513,753)</u>
Total Assets Less Current Liabilities			<u>(2,346,801)</u>	<u>(2,242,988)</u>
Capital and Reserves - equity				
Share capital	10		100	100
Profit and loss account			<u>(2,346,901)</u>	<u>(2,243,088)</u>
Shareholders' Funds			<u>(2,346,801)</u>	<u>(2,242,988)</u>

These financial statements were approved by the board on 26th September 2001 and signed on its behalf by:



Mr BLK Heng
Director

BELRUN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2000

1 Accounting Policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention. The following principal have been applied:

Turnover

Turnover represents rental income receivable.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets over their expected useful lives. It is calculated at the following annual rates:

Furniture and equipment	- 20%
Soft furnishings	- 50%
Computer equipment	- 33%

Going Concern

The financial statements have been prepared on a going concern basis which assumes the continuing support of the company's fellow group companies and certain other creditors.

Deferred Taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, except that no provision is made where it can be reasonably foreseen that such deferred taxation will not be payable in the future.

2 Turnover

The turnover was derived from the company's principal activity which was carried out wholly in the UK.

3 Operating Loss

The operating loss is arrived at after charging :

	2000	1999
	£	£
Depreciation of owned assets	106,553	165,046
Operating leases	720,000	720,000
Auditors' remuneration	2,150	3,558

BELRUN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2000

4 Interest Payable and Similar Charges

	2000	1999
	£	£
Bank overdrafts and loans	104,037	108,682
Interest payable on loans other than bank loans and overdrafts	84	17
	<u>104,121</u>	<u>108,699</u>

5 Directors and Employees

Staff costs were as follows:

	2000	1999
	£	£
Wages and salaries	196,635	172,324
Social security costs	15,866	14,422
Other costs	8,323	6,690
	<u>220,824</u>	<u>193,436</u>

The average monthly number of employees, including directors, during the year was as follows:

	2000 Number	1999 Number
Full Time	15	14
	<u>15</u>	<u>14</u>

The directors received no remuneration during the year.

6 Taxation

No provision in respect of corporation tax has been made due to there being a loss for the year.

BELRUN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2000

7 Tangible Fixed Assets

	Furniture Soft and Furnishings Equipment	Computer Equipment	Total
Cost	£	£	£
At 1st January 2000	333,078	7,624	580,657
Additions	31,831	-	39,804
At 31st December 2000	364,909	7,624	620,461
Depreciation			
At 1st January 2000	107,250	6,679	309,892
Charge for the year	69,497	330	106,553
At 31st December 2000	176,747	7,009	416,445
Net Book Value			
At 31st December 2000	188,162	615	204,016
<i>At 31st December 1999</i>	<i>225,828</i>	<i>945</i>	<i>270,765</i>

8 Debtors

	2000	1999
	£	£
Trade debtors	170,689	239,179
Other debtors	1,605,438	1,533,382
Prepayments and accrued income	25,962	23,261
	1,802,089	1,795,822

All amounts shown under debtors fall due for payment within one year.

9 Creditors: Amounts Falling Due Within One Year

	2000	1999
	£	£
Bank loans and overdrafts	1,312,247	1,635,319
Trade creditors	14,398	18,636
Amounts owed to group undertakings	2,867,699	2,447,699
Other taxes and social security	5,810	7,787
Other creditors	112,601	161,287
Accruals and deferred income	44,910	41,100
	4,357,665	4,311,828

The parent undertaking has confirmed that it will not seek repayment of amounts due to it until all other indebtedness has been discharged.

BELRUN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2000

10	Share Capital	2000 £	1999 £
	Authorised Equity Shares		
	100 Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>
	Allotted Equity Shares		
	100 Allotted, called up and fully paid ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

11 Operating Lease Commitments

At 31 December 2000 the company had annual commitments under non-cancellable operating leases as set out below:

Land and buildings

	2000 £	1999 £
Operating leases which expire: Between two and five years	<u>720,000</u>	<u>720,000</u>

12 Ultimate parent company

Amerland Inc., a company incorporated in Panama, is regarded by the directors as the company's ultimate parent company.