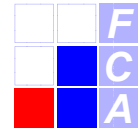


The XYZ Trust established on March 31, 1996

Unaudited Financial Statements  
for the years ended June 30, 2003 and 2002

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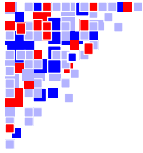
## The XYZ Trust established on March 31, 1996

### Table of Contents

Accountant's Compilation Report.....	3
Trust Structure Consolidated Balance Sheets.....	4
Trust Structure Consolidated Income and Capital Statements.....	5
Company Balance Sheets (ABC LTD.).....	6
Company Income and Capital Statements (ABC LTD.).....	7
Company Balance Sheets (DEF REAL ESTATE LTD.).....	8
Company Income and Capital Statements (DEF REAL ESTATE LTD.).....	9
Investment Analysis - Broker A account No. 999-99999.....	10
Investment Analysis - Broker B account No. 888-88888.....	11
Investment Analysis - Bank C account No. 123-456.....	12
Investment Portfolio - All accounts.....	13
Investment Portfolio - Broker A account No. 999-99999.....	14
Investment Portfolio - Broker B account No. 888-88888.....	15
Investment Portfolio - Bank C account No. 123-456.....	16
Notes to Financial Statements.....	17

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**Accountant's Compilation Report of the unaudited financial statements of  
The XYZ Trust  
as at June 30, 2003**

We have compiled the attached unaudited financial statements for the years ended June 30, 2003 and 2002 from the accounting records of the XYZ Trust maintained by the Broker A Trust Company Ltd. (the "Trustee") and from explanations and information supplied by the Trustee, which is solely responsible for their preparation.

We have not audited these financial statements.

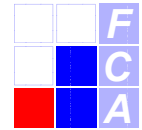
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Jonathan Nicholson, *FCA*  
Director

July 31, 2003



**The XYZ Trust established on March 31, 1996**  
**Trust Structure Consolidated Balance Sheets**  
**as at June 30, 2003 and 2002**



Stated in United States Dollars

*UNAUDITED*

	<u>June 30, 2003</u>	<u>June 30, 2002</u>
<b>ASSETS</b>		
Underlying companies (note 2):		
ABC LTD.	453,341.00	354,101.00
DEF REAL ESTATE LTD.	183,473.00	150,000.00
	<hr/>	<hr/>
	US\$636,814.00	504,101.00
	=====	=====
 <b>REPRESENTED BY:</b>		
Income	50,603.01	10,166.00
Capital	586,210.99	493,935.00
	<hr/>	<hr/>
	US\$636,814.00	504,101.00
	=====	=====

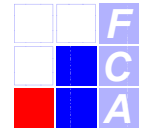
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The XYZ Trust established on March 31, 1996  
Trust Structure Consolidated Income and Capital Statements  
for the years ended June 30, 2003 and 2002



Stated in United States Dollars

UNAUDITED

	<u>June 30, 2003</u>	<u>June 30, 2002</u>
<b>INCOME</b>		
Income at the beginning of the year	10,166.00	7,506.99
Net income / (loss) for the year:		
ABC LTD.	18,964.01	7,659.01
DEF REAL ESTATE LTD.	33,473.00	0.00
Income distributions paid during the year (note 9)	(12,000.00)	(5,000.00)
	<hr/>	<hr/>
Income at end of year	US\$50,603.01	10,166.00
	=====	=====
<b>CAPITAL</b>		
Capital at the beginning of the year	493,935.00	487,428.01
Capital gains / (losses) less expenses during the year	32,275.99	6,506.99
Capital introduced during the year	100,000.00	0.00
Capital distributions made during the year (note 9)	(40,000.00)	(0.00)
	<hr/>	<hr/>
Capital at the end of the year	US\$586,210.99	493,935.00
	=====	=====

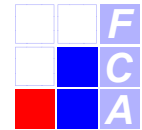
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**ABC Ltd.**  
**Company Balance Sheets**  
**as at June 30, 2003 and 2002**

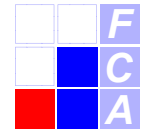


Stated in United States Dollars

*UNAUDITED*

	<u>June 30, 2003</u>	<u>June 30, 2002</u>
<b>ASSETS</b>		
Broker A account No. 999-99999	221,900.00	110,775.00
Broker B account No. 888-88888	132,400.00	116,942.00
Bank B account No. 123-456	98,000.00	84,370.00
Current account – Bank D account No. 987-54320	2,100.00	47,000.00
	<hr/>	<hr/>
Total assets	454,400.00	359,087.00
<b>LIABILITIES</b>		
Creditors		
Bank D account No. 987-54321	1,000.00	3,000.00
Other	59.00	1,986.00
	<hr/>	<hr/>
Net assets	US\$453,341.00 =====	354,101.00 =====
<b>REPRESENTED BY:</b>		
Share capital (note 5)	100.00	100.00
Contributed surplus (note 4)	369,835.00	309,835.00
Retained earnings:		
Income	17,130.01	10,166.00
Capital	66,275.99	34,000.00
	<hr/>	<hr/>
	US\$453,341.00 =====	354,101.00 =====

See notes to financial statements.

**ABC LTD.****Company Income and Capital Statements  
for the years June 30, 2003 and 2002**

Stated in United States Dollars

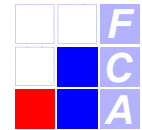
*UNAUDITED*

	<u>June 30, 2003</u>	<u>June 30, 2002</u>
<b>INCOME</b>		
Retained earnings: Income at the beginning of the year	10,166.00	7,506.99
Income earned during the year:		
Investment income:		
Broker A account No. 999-99999	10,600.00	4,500.00
Broker B account No. 888-88888	9,088.00	3,800.00
Bank C account No. 123-456	4,000.00	1,852.00
	<hr/>	<hr/>
Total income	23,688.00	10,152.00
	<hr/>	<hr/>
<b>Expenses during the year:</b>		
Trustee fees (note 7)	634.08	737.08
Company fees (note 7)	465.00	465.00
Bank / brokerage charges	3,624.91	1,290.91
	<hr/>	<hr/>
Total expenses	4,723.99	2,492.99
	<hr/>	<hr/>
Net income for the year	18,964.01	7,659.01
Dividends paid during the year (note 9)	(12,000.00)	(5,000.00)
	<hr/>	<hr/>
Retained earnings: Income at the end of the year	US\$17,130.01	10,166.00
	=====	=====
<b>CAPITAL</b>		
Retained earnings: Capital at the beginning of the year	34,000.00	27,493.01
Realised gains / (losses) on invested funds (note 6)	(3,100.00)	12,000.00
Unrealised gains / (losses) on invested funds (note 6)	38,100.00	(2,000.00)
	<hr/>	<hr/>
Net gains / (losses) on invested funds	35,000.00	10,000.00
	<hr/>	<hr/>
<b>Expenses during the year:</b>		
Trustee fees (note 7)	634.09	737.09
Company fees (note 7)	465.00	465.00
Bank / brokerage charges	3,624.92	1,290.92
	<hr/>	<hr/>
Total expenses	4,724.01	2,493.01
	<hr/>	<hr/>
Net capital gains / (losses) for the year	30,275.99	7,506.99
Translation adjustments (note 8)	2,000.00	(1,000.00)
	<hr/>	<hr/>
Retained earnings: Capital at the end of the year	US\$66,275.99	34,000.00
	=====	=====
See notes to financial statements.		

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**DEF REAL ESTATE LTD.**  
**Company Balance Sheets**  
**as at June 30, 2003 and 2002**



Stated in United States Dollars

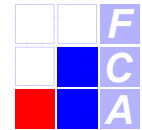
*UNAUDITED*

	<u>June 30, 2003</u>	<u>June 30, 2002</u>
<b>ASSETS</b>		
Real estate (note 3)	300,000.00	300,000.00
Deposit account - Bank D account No. 987-54319	35,000.00	0.00
Current account - Bank D account No. 987-54322	5,973.00	0.00
	<hr/>	<hr/>
Total assets	340,973.00	300,000.00
<b>LIABILITIES</b>		
Loan - Bank D account No. 987-54323	157,500.00	150,000.00
	<hr/>	<hr/>
Net assets	<u>US\$183,473.00</u>	<u>150,000.00</u>
<b>REPRESENTED BY:</b>		
Share capital (note 5)	100.00	100.00
Contributed surplus (note 4)	149,900.00	149,900.00
Retained earnings:		
Income	33,473.00	0.00
Capital	0.00	0.00
	<hr/>	<hr/>
	<u>US\$183,473.00</u>	<u>150,000.00</u>

See notes to financial statements.



**DEF REAL ESTATE LTD.**  
**Company Income and Capital Statements**  
**for the years June 30, 2003 and 2002**



Stated in United States Dollars

*UNAUDITED*

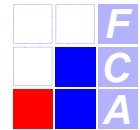
	<u>June 30, 2003</u>	<u>June 30, 2002</u>
<b>INCOME</b>		
Retained earnings: Income at the beginning of the year	0.00	0.00
Income earned during the year:		
Rental income	43,973.00	0.00
	<hr/>	<hr/>
Total income	43,973.00	0.00
	<hr/>	<hr/>
<b>Expenses during the year:</b>		
Loan interest	7,500.00	0.00
Real estate expenses	3,000.00	0.00
	<hr/>	<hr/>
Total expenses	10,500.00	0.00
	<hr/>	<hr/>
Net income / (loss) for the year	33,473.00	0.00
	<hr/>	<hr/>
Retained earnings: Income at the end of the year	US\$33,473.00	0.00
	=====	=====
<b>CAPITAL</b>		
Retained earnings: Capital at the beginning of the year	0.00	0.00
Capital gains for the year	0.00	0.00
Expenses allocated to capital	(0.00)	(0.00)
	<hr/>	<hr/>
Retained earnings: Capital at the end of the year	US\$0.00	0.00
	=====	=====

See notes to financial statements.



**ABC LTD.**

**Investment Analysis for the year ended June 30, 2003  
Broker A account No. 999-99999**



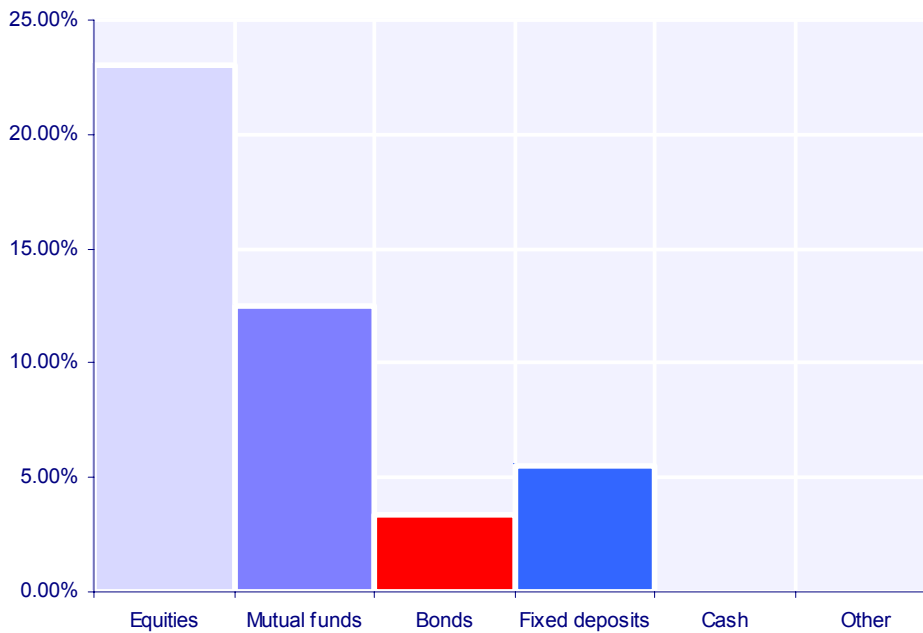
Stated in United States Dollars

*UNAUDITED*

	<u>Market Value</u>	<u>Income</u>	<u>Realised Gains/(Losses)</u>	<u>Unrealised Gains/(Losses)</u>	<u>Investment Return*</u>
Equities	50,000.00	1,500.00	3,000.00	7,000.00	23.00%
Mutual funds	120,000.00	6,000.00	(6,000.00)	15,000.00	12.50%
Bonds	29,400.00	2,000.00	(1,300.00)	300.00	3.40%
Fixed deposits	20,000.00	1,100.00	0.00	0.00	5.50%
Cash	2,500.00	0.00	0.00	0.00	0.00%
Other	0.00	0.00	0.00	0.00	0.00%
<b>Totals</b>	<b><u>\$221,900.00</u></b>	<b><u>\$10,600.00</u></b>	<b><u>\$(4,300.00)</u></b>	<b><u>\$22,300.00</u></b>	<b><u>12.89%</u></b>

\*Investment Return is calculated by dividing the total of income and capital gains or losses by the market value of the investment at the balance sheet date. Readers are cautioned that the investment return percentage derived may be misleading unless the investment is held for an entire year and may not be comparable with other performance indicators, which can use different calculation methods.

Investment Returns



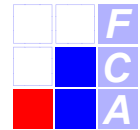
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**ABC LTD.**

**Investment Analysis for the year ended June 30, 2003  
Broker B account No. 888-88888**



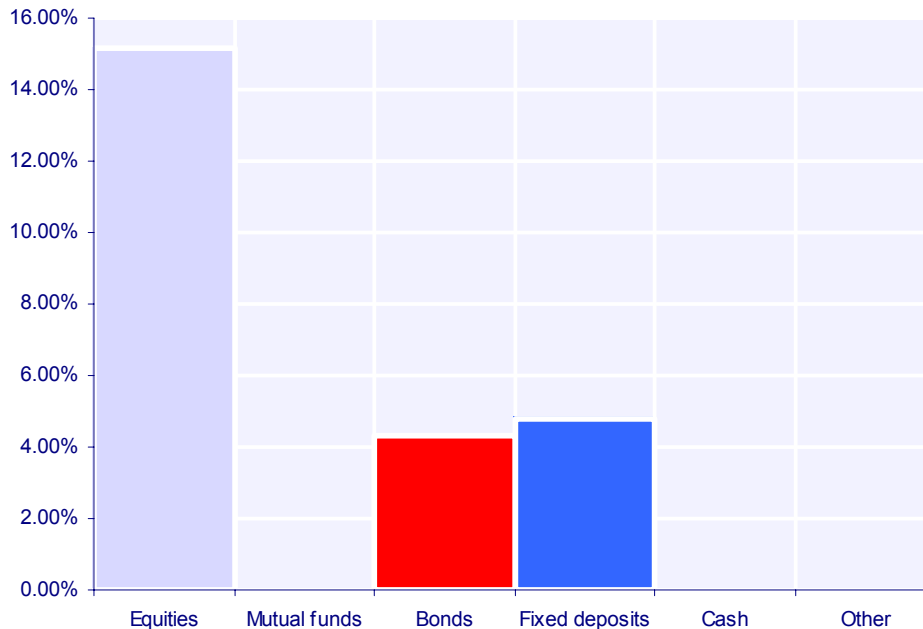
Stated in United States Dollars

UNAUDITED

	<u>Market Value</u>	<u>Income</u>	<u>Realised Gains/(Losses)</u>	<u>Unrealised Gains/(Losses)</u>	<u>Investment Return*</u>
Equities	90,500.00	6,465.00	(5,260.00)	12,500.00	15.14%
Mutual funds	0.00	0.00	0.00	0.00	0.00%
Bonds	29,400.00	2,146.00	(1,170.00)	300.00	4.34%
Fixed deposits	10,000.00	477.00	0.00	0.00	4.77%
Cash	2,500.00	0.00	0.00	0.00	0.00%
Other	0.00	0.00	0.00	0.00	0.00%
<b>Totals</b>	<b><u>\$132,400.00</u></b>	<b><u>\$9,088.00</u></b>	<b><u>\$(6,430.00)</u></b>	<b><u>\$12,800.00</u></b>	<b><u>11.68%</u></b>

\*Investment Return is calculated by dividing the total of income and capital gains or losses by the market value of the investment at the balance sheet date. Readers are cautioned that the investment return percentage derived may be misleading unless the investment is held for an entire year and may not be comparable with other performance indicators, which can use different calculation methods.

Investment Returns



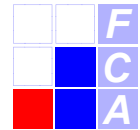
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**ABC LTD.**

**Investment Analysis for the year ended June 30, 2003  
Broker C account No. 123-456**



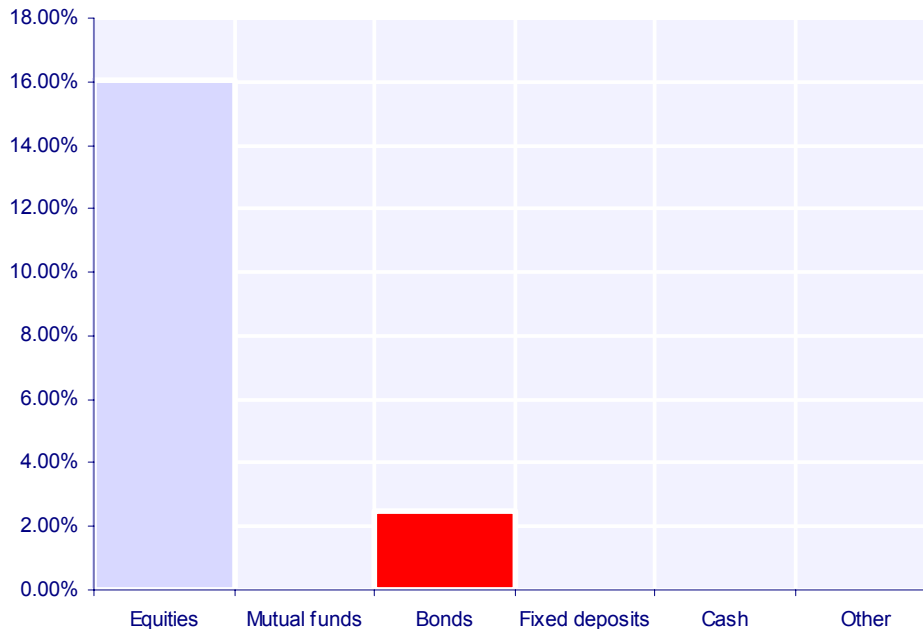
Stated in United States Dollars

*UNAUDITED*

	<u>Market Value</u>	<u>Income</u>	<u>Realised Gains/(Losses)</u>	<u>Unrealised Gains/(Losses)</u>	<u>Investment Return*</u>
Equities	90,000.00	3,400.00	7,030.00	4,000.00	16.03%
Mutual funds	0.00	0.00	0.00	0.00	0.00%
Bonds	8,000.00	600.00	600.00	(1,000.00)	2.50%
Fixed deposits	0.00	0.00	0.00	0.00	0.00%
Cash	0.00	0.00	0.00	0.00	0.00%
Other	0.00	0.00	0.00	0.00	0.00%
<b>Totals</b>	<b><u>\$98,000.00</u></b>	<b><u>\$4,000.00</u></b>	<b><u>\$7,630.00</u></b>	<b><u>\$3,000.00</u></b>	<b><u>15.03%</u></b>

\*Investment Return is calculated by dividing the total of income and capital gains or losses by the market value of the investment at the balance sheet date. Readers are cautioned that the investment return percentage derived may be misleading unless the investment is held for an entire year and may not be comparable with other performance indicators, which can use different calculation methods.

Investment Returns

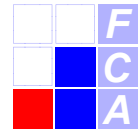


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**ABC LTD.**  
**Investment Portfolio as at June 30, 2003**  
**All accounts**

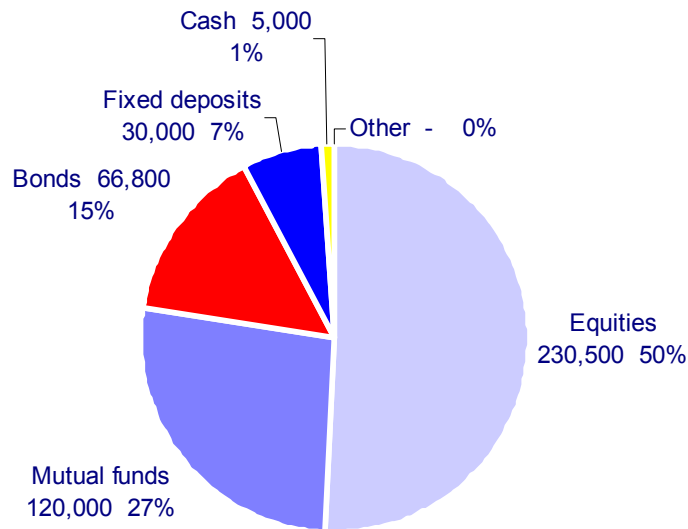


Stated in United States Dollars

*UNAUDITED*

	<u>Allocation</u>	<u>Market value</u>	<u>Cost</u>	<u>Unrealised Gains/(Losses)</u>
Equities	50.96%	230,500.00	207,000.00	23,500.00
Mutual Funds	26.53%	120,000.00	105,000.00	15,000.00
Bonds	14.77%	66,800.00	67,200.00	(400.00)
Fixed Deposits	6.63%	30,000.00	30,000.00	0.00
Cash	1.11%	5,000.00	5,000.00	0.00
Other	0.00%	0.00	0.00	0.00
<b>Totals</b>	<b>100.00%</b>	<b>\$452,300.00</b>	<b>\$414,200.00</b>	<b>\$38,100.00</b>

Market Value Allocation



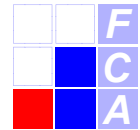
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**ABC LTD.**

**Investment Portfolio as at June 30, 2003  
Broker A account No. 999-99999**

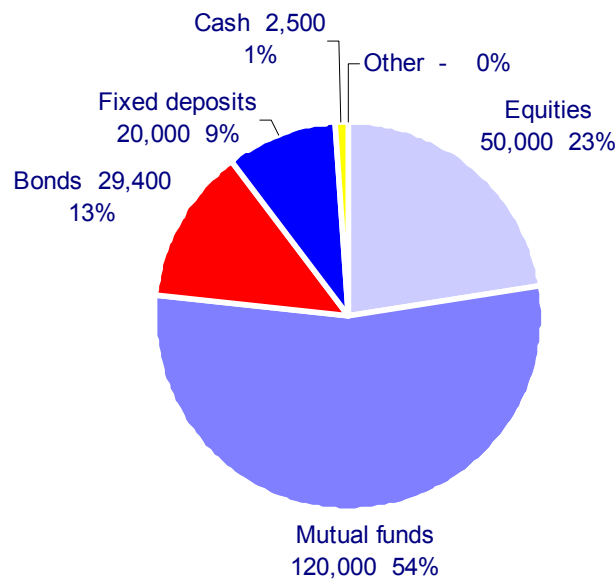


Stated in United States Dollars

*UNAUDITED*

	<u>Allocation</u>	<u>No.</u>	<u>Market value</u>	<u>Cost</u>	<u>Unrealised Gains/(Losses)</u>
<b>Equities</b>					
IBM		100	13,500.00	11,500.00	2,000.00
Compaq		200	20,000.00	22,500.00	(2,500.00)
Microsoft		100	16,500.00	9,000.00	7,500.00
	22.53%		<u>50,000.00</u>	<u>43,000.00</u>	<u>7,000.00</u>
<b>Mutual Funds</b>					
Growth Fund Class A	54.08%	1,000	120,000.00	105,000.00	15,000.00
<b>Bonds</b>					
Bond PQR 6/2009		20,000	19,500.00	19,800.00	(300.00)
Bond STU 9/2006		10,000	9,900.00	9,300.00	600.00
	13.25%		<u>29,400.00</u>	<u>29,100.00</u>	<u>300.00</u>
<b>Fixed Deposits</b>					
Bank B 9/2003		10,000	10,000.00	10,000.00	0.00
Bank C		10,000	10,000.00	10,000.00	0.00
	9.01%		<u>20,000.00</u>	<u>20,000.00</u>	<u>0.00</u>
<b>Cash</b>					
Bank C account	1.13%	2,500	2,500.00	2,500.00	0.00
<b>Other</b>	0.00%	0	0.00	0.00	0.00
<b>Totals</b>	<u>100.00%</u>		<u>\$221,900.00</u>	<u>\$199,600.00</u>	<u>\$22,300.00</u>

Market Value Allocation



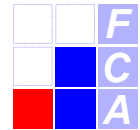
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**ABC LTD.**

**Investment Portfolio as at June 30, 2003  
Broker B account No. 888-88888**

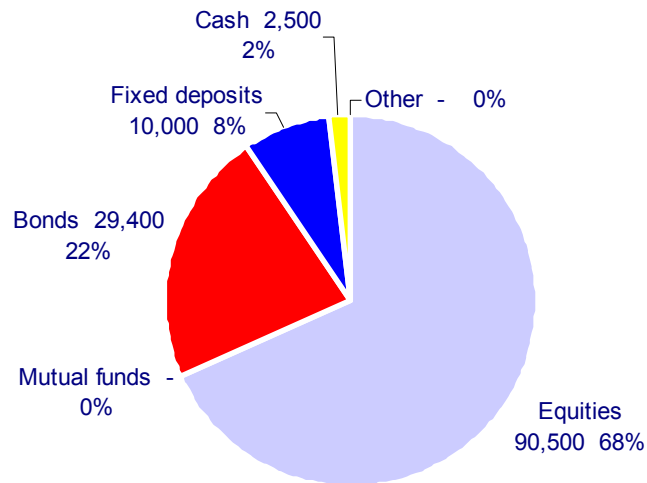


Stated in United States Dollars

*UNAUDITED*

	<u>Allocation</u>	<u>No.</u>	<u>Market value</u>	<u>Cost</u>	<u>Unrealised Gains/(Losses)</u>
<b>Equities</b>					
General Motors		200	25,500.00	21,500.00	4,000.00
Ford		500	50,000.00	42,500.00	7,500.00
PepsiCo		100	15,000.00	14,000.00	1,000.00
	<u>68.35%</u>		<u>90,500.00</u>	<u>78,000.00</u>	<u>12,500.00</u>
<b>Mutual Funds</b>					
	0.00%	0	0.00	0.00	0.00
<b>Bonds</b>					
Bond VWX 6/2008		20,000	19,500.00	19,800.00	(300.00)
Bond FGH 9/2012		10,000	9,900.00	9,300.00	600.00
	<u>22.21%</u>		<u>29,400.00</u>	<u>29,100.00</u>	<u>300.00</u>
<b>Fixed Deposits</b>					
Broker B - Geneva	7.55%	10,000	10,000.00	10,000.00	0.00
<b>Cash</b>					
Broker B - Geneva	1.89%	2,500	2,500.00	2,500.00	0.00
<b>Totals</b>	<u>100.00%</u>		<u>\$132,400.00</u>	<u>\$119,600.00</u>	<u>\$12,800.00</u>

Market Value Allocation



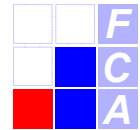
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**ABC LTD.**

**Investment Portfolio as at June 30, 2003  
Broker C account No. 123-456**

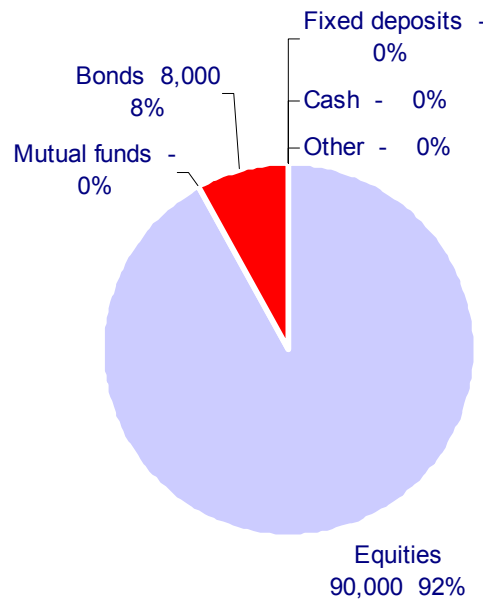


Stated in United States Dollars

*UNAUDITED*

	<u>Allocation</u>	<u>No.</u>	<u>Market value</u>	<u>Cost</u>	<u>Unrealised Gains/(Losses)</u>
<b>Equities</b>					
General Electric		1,000	50,000.00	48,500.00	1,500.00
Nokia		500	40,000.00	37,500.00	2,500.00
	91.84%		<u>90,000.00</u>	<u>86,000.00</u>	<u>4,000.00</u>
<b>Mutual Funds</b>	0.00%	0	0.00	0.00	0.00
<b>Bonds</b>					
Bond HIJ 6/2009	8.16%	10,000	8,000.00	9,000.00	(1,000.00)
<b>Fixed Deposits</b>	0.00%	0	0.00	0.00	0.00
<b>Cash</b>	0.00%	0	0.00	0.00	0.00
<b>Totals</b>	<u>100.00%</u>		<u>\$98,000.00</u>	<u>\$95,000.00</u>	<u>\$3,000.00</u>

Market Value Allocation



*Compiled by Financial Consulting & Accounting Ltd.*

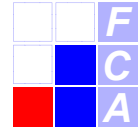
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The XYZ Trust established on March 31, 1996

Notes to Financial Statements

Stated in United States Dollars



UNAUDITED

1. Significant accounting policies

These financial statements, which are expressed in United States dollars, have been prepared under the historical cost convention modified by the revaluation of investments at the year end and the periodic revaluation of real estate. Income (with the exception of bond interest, which is recognised on the accruals basis) and expenses are accounted for on a cash basis. Cost of securities is calculated on the first in first out basis (FIFO).

2. Underlying companies

The sole assets of the trust are the entire issued share capital of ABC LTD. and DEF REAL ESTATE LTD. The net worth of ABC LTD. at the balance sheet date is US\$453,341.00 and the net worth of DEF REAL ESTATE LTD. is US\$183,473.00.

3. Real Estate

Real estate is shown at cost unless it has been professionally valued in which case it is shown at the latest valuation.

4. Contributed surplus

Contributed surplus represents the total of all capital paid into the company, less capital distributions since inception in excess of the shares issued (US\$100).

<b>ABC LTD.</b>	<u>June 30, 2003</u>	<u>June 30, 2002</u>
Contributed surplus at the beginning of the year	309,835.00	309,835.00
Contributions received during the year	100,000.00	0.00
Capital distributions made during the year	(40,000.00)	(0.00)
	<hr/>	<hr/>
Contributed surplus at the end of the year	US\$369,835.00	309,835.00
	=====	=====
<b>DEF REAL ESTATE LTD.</b>	<u>June 30, 2003</u>	<u>June 30, 2002</u>
Contributed surplus at the beginning of the year	149,900.00	149,900.00
Contributions received during the year	0.00	0.00
Capital distributions made during the year	(0.00)	(0.00)
	<hr/>	<hr/>
Contributed surplus at the end of the year	US\$149,900.00	149,900.00
	=====	=====

5. Share capital

**ABC LTD.**  
Authorised: 50,000 ordinary shares of US\$1.00 each.  
  
Issued: 100 ordinary shares of US\$1.00 each.

**DEF REAL ESTATE LTD.**  
Authorised: 50,000 ordinary shares of US\$1.00 each.  
  
Issued: 100 ordinary shares of US\$1.00 each.

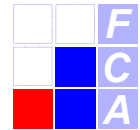
6. Gain / (Loss) on invested funds

Investments are stated at their market values as at the balance sheet date. Both realised and unrealised gains and losses on investments are included in Retained earnings: Capital



**The XYZ Trust established on March 31, 1996**  
**Notes to Financial Statements**

Stated in United States Dollars



UNAUDITED

**7. Trustee and company fees**

Trustee and company fees for the year were as follows:

	<u>June 30, 2003</u>	<u>June 30, 2002</u>
Trustee fees:		
December 31, 2002	630.00	710.00
June 30, 2003	638.17	764.17
	<hr/>	<hr/>
Total trustee fees	1,268.17	1,474.17
	=====	=====
Trustee fees were allocated as follows:		
Income	634.08	737.08
Capital	634.09	737.09
	<hr/>	<hr/>
Total trustee fees	1,268.17	1,474.17
	=====	=====
 Company's resident agent and local government fee March 31, 2003	 930.00	 930.00
	=====	=====
Company fees were allocated as follows:		
Income	465.00	465.00
Capital	465.00	465.00
	<hr/>	<hr/>
Total company fees	930.00	930.00
	=====	=====

**8. Translation adjustments**

These financial statements are expressed in United States dollars. Transactions arising in currencies other than United States dollars are converted into United States dollars at the rates of exchange approximating those ruling on the dates of the transactions. Assets and liabilities which are denominated in currencies other than United States dollars are converted at rates approximating those ruling on the balance sheet dates. Translation adjustments are posted to and included in Retained earnings – Capital.

**9. Distributions made during the year:**

**Income**

<u>Date</u>	<u>Amount</u>
January 5, 2003	1,000.00
January 5, 2003	1,000.00
March 28, 2003	10,000.00
	<hr/>
Total income distributions made during the year	US\$12,000.00
	=====

**Capital**

<u>Date</u>	<u>Amount</u>
April 20, 2003	25,000.00
June 15, 2003	15,000.00
	<hr/>
Total capital distributions made during the year	US\$40,000.00
	=====

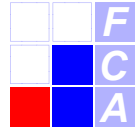
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**The XYZ Trust established on March 31, 1996**  
**Notes to Financial Statements**

Stated in United States Dollars



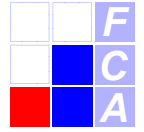
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**10. Contingent liabilities and off balance sheet items**

These financial statements do not disclose off balance sheet items or contingent liabilities (if any), such as third party guarantees; letters of credit; capital commitments to limited partnerships; futures contracts; and derivatives, which the companies and/or trust may have and readers of these financial statements are cautioned accordingly.

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## NOTES

