

CORDIANT FINANCE PLC

FINANCIAL STATEMENTS

31ST DECEMBER 1995



COMPANY NO: 660277

REPORT OF THE DIRECTORS

The directors submit their annual report together with audited financial statements for the year ended 31st December 1995 which were approved by the board on 26th June 1996.

ACTIVITIES

The company did not trade during the year.

DIRECTORS

The directors who held office during the year were as follows:-

AM Jans
DIC Weatherseed

No director had an interest in shares of the company. Their interests in shares of other group companies were as follows:-

	<u>Cordiant plc</u>	
	<u>Ordinary Shares</u> <u>31st December 1995</u>	<u>Ordinary Shares</u> <u>31st December 1994*</u>
AM Jans	11,365	11,365
DIC Weatherseed	382,392	328,674

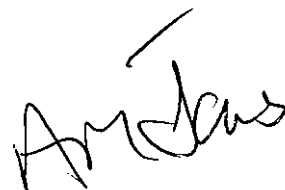
* Share options included in these interests have been restated to reflect the bonus element of the rights issue in December 1995.

Directors' interests include share options granted. During the year, DIC Weatherseed was granted an option to subscribe for 53,718 ordinary shares of Cordiant plc, adjusted for the bonus element of the rights issue.

AUDITORS

In accordance with the Companies Act 1985 (Miscellaneous Accounting Amendments) Regulations 1996 (Regulation 11), the company proposes to pass a resolution at its annual general meeting under section 250 of that Act, not to appoint auditors in future as the company is dormant.

By order of the board



AM JANS
Secretary
26th June 1996
83/89 Whitfield Street
London, W1A 4XA

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 for that year. In preparing those 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;
- 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 maintaining 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**AUDITORS' REPORT TO THE MEMBERS OF
CORDIANT FINANCE PLC**

We have audited the financial statements on pages 4 to 5.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.


BASIS OF 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 as at 31st December 1995 and its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

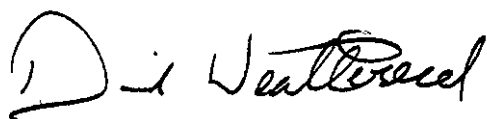


KPMG
Chartered Accountants
Registered Auditors
London
27 th June 1996

BALANCE SHEET
AT 31ST DECEMBER 1995

	<u>Note</u>	<u>31st Dec 1995</u> £	<u>31st Dec 1994</u> £
CURRENT ASSETS			
Debtors	2	57,700	57,700
CREDITORS:			
Amounts falling due within one year	3	<u>(7,700)</u>	<u>(7,700)</u>
NET ASSETS		<u>£50,000</u>	<u>£50,000</u>
CAPITAL AND RESERVES			
Called up share capital	4	50,000	50,000
Profit and loss account	5	<u>-</u>	<u>-</u>
EQUITY SHAREHOLDERS' FUNDS		<u>£50,000</u>	<u>£50,000</u>

These financial statements were approved by the board of directors on 26th June 1996 and signed on its behalf by:



DIC Weatherseed
Director

NOTES

(forming part of the financial statements)

1. BASIS OF ACCOUNTING:

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

	<u>31st Dec 1995</u> £	<u>31st Dec 1994</u> £
2. DEBTORS		
Amounts due from holding company	<u>£57,700</u>	<u>£57,700</u>
3. CREDITORS		
Amounts due to fellow subsidiary undertaking	<u>£7,700</u>	<u>£7,700</u>
4. SHARE CAPITAL		
Authorised, allotted, and fully paid		
50,000 ordinary shares of £1 each	<u>£50,000</u>	<u>£50,000</u>

5. PROFIT AND LOSS ACCOUNT

The company did not trade during the year nor the previous year and has received no income and incurred no expenditure. Consequently, during those years the company made neither a profit nor a loss.

6. CONTINGENT LIABILITIES

The company is grouped for VAT purposes with other group companies. It is therefore contingently liable for the VAT of those companies.

7. ULTIMATE HOLDING COMPANY

The ultimate holding company is Cordiant plc which is registered in England and Wales.

The company's financial statements are consolidated into those of Cordiant plc. Copies of the group financial statements can be obtained from the Secretary at 83/89 Whitfield Street, London, W1A 4XA