

8/10/97

GALTAIR INVESTMENTS LIMITED
372 WANDSWORTH ROAD
LONDON, SW8 4TE

ACCOUNTS FOR THE PERIOD
8TH JANUARY 1996 TO 5TH JANUARY 1997
AND BALANCE SHEET AS AT
5TH JANUARY 1997



GANSON MORRIS & CO
CHARTERED ACCOUNTANTS
415 LIMPSFIELD ROAD
WARLINGHAM, CR6 9HA

GALTAIR INVESTMENTS LIMITED

INDEX TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 8TH JANUARY 1996 TO 5TH JANUARY 1997

Page No.

1	Directors' Report
2	Auditors' Report to the Shareholders
3	Balance Sheet
4	Schedules to Balance Sheet
5	Profit and Loss Appropriation Account
6	Cash Flow Statement
7	Notes to Cash Flow Statement
8	Notes to the Accounts
9	Notes to the Accounts (Continued)

The following do not form part of the statutory accounts:-

10	Trading and Profit and Loss Account
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DIRECTORS REPORT FOR THE PERIOD 8TH JANUARY 1996 TO 5TH JANUARY 1997MAIN ACTIVITY

The main activity of the Company during the period has been that of an investment Company.

FINANCIAL REVIEW

During the period the Company made a profit on Ordinary Activities before Taxation of £165,624, compared to £177,405 in the previous period. The main source of income continues to be from Short Term Monetary Deposits.

DIRECTORS AND SHAREHOLDINGS

	<u>5.1.1997</u>	<u>7.1.1996</u>
D.M. Chisholm (Resigned 20th December 1996)	-	-
J.M. Chisholm (Resigned 20th December 1996)	-	-
G.J. Lunt (Appointed 20th December 1996)	-	-
M. Smith (Appointed 20th December 1996)	-	-
D. Hylton (Appointed 20th December 1996)	-	-
D. Noel (Appointed 20th December 1996)	-	-
W. Carter (Appointed 20th December 1996)	-	-

The Company is a wholly owned Subsidiary of Executive Holdings Limited, which became a wholly owned Subsidiary of Executive Group Limited on 20th December 1996.

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 of the company for that period. 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;
- 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. 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.

DIVIDEND

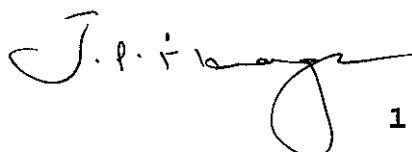
The Directors do not recommend the payment of a dividend.
(Nil 7th January 1996).

CLOSE COMPANY

The Company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

AUDITORS

Messrs. Ganson Morris & Co. have indicated their willingness to continue to act and offer themselves for re-election as auditors of the Company in accordance with Section 385 of the Companies Act 1985. The report by the directors was approved by the Board on 23rd May 1997 and signed on its behalf by:



J. FLANAGAN
SECRETARY

AUDITORS' REPORT TO THE SHAREHOLDERS OF
GALTAIR INVESTMENTS LIMITED

We have audited the financial statements numbered 3 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective Responsibilities of Directors and Auditors

As described on page 1 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 5th January 1997 and of its profit for the period then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

Ganson Morris

GANSON MORRIS & CO
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS

415 LIMPSFIELD ROAD
WARLINGHAM, CR6 9HA

23RD MAY 1997

GALTAIR INVESTMENTS LIMITED

BALANCE SHEET
AS AT 5TH JANUARY 1997

			<u>5.1.1997</u>	<u>7.1.1996</u>
	<u>Notes</u>	£	£	£
<u>FIXED ASSETS</u>				
Tangible assets	2		-	421,851
Investments	4		450	139,360
			<u>450</u>	<u>561,211</u>
<u>CURRENT ASSETS</u>				
Debtors		1,948,363	13,055	
Investments		-	7,870	
Cash at bank and in hand		17,286	2,535,375	
		<u>1,965,649</u>	<u>2,556,300</u>	
<u>CREDITORS - amounts falling due within one year</u>		<u>(141,824)</u>	<u>(1,404,145)</u>	
<u>NET CURRENT ASSETS</u>			<u>1,823,825</u>	<u>1,152,155</u>
<u>NET ASSETS</u>			<u>£ 1,824,275</u>	<u>£ 1,713,366</u>

Financed by:

CAPITAL AND RESERVES

Called up Share Capital	3	100,000	100,000
Profit and Loss Account		1,724,275	1,613,366
		<u>£ 1,824,275</u>	<u>£ 1,713,366</u>

The Financial Statements were approved by the Board on 23rd May 1997
and signed on its behalf by:

..... G.J. LUNT

GALTAIR INVESTMENTS LIMITED

SCHEDULES TO BALANCE SHEET AS AT 5TH JANUARY 1997

	<u>5.1.1997</u>	<u>7.1.1996</u>
	£	£
1. <u>CREDITORS</u> - Amounts falling due within one year		
Corporation Tax	54,706	56,524
Other Taxes and Social Security	86,618	32,847
Amounts Owed to Group Companies	-	1,301,136
Accruals and Other Creditors	500	13,638
	<u>£ 141,824</u>	<u>£ 1,404,145</u>
2. <u>DEBTORS</u>		
Amounts Owed by Group Companies	1,868,734	-
Prepayments and Other Debtors	79,629	13,055
	<u>£ 1,948,363</u>	<u>£ 13,055</u>

GALTAIR INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD
8TH JANUARY 1996 TO 5TH JANUARY 1997

			<u>8.1.1996</u> <u>TO</u> <u>5.1.1997</u>		<u>9.1.1995</u> <u>TO</u> <u>7.1.1996</u>
	<u>Notes</u>	£	£	£	£
<u>TURNOVER</u>	1a		51,449		53,851
<u>ADMINISTRATIVE EXPENSES</u>			679		31,122
			50,770		22,729
Income from Listed Investments		2,544		3,417	
Interest Receivable	7	136,432		159,270	
Profit/(Loss) Disposal Investments		2,728		(8,011)	
Loss on Disposal of Property		(26,850)		-	
			114,854		154,676
			165,624		177,405
Interest Payable and Similar Charges			-		-
<u>PROFIT ON ORDINARY</u> <u>ACTIVITIES BEFORE TAXATION</u>			165,624		177,405
Tax on ordinary activities	1b		54,715		57,441
<u>RETAINED PROFIT FOR THE PERIOD</u>			110,909		119,964
Retained profit brought forward			1,613,366		1,493,402
<u>RETAINED PROFIT CARRIED FORWARD</u>			<u>£ 1,724,275</u>		<u>£ 1,613,366</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.

GALTAIR INVESTMENTS LIMITED

CASH FLOW STATEMENT FOR THE PERIOD
8TH JANUARY 1996 TO 5TH JANUARY 1997

	<u>5.1.1997</u>	<u>7.1.1996</u>
	£	£
<u>NET CASH INFLOW/(OUTFLOW)</u> <u>FROM OPERATING ACTIVITIES</u>	(582,512)	63,718
<u>RETURNS ON INVESTMENTS AND</u> <u>SERVICING OF FINANCE</u>		
Income from Investments	2,544	3,417
Interest Received	<u>136,432</u>	<u>159,270</u>
<u>NET CASH INFLOW FROM RETURNS</u> <u>ON INVESTMENTS AND SERVICING</u> <u>OF FINANCE</u>	138,976	162,687
<u>Taxation</u>		
Corporation Tax Paid	<u>(56,533)</u>	<u>(33,883)</u>
<u>TAX PAID</u>	(56,533)	(33,883)
<u>Investing Activities</u>		
Purchase of Tangible Fixed Assets	-	(1,885)
Purchase of Investments	(9,403)	(34,911)
Sale of Tangible Fixed Assets	395,000	-
Sale of Investments	158,912	11,527
Loan to Group Holding company	<u>(2,562,529)</u>	<u>-</u>
<u>NET CASH INFLOW/(OUTFLOW) FROM</u> <u>INVESTING ACTIVITIES</u>	(2,018,020)	(25,269)
<u>NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING</u>	<u>(2,518,089)</u>	<u>167,253</u>
<u>Financing</u>	<u>-</u>	<u>-</u>
<u>INCREASE/(DECREASE) IN CASH AND</u> <u>CASH EQUIVALENTS</u>	<u>£ (2,518,089)</u>	<u>£ 167,253</u>

GALTAIR INVESTMENTS LIMITED

CASH FLOW STATEMENT FOR THE PERIOD
8TH JANUARY 1996 TO 5TH JANUARY 1997

5.1.1997

7.1.1996

NOTES TO THE CASH FLOW STATEMENT

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM
OPERATING ACTIVITIES

Operating profit	50,770	22,729
(Increase)/Decrease in debtors	(66,574)	149
Increase/(Decrease) in creditors	(566,708)	40,840
<u>Net cash inflow/(outflow) from</u> <u>operating activities</u>	<u>£ (582,512)</u>	<u>£ 63,718</u>

2. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE PERIOD

Balance at 8.1.1996	2,535,375	2,368,122
Net cash inflow/(outflow)	(2,518,089)	167,253
<u>Balance at 5th January 1997</u>	<u>£ 17,286</u>	<u>£ 2,535,375</u>

3. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN
THE BALANCE SHEET

Change in Period

Cash at bank and in hand	(2,518,089)	167,253
	<u>£ (2,518,089)</u>	<u>£ 167,253</u>

GALTAIR INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 5TH JANUARY 1997

1. Accounting Policies

a) Turnover

Turnover represents the amount of rental income received excluding VAT.

b) Corporation Tax

Provision has been made at the rate of 33% based on the profit for the period as adjusted for taxation purposes and marginal relief.

Deferred Taxation

No provision has been made for deferred taxation as it is not considered that any deferred tax will become payable in the foreseeable future.

c) Accounting Convention

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

2. Fixed Assets - Tangible

	<u>FREEHOLD PROPERTY</u> £
<u>Cost</u>	
Cost 8th January 1996	421,850
Disposals	(421,850)
	<hr/>
Cost 5th January 1997	-
	<hr/>
<u>Net Book Value at 5th January 1997</u>	£ -
	<hr/>
<u>Net Book Value at 8th January 1996</u>	£ 421,850
	<hr/>

3. Called Up Share Capital

Authorised

250,000 Ordinary Shares of £1 each £250,000

Issued and Fully Paid

100,000 Ordinary Shares of £1 each £100,000

4. Investments

The market value of Long Term Investments at 5th January 1997 was £450, (7th January 1996 £147,241). The value at which the investments are included in the Balance Sheet has been reduced to the market value of £450 by reserving for an unrealised loss of £11,008.

The market value of Trade Investments at 5th January 1997 was Nil. (7th January 1996 £9,320).

GALTAIR INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS FOR THE PERIOD
8TH JANUARY 1996 TO 5TH JANUARY 1997

5. Operating Profit

	<u>8.1.1996</u> <u>TO</u> <u>5.1.1997</u>	<u>9.1.1995</u> <u>TO</u> <u>7.1.1996</u>
Operating profit is stated after charging:		
Auditors Remuneration - Audit	500	750
	<u>£ 500</u>	<u>£ 750</u>

6. Directors Remuneration

The total Directors Remuneration voted during the period ended 5th January 1997 excluding pension contributions, but including the monetary value of benefits in kind amounted to Nil.

	<u>8.1.1996</u> <u>TO</u> <u>5.1.1997</u> <u>No. Amount</u>	<u>9.1.1995</u> <u>TO</u> <u>7.1.1996</u> <u>No. Amount</u>
Chairman - Retired	-	£25,000
Chairman - Current	-	-
Other Directors £0 - £5,000	5	1

	<u>8.1.1996</u> <u>TO</u> <u>5.1.1997</u>	<u>9.1.1995</u> <u>TO</u> <u>7.1.1996</u>
Directors' emoluments amounted to:		
Remuneration as executives	-	£27,500

7. Other Income

Interest receivable in respect of monies held on deposit amounted to £136,432 during the period, (7th January 1996 £159,270).