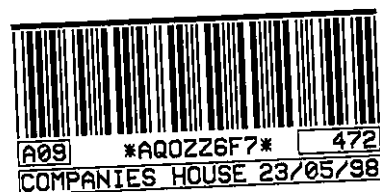


874 935

GALTAIR INVESTMENTS LIMITED
372 WANDSWORTH ROAD
LONDON, SW8 4TE

ACCOUNTS FOR THE PERIOD
6TH JANUARY 1997 TO 4TH JANUARY 1998
AND BALANCE SHEET AS AT
4TH JANUARY 1998



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

GALTAIR INVESTMENTS LIMITED

INDEX TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 6TH JANUARY 1997 TO 4TH JANUARY 1998

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
----	-------------------------------------

DIRECTORS REPORT FOR THE PERIOD 6TH JANUARY 1997 TO 4TH JANUARY 1998MAIN ACTIVITY

The main activity of the Company during the period has been that of an investment Company. The Company ceased trading on 25th May 1997.

FINANCIAL REVIEW

During the period the Company made a profit on Ordinary Activities before Taxation of £2,233 compared to £165,624 in the previous period.

DIRECTORS AND SHAREHOLDINGS

	<u>4.1.1998</u>	<u>5.1.1997</u>
G.J. Lunt	-	-
M. Smith	-	-
D. Hylton	-	-
D. Noel	-	-
W. Carter (Resigned 28th August 1997)	-	-
J.P.Flanagan (Appointed 6th January 1997)	-	-

The Company is a wholly owned Subsidiary of Executive Group Limited. The ultimate holding company is Executive Holdings Limited.

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 recommended the payment of a dividend of £1,725,966 which was paid during the period. (Nil 5th January 1997).

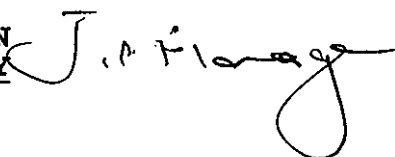
CLOSE COMPANY

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 25th February 1998 and signed on its behalf by:

J.P. 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 4th January 1998 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 & CO
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS

415 LIMPSFIELD ROAD
WARLINGHAM, CR6 9HA

25TH FEBRUARY 1998

GALTAIR INVESTMENTS LIMITED

BALANCE SHEET
AS AT 4TH JANUARY 1998

			<u>4.1.1998</u>	<u>5.1.1997</u>
	<u>Notes</u>	£	£	£
<u>FIXED ASSETS</u>				
Investments	3		-	450
<u>CURRENT ASSETS</u>				
Debtors		-	1,948,363	
Cash at bank and in hand		100,000	17,286	
		<u>100,000</u>	<u>1,965,649</u>	
<u>CREDITORS - amounts falling due within one year</u>		-	(141,824)	
<u>NET CURRENT ASSETS</u>			<u>100,000</u>	<u>1,823,825</u>
<u>NET ASSETS</u>		£ 100,000	<u>£ 1,824,275</u>	

Financed by:

CAPITAL AND RESERVES

Called up Share Capital	2	100,000	100,000
Profit and Loss Account		-	1,724,275
		<u>£ 100,000</u>	<u>£ 1,824,275</u>

The Financial Statements were approved by the Board on 25th February 1998 and signed on its behalf by:

..... G.J. LUNT

GALTAIR INVESTMENTS LIMITED

SCHEDULES TO BALANCE SHEET AS AT 4TH JANUARY 1998

	<u>4.1.1998</u>	<u>5.1.1997</u>
	£	£
1. <u>CREDITORS</u> - Amounts falling due within one year		
Corporation Tax	-	54,706
Other Taxes and Social Security	-	86,618
Accruals and Other Creditors	-	500
	<u>£ -</u>	<u>£ 141,824</u>
2. <u>DEBTORS</u>		
Amounts Owed by Group Companies	-	1,868,734
Prepayments and Other Debtors	-	79,629
	<u>£ -</u>	<u>£ 1,948,363</u>

GALTAIR INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD
6TH JANUARY 1997 TO 4TH JANUARY 1998

			<u>6.1.1997</u> <u>TO</u> <u>4.1.1998</u>		<u>8.1.1996</u> <u>TO</u> <u>5.1.1997</u>
	<u>Notes</u>	£	£	£	£
<u>TURNOVER</u>	1a		-		51,449
<u>ADMINISTRATIVE EXPENSES</u>			609		679
			(609)		50,770
Income from Listed Investments		-		2,544	
Interest Receivable	7	2,982		136,432	
Profit/(Loss) Disposal Investments		(140)		2,728	
Loss on Disposal of Property		-		(26,850)	
			2,842		114,854
			2,233		165,624
Interest Payable and Similar Charges			-		-
<u>PROFIT ON ORDINARY</u> <u>ACTIVITIES BEFORE TAXATION</u>			2,233		165,624
Tax on ordinary activities	1b		542		54,715
<u>PROFIT ON ORDINARY ACTIVITIES</u> <u>AFTER TAXATION</u>			1,691		110,909
Dividend Paid			1,725,966		-
<u>RETAINED (LOSS)/PROFIT FOR THE PERIOD</u>			(1,724,275)		110,909
Retained profit brought forward			1,724,275		1,613,366
<u>RETAINED PROFIT CARRIED FORWARD</u>		£	-	£	1,724,275

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 discontinued.

GALTAIR INVESTMENTS LIMITED

CASH FLOW STATEMENT FOR THE PERIOD
6TH JANUARY 1997 TO 4TH JANUARY 1998

	<u>4.1.1998</u>	<u>5.1.1997</u>
	£	£
<u>NET CASH INFLOW/(OUTFLOW)</u> <u>FROM OPERATING ACTIVITIES</u>	1,978,336	(582,512)
<u>RETURNS ON INVESTMENTS AND</u> <u>SERVICING OF FINANCE</u>		
Income from Investments	-	2,544
Interest Received	2,982	136,432
Dividends Paid	(1,725,966)	-
<u>NET CASH INFLOW FROM RETURNS</u> <u>ON INVESTMENTS AND SERVICING</u> <u>OF FINANCE</u>	(1,722,984)	138,976
<u>Taxation</u>		
Corporation Tax Paid	-	(56,533)
<u>TAX PAID</u>	-	(56,533)
<u>Investing Activities</u>		
Purchase of Tangible Fixed Assets	-	-
Purchase of Investments	-	(9,403)
Sale of Tangible Fixed Assets	-	395,000
Sale of Investments	310	158,910
Loan to Group Holding company	-	(2,562,529)
Proceeds from transfer of Net Assets to Executive Group Limited	(172,948)	-
<u>NET CASH INFLOW/(OUTFLOW) FROM</u> <u>INVESTING ACTIVITIES</u>	(172,638)	(2,018,020)
<u>NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING</u>	82,714	(2,518,089)
<u>Financing</u>	-	-
<u>INCREASE/(DECREASE) IN CASH AND</u> <u>CASH EQUIVALENTS</u>	£ 82,714	£ (2,518,089)

GALTAIR INVESTMENTS LIMITED

CASH FLOW STATEMENT FOR THE PERIOD
6TH JANUARY 1997 TO 4TH JANUARY 1998

4.1.1998

5.1.1997

NOTES TO THE CASH FLOW STATEMENT

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

Operating profit	(609)	50,770
(Increase)/Decrease in debtors	1,945,373	(66,574)
Increase/(Decrease) in creditors	33,572	(566,708)
<u>Net cash inflow/(outflow) from</u> <u>operating activities</u>	<u>£1,978,336</u>	<u>£ (582,512)</u>

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

Balance at 6.1.1997	17,286	2,535,375
Net cash inflow/(outflow)	255,662	(2,518,089)
<u>Balance at 25th May 1997</u>	<u>£ 272,948</u>	<u>£ 17,286</u>
Transferred to Exexecutive Group Limited	(172,948)	-
<u>Balance at 4th January 1998</u>	<u>£ 100,000</u>	<u>£ 17,286</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	82,714	(2,518,089)
<u>£ 82,714</u>	<u>£ (2,518,089)</u>	

GALTAIR INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 4TH JANUARY 1998

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 24/21% 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. 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
------------------------------------	----------

3. Investments

The market value of Long Term Investments at 4th January 1998 was Nil, (5th January 1997 £450). The value at which the investments are included in the Balance Sheet had previously been reduced to the market value of £450 by reserving for an unrealised loss of £11,008.

GALTAIR INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS FOR THE PERIOD
6TH JANUARY 1997 TO 4TH JANUARY 1998

4. Operating Profit

	<u>6.1.1997</u> <u>TO</u> <u>4.1.1998</u>	<u>8.1.1996</u> <u>TO</u> <u>5.1.1997</u>
Operating profit is stated after charging:		
Auditors Remuneration - Audit	<u>500</u>	<u>500</u>

5. Directors Remuneration

The total Directors Remuneration voted during the period ended 4th January 1998 excluding pension contributions, but including the monetary value of benefits in kind amounted to Nil.
(5th January 1997 Nil).

6. Other Income

Interest receivable in respect of monies held on deposit amounted to £2,982 during the period, (5th January 1997 £136,432).

7. Intercompany Transactions

Assets and Liabilities as as 25th May 1997 transferred to Executive Group Limited.

25.5.1997

CURRENT ASSETS

Vat Repayable	7
Prepayments	2,982
Cash at Bank and in Hand	<u>172,948</u>
	175,937

LESS

CURRENT LIABILITIES

Accruals	1,000	
Amounts owed to Group Companies	119,689	
Corporation Tax	<u>55,248</u>	
		<u>(175,937)</u>