



TAMOA LIMITED

Report and Financial Statements

31 December 1997

**Deloitte & Touche
Hill House
1 Little New Street
London EC4A 3TR**



REPORT AND FINANCIAL STATEMENTS 1997

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REPORT AND FINANCIAL STATEMENTS 1997

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

M S Gorvy
S B Gorvy
A J Leibowitz
T Moross

SECRETARY

Hanover Management Services Limited

REGISTERED OFFICE

16 Hans Road
London SW3 IRS

AUDITORS

Deloitte & Touche
Chartered Accountants
Hill House
1 Little New Street
London EC4A 3TR

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 1997.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by company law to prepare accounts which give a true and fair view of the state of affairs of the company as at the end of each financial year and of the profit or loss for that period. They are also responsible for maintaining proper accounting records, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

In preparing the accounts on a going concern basis the directors have ensured that appropriate accounting policies have been used and applied consistently, that applicable accounting standards have been followed and that reasonable and prudent judgements have been made.

ACTIVITIES

The company's principal and foreseeable activity is that of an investment holding company.

RESULTS AND DIVIDENDS

The results for the year are set out on page 4.

The directors recommend the payment of a dividend of £1,552,380 for the year ended 31 December 1997 (1996 - £nil). The retained profit for the year is £1,826,834 (1996 - loss £5,033).

DIRECTORS

The present directors are shown on page 1.

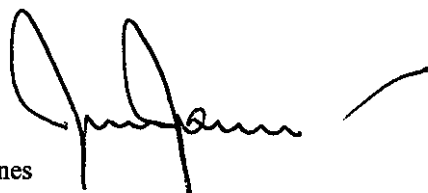
Messrs T Moross and A J L Chiang were appointed as directors on 26 March 1997, and Dr S B Gorvy was appointed as a director on 7 July 1997. Mr R L Wunsh retired as a director on the 26 March 1997 and Mr A J L Chiang on 30 May 1997.

None of the directors who held office during the year held any interest in the shares of the company, nor in the shares of the company's ultimate parent company and its subsidiaries.

AUDITORS

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



J M Jones

For and on behalf of
Hanover Management Services Limited

Secretary

18 May 1998



TAMOA LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 4 to 9 which have been prepared under the accounting policies set out on page 6.

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 31 December 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Chartered Accountants and
Registered Auditors

14 May 1998


PROFIT AND LOSS ACCOUNT
Year ended 31 December 1997

	Note	1997 £	1996 £
Administrative expenses		(1,244)	(5,033)
OPERATING LOSS	3	(1,244)	(5,033)
Income from interests in subsidiary undertakings		1,552,380	-
Income from interests in associated undertakings		38,192	-
Profit on disposal of interests in associated undertakings		2,531,563	-
Interest receivable and similar income	4	305,104	-
Interest payable and similar charges	5	(92,947)	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		4,333,048	(5,033)
Tax on profit/(loss) on ordinary activities	6	(953,834)	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		3,379,214	(5,033)
Dividend payable	7	(1,552,380)	-
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		1,826,834	(5,033)

All activities derive from continuing operations.

There are no recognised gains or losses other than the profit for the current year and the loss for the preceding year. Accordingly, no statement of recognised gains and losses is given.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
Year ended 31 December 1997

	1997 £	1996 £
Profit/(loss) for the financial year	3,379,214	(5,033)
Equity dividend	(1,552,380)	-
Net increase in/(reduction in) shareholders' funds	1,826,834	(5,033)
Opening shareholders' funds	20,154,390	20,159,423
Closing shareholders' funds	21,981,224	20,154,390



BALANCE SHEET
31 December 1997

	Note	£	1997 £	£	1996 £
FIXED ASSETS					
Investments in subsidiary undertakings	8	19,200,100		19,200,000	
Investments in associated undertakings	9	-		800,000	
			19,200,100		20,000,000
CURRENT ASSETS					
Debtors: amounts falling due within one year	10	441,600		-	
Debtors: amounts falling due after more than one year	10	6,472,204		159,423	
		6,913,804		159,423	
CREDITORS: amounts falling due within one year	11	(1,175)		(5,033)	
NET CURRENT ASSETS			6,912,629		154,390
TOTAL ASSETS LESS CURRENT LIABILITIES			26,112,729		20,154,390
Creditors: amounts falling due after more than one year	12		(4,131,505)		-
			21,981,224		20,154,390
CAPITAL AND RESERVES					
Called up share capital	13		20,000,200		20,000,200
Other reserves	14		159,223		159,223
Profit and loss account	14		1,821,801		(5,033)
TOTAL EQUITY SHAREHOLDERS' FUNDS			21,981,224		20,154,390

These financial statements were approved by the Board of Directors on 18 May 1998.

Signed on behalf of the Board of Directors

T Moross
Director

A J Leibowitz
Director


NOTES TO THE ACCOUNTS
Year ended 31 December 1997
1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

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

Investments in subsidiary undertakings

Investments in subsidiary undertakings are stated at cost less any provision for permanent diminution in value.

Group financial statements are not prepared as the company is a wholly owned subsidiary of a company incorporated in Great Britain.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

None of the directors received any emoluments for their services to the company during the year (1996 - £nil). There were no other employees (1996 - Nil).

3. OPERATING LOSS

	1997 £	1996 £
Operating loss is after charging		
Auditors' fee	1,175	-
	<u>1,175</u>	<u>-</u>

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	1997 £	1996 £
Loans to group undertakings	222,876	-
Other interest	82,228	-
	<u>305,104</u>	<u>-</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	1997 £	1996 £
Loans from group undertakings	92,947	-
	<u>92,947</u>	<u>-</u>

6. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	1997 £	1996 £
Group relief	931,713	-
Tax suffered on investment	22,121	-
	<u>953,834</u>	<u>-</u>


NOTES TO THE ACCOUNTS
Year ended 31 December 1997
7. DIVIDENDS

	1997 £	1996 £
Non equity dividend to group undertakings at £155,238 per 'A' deferred share of £1 each	1,552,380	-

8. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

The following are the principal companies in which the company has an interest. All are incorporated in Great Britain, registered in England and Wales and are 100% owned, unless otherwise stated.

Directly held	Principal activity
Hanover Financial Services Limited	Nominee company
Portmans (Property Consultants) Ltd (90%)	Management and consulting
Portstock Ltd	Investment dealing
Pride Foods Limited	Holding company of subsidiaries engaged in the food industry
SGMS Ltd	Investment
Fineman Lever & Co Ltd (90%)	Property management

Group financial statements have not been prepared as the company is a subsidiary of another company incorporated in Great Britain. In the opinion of the directors the aggregate value of the shares in and amounts owing from the company's unconsolidated subsidiary undertakings is not less than the total amount at which they are stated in the balance sheet.

	£
Shares at cost:	
At 1 January 1997	19,200,000
Additions	100
At 31 December 1997	19,200,100
At 31 December 1996	19,200,000

9. INVESTMENTS IN ASSOCIATED UNDERTAKINGS

The following company has been treated as an associated undertaking:

Company	Activity	Country of incorporation/registration	1996 %
The Shoe Studio Group Limited	Shoe retailing	England	21%
Shares at cost:			£
At 1 January 1997			800,000
Disposals			(800,000)
At 31 December 1997			-
At 31 December 1996			800,000

NOTES TO THE ACCOUNTS
Year ended 31 December 1997

10. DEBTORS

	1997 £	1996 £
Amounts falling due within one year:		
Other debtors	441,600	-
Amounts falling due after more than one year:		
Amounts due from group undertakings:		
Parent undertaking	5,368,204	159,423
Other debtors	1,104,000	-
	<u>6,472,204</u>	<u>159,423</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1997 £	1996 £
Other creditors	1,175	5,033

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1997 £	1996 £
Amounts due to group undertakings		
Subsidiary undertakings	2,027,213	-
Fellow subsidiary undertakings	1,604,292	-
Other creditors	500,000	-
	<u>4,131,505</u>	<u>-</u>

13. CALLED UP SHARE CAPITAL

	1997 £	1996 £
Authorised		
20,000,100 ordinary shares of £1 each	20,000,100	20,000,100
90 deferred shares (1996 - 100) of £1 each	90	100
10 'A' deferred shares (1996 - nil) of £1 each	10	-
	<u>20,000,200</u>	<u>20,000,200</u>
Allotted, called up and fully paid		
20,000,100 ordinary shares of £1 each	20,000,100	20,000,100
90 deferred shares (1996 - 100) of £1 each	90	100
10 'A' deferred shares (1996 - nil) of £1 each	10	-
	<u>20,000,200</u>	<u>20,000,200</u>



NOTES TO THE ACCOUNTS
Year ended 31 December 1997

13. CALLED UP SHARE CAPITAL (continued)

On 31 December 1997 the Company converted 10 deferred shares of £1 each to 10 'A' deferred shares of £1 each. The new 'A' deferred shares were issued for cash at par on that date.

The deferred shares have no voting rights and are not entitled to a dividend. The 'A' deferred shares rank pari passu with the deferred shares except for the right to receive dividends.

14. STATEMENT OF MOVEMENTS ON RESERVES

	Other reserves £	Profit and loss account £	Total £
Balance at 1 January 1997	159,223	(5,033)	154,190
Profit for the year	-	1,826,834	1,826,834
Balance at 31 December 1997	<u>159,223</u>	<u>1,821,801</u>	<u>1,981,024</u>

15. ULTIMATE PARENT UNDERTAKING

The ultimate parent company is Quadriga Holdings SA, which is incorporated in Luxembourg.

The company is a subsidiary of Hanover Acceptances Limited, a company incorporated in Great Britain and registered in England and Wales. A copy of the group financial statements of Hanover Acceptances Limited is available from the Company Secretary, 16 Hans Road, London, SW3 1RS.

16. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption from related party disclosure in accordance with Paragraph 3(c) of Financial Reporting Standard No. 8.