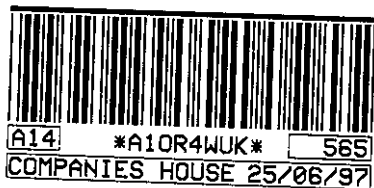


TAMOA LIMITED

REPORT AND FINANCIAL STATEMENTS

31 December 1996



Registered Number : 1065036

TAMOA LIMITED

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TAMOA LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Directors:

M S Gorvy
A J-L Chiang
A J Leibowitz
T Moross

Secretary:

Hanover Management Services Limited

Registered Office:

16 Hans Road
London
SW3 1RS

Auditors:

Deloitte & Touche
Chartered Accountants

TAMOA LIMITED

DIRECTORS' REPORT

The directors have pleasure in submitting their annual report and financial statements for the year ended 31 December 1996.

1. 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.

2. ACTIVITIES

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

3. RESULTS AND DIVIDENDS

The results for the year are set out on page 5 of the financial statements.

The directors do not recommend the payment of a dividend (1995 - £Nil). The retained loss of £5,033 (1995 - £Nil) for the year has been deducted from reserves.

4. FIXED ASSET INVESTMENTS

Details of the company's fixed asset investments are set out in notes 2 and 3 to the financial statements.

5. 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. Mr R L Wunsh retired as a director on the same day.

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.

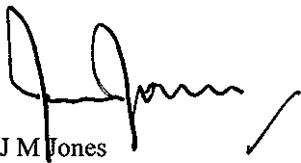
TAMOA LIMITED

DIRECTORS' REPORT (continued)

6. 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 its behalf

A handwritten signature in black ink, appearing to be 'J M Jones', followed by a checkmark.

J M Jones
For and on behalf of
Hanover Management Services Limited
Secretary

14 May 1997

TAMOA LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 5 to 10 which have been prepared under the accounting policies set out on page 7.

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 have 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 at 31 December 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Chartered Accountants and Registered Auditors
Hill House
1 Little New Street
London
EC4A 3TR

13 June 1997

TAMOA LIMITED

PROFIT AND LOSS ACCOUNT **For the year ended 31 December 1996**

| | Note | 1996 £ | 1995 £ |
|--|-------------|-----------------------|-------------------|
| Administrative expenses | | (5,033) | - |
| Operating loss on ordinary activities before taxation | | <u>(5,033)</u> | <u>-</u> |
| Tax on loss on ordinary activities | | - | - |
| Loss for the financial year | 6 | <u><u>(5,033)</u></u> | <u><u>-</u></u> |

All activities derive from continuing operations.

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

There are no movements in shareholders' funds other than the loss for the current financial year. Accordingly, no reconciliation of movement in shareholders' funds is given.

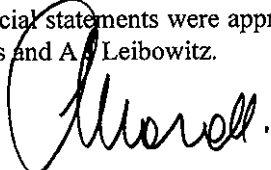
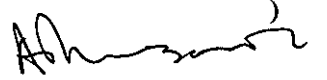
TAMOA LIMITED

BALANCE SHEET

As at 31 December 1996

| | Note | £ | 1996 £ | £ | 1995 £ |
|--|------|------------|------------|---------|-----------|
| FIXED ASSETS | | | | | |
| Investments in subsidiary undertakings | 2 | 19,200,000 | | - | |
| Investments in associated undertakings | 3 | 800,000 | | - | |
| | | | | | |
| | | | 20,000,000 | | - |
| CURRENT ASSETS | | | | | |
| Debtors: Amounts falling due after one year | 4 | 159,423 | | 159,423 | |
| CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR | | | | | |
| | 5 | (5,033) | | - | |
| | | | | | |
| NET CURRENT ASSETS | | | 154,390 | | 159,423 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | | | |
| | | | 20,154,390 | | 159,423 |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 6 | | 20,000,200 | | 200 |
| Other reserves | 7 | | 159,223 | | 159,223 |
| Profit and loss account | 7 | | (5,033) | | - |
| TOTAL EQUITY SHAREHOLDERS' FUNDS | | | 20,154,390 | | 159,423 |

These financial statements were approved by the Board of Directors on 14 May 1997 and signed on its behalf by T Moross and A Leibowitz.

)
Directors
)

TAMOA LIMITED

STATEMENT OF ACCOUNTING POLICIES **For the year ended 31 December 1996**

ACCOUNTING CONVENTION

The financial statements are 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.

TAMOA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1996

1. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

No director received any emoluments during the year (1995 - £Nil). There were no other employees (1995 - Nil).

2. 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.

| <u>Directly held</u> | <u>Principal activity</u> |
|---|--|
| 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 |
| The Shoe Studio Group Limited (21%) | Shoe retailing |

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 1996 | - |
| Additions | 19,200,000 |
| | <hr/> |
| At 31 December 1996 | 19,200,000 |
| | <hr/> |
| At 31 December 1995 | - |
| | <hr/> |

TAMOA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1996

3. INVESTMENTS IN ASSOCIATED UNDERTAKINGS

The following company has been treated as an associated undertaking:

| Company | Activity | Country of incorporation/ registration | Proportion of equity capital held |
|-------------------------------|----------------|---|--------------------------------------|
| The Shoe Studio Group Limited | Shoe retailing | England | 21% |

Shares at cost:

| | £ |
|---------------------|----------------|
| At 1 January 1996 | - |
| Additions | 800,000 |
| At 31 December 1996 | <u>800,000</u> |
| At 31 December 1995 | <u>-</u> |

4. DEBTORS

| | 1996 £ | 1995 £ |
|-------------------------------------|----------------|----------------|
| Amounts falling due after one year: | | |
| Amounts due from group undertakings | | |
| Parent undertaking | 159,423 | 159,423 |
| | <u>159,423</u> | <u>159,423</u> |

5. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 1996 £ | 1995 £ |
|-----------------|--------------|-----------|
| Other creditors | 5,033 | - |
| | <u>5,033</u> | <u>-</u> |

TAMOA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1996

6. CALLED UP SHARE CAPITAL

| | 1996 £ | 1995 £ |
|---|-------------------|------------|
| Authorised, allotted, called up and fully paid: | | |
| 20,000,100 ordinary shares of £1 each | 20,000,100 | 100 |
| 100 deferred shares of £1 each | 100 | 100 |
| | <u>20,000,200</u> | <u>200</u> |

On the 31 December 1996 the company issued 20,000,000 ordinary shares of £1 each in exchange for the entire issued and paid up share capital of Portstock Limited, Pride Foods Limited and SGMS Limited; 90% of the issued and paid up share capital of Portmans (Property Consultants) Limited and Fineman Lever & Co. Limited; and 21% of the issued and paid up equity share capital of The Shoe Studio Group Limited.

7. STATEMENT OF MOVEMENTS ON RESERVES

| | Other reserves £ | Profit and loss account £ | Total £ |
|-----------------------------|------------------------|---------------------------------|----------------|
| Balance at 1 January 1996 | 159,223 | - | 159,223 |
| Loss for the year | - | (5,033) | (5,033) |
| Balance at 31 December 1996 | <u>159,223</u> | <u>(5,033)</u> | <u>154,190</u> |

8. 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.

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

A copy of the group financial statements of Hanover Acceptances Limited is available from The Company Secretary, 16 Hans Road, London SW3 1RS.