

KILLBY TANN LIMITED

**DIRECTORS' REPORT
AND FINANCIAL STATEMENTS**

**for the year ended
31 DECEMBER 1997**



INDEX

	<u>Page</u>
Officers and Professional Advisers	1
Report of the Directors	2
Balance Sheet	3
Notes to the Accounts	4

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

M O P May
R T Beagley
M Birchwood
T L Smith

SECRETARY

J W Mather

REGISTERED OFFICE

Osborne House
9-11 Macaulay Road
London SW4 0QP

Registered No: 1110334 England

REPORT OF THE DIRECTORS
for the year ended 31 December 1997

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

Statement of 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 as at the end of the financial year 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; 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 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.

Business Review

The company did not trade in the year under review.

Results and dividends

The company did not trade during 1997 and has made neither a profit nor a loss (1996 - £Nil). No dividend is recommended (1996 - £Nil).

Directors and their interests

The members of the Board at the end of the year are shown on page 1. Mr R J N Sims resigned on 30 June 1997. The other members of the Board served throughout the year. Mr M O P May resigned 13 March 1998. Mr T L Smith was appointed chairman on 13 March 1998.

None of the directors had an interest in the share capital of the company. The directors' interests in the share capital of the parent company are shown in the accounts of Killby & Gayford Limited. The directors' interests in the share capital of the ultimate parent company and the group at the beginning and end of the year are shown in the accounts of Killby & Gayford (Holdings) Limited.

The 'Elective Regime'

At an Extraordinary General Meeting held on 16 December 1994, the Company adopted a resolution under the terms of Section 379A, Companies Act 1985 (as amended) to take advantage of procedural relaxations permitted by that provision. Accordingly, no Annual General Meeting is to be held and the financial statements will not be laid before the Members.

This report was approved by the Board of Directors on 21 April 1998 and signed on behalf of the Board.



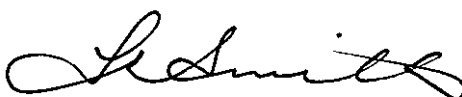
Chairman

BALANCE SHEET as at 31 December 1997

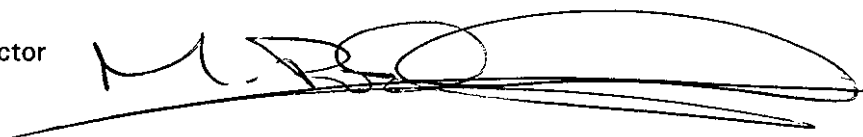
	<u>Notes</u>	<u>1997</u> £	<u>1996</u> £
Current assets			
Debtors	3	8,178	8,178
		<hr/>	<hr/>
Net current assets		£8,178	£8,178
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	4	3,000	3,000
Profit and loss account		5,178	5,178
		<hr/>	<hr/>
Equity shareholders' funds		£8,178	£8,178
		<hr/>	<hr/>

The financial statements on pages 3 and 4 were approved by the Board of Directors on 21 April 1998 and signed on behalf of the Board. The company was dormant throughout the financial year ending 31 December 1997.

Chairman



Director



NOTES TO THE ACCOUNTS
for the year ended 31 DECEMBER 1997

1. Accounting policies

The accounts are prepared under the historical cost convention and in accordance with applicable Accounting Standards.

2. Profit and loss account

The company did not trade during the financial year and made neither a profit or loss nor any other recognised gain or loss. There were no movements in shareholders' funds in the current and previous year or recognised gains or losses for the previous year. No director was due or received any remuneration during the year ended 31 December 1997 (1996 - £Nil).

	1997 £	1996 £
3. Debtors		
Amounts owed from the parent undertaking	£8,178	£8,178
	<u> </u>	<u> </u>
4. Called up share capital		
Authorised:		
10,000 Ordinary shares of £1 each	£10,000	£10,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid:		
3,000 Ordinary shares of £1 each	£3,000	£3,000
	<u> </u>	<u> </u>

5. Parent undertakings

The parent undertaking is Killby & Gayford (Holdings) Limited, a company registered in England and Wales.

Killby & Gayford (Holdings) Limited is the parent undertaking of the largest group, of which Killby Tann Limited is a member and for which group accounts are drawn up. Copies of those group accounts have been delivered to, and are available from, the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

Killby & Gayford Limited is the parent undertaking of the smallest group of which Killby Tann Limited is a member and for which group accounts are drawn up. Copies of those accounts are available from the same address.