

QUADRANGLE TRUSTEE COMPANY

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 1997

Registered Number: 1183133



QUADRANGLE TRUSTEE COMPANY

DIRECTORS' REPORT - 31 DECEMBER 1997

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

PRINCIPAL ACTIVITY

The company's principal activity is to undertake and execute trusts and to act as a trustee for those trusts.

REVIEW OF THE BUSINESS

The company continued as in previous years to undertake and execute trusts and to act as a trustee for those trusts during the year.

RESULTS AND DIVIDENDS

During the year the company has not traded, has not incurred any liabilities and consequently has made neither a profit nor a loss. The directors do not propose the payment of a dividend.

DIRECTORS AND DIRECTORS' INTERESTS

The directors who served during the year were as follows:

Stoorne Incorporations Limited
Stoorne Services Limited

The directors had no interest in the company during the year.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing financial statements for each financial year which give a true and fair view of the state of affairs of the company. The directors are also 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.

QUADRANGLE TRUSTEE COMPANY

DIRECTORS' REPORT - 31 DECEMBER 1997 (continued)

AUDITORS

At an annual general meeting on 1 August 1994, the members passed an elective resolution in accordance with Section 379A of the Companies Act 1985 to dispense with the laying of accounts before general meetings, the holding of annual general meetings and with the appointment of auditors annually, subject to the provisions of the Act. The auditors, Price Waterhouse, have indicated their willingness to continue in office.

By Order of the Board



QUADRANGLE SECRETARIES LIMITED
Secretary

6 February 1998

Price Waterhouse



REPORT OF THE AUDITORS TO THE MEMBERS OF QUADRANGLE TRUSTEE COMPANY

We have audited the financial statements on pages 4 to 5 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

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 31 December 1997 and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants
and Registered Auditors
Bristol

6 February 1998

QUADRANGLE TRUSTEE COMPANY


BALANCE SHEET - 31 DECEMBER 1997

	Note	1997 £	1996 £
CURRENT ASSETS			
Cash in hand		-	-
		==	==
CAPITAL AND RESERVES			
Called up share capital	2	3	3
Profit and loss account		(3)	(3)
SHAREHOLDERS' FUNDS			
		-	-
		==	==

APPROVED BY THE BOARD ON 6 FEBRUARY 1998 AND SIGNED ON ITS BEHALF BY:

Stoome Services Limited

DIRECTOR



The notes on page 5 form part of these financial statements.

QUADRANGLE TRUSTEE COMPANY

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1997

1 ACCOUNTS

i) Accounting policies

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

In its role as a trustee, company property and other assets are held, and if instructed, used to secure borrowings by the company on behalf of beneficial owners not connected with it.

As the company has no beneficial interest in these assets and liabilities they are consequently not reflected in these financial statements.

ii) Other information

During the year the company has not held any assets nor incurred any liabilities and, consequently, has made neither a profit nor loss.

The directors receive no remuneration for their services to the company.

Any costs arising have been borne by Messrs Wiggin and Co of Cheltenham.

2 CALLED UP SHARE CAPITAL

Ordinary shares of £1 each

	1997 £	1996 £
Authorised	100 ==	100 ==
Allotted, issued and fully paid	3 ==	3 ==