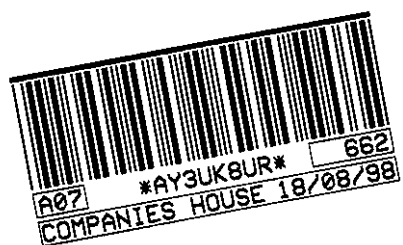


Takare Special Projects Limited

Directors' Report and Financial Statements

For the year ended 31 December 1997

Registered number: 1661703



Takare Special Projects Limited

Directors' Report

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

Principal Activity

There have been no transactions during the year.

Result and Dividend

The company has not traded during the year and, as a result there is no retained profit or loss for the year. No dividend was paid or declared during the year (1996: nil).

Directors and Directors' Interests

The following Directors have served during the year:

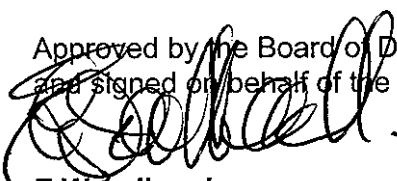
J P Davies	(appointed 27 January 1998)
M Ellerby	(appointed 27 January 1998)
G Smith	(appointed 27 January 1998)
A D Walford	(appointed 27 January 1998)
G B Wainwright	(appointed 15 December 1997, resigned 7 January 1998)
C B Patel	(resigned 26 September 1997)
A G Heywood	(resigned 7 January 1998)
K G Bradshaw	
H D Anstead	(resigned 21 March 1997)
R J Reid	(resigned 7 January 1998)

The beneficial interests of the Directors serving at the period end in the shares of its parent company Care First Group plc at the beginning and end of the period are disclosed in the Directors' report of that company. There are no notifiable interests in the ultimate parent company or any other group company.

Auditors

In accordance with the provisions of section 250 of the Companies Act 1985, the company being a dormant company within the meaning of said section, Section 384(1) of the Companies Act 1985 shall not apply and accordingly no auditors shall be appointed.

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


E Woodhead
12 March 1998
Secretary

Registered Office
Care First House
Whitechapel Way
Priorslee
Telford TF2 9SP

Takare Special Projects Limited

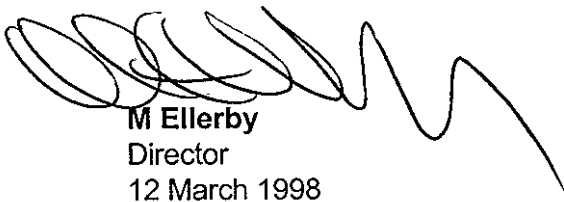
Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial period 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 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 being disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

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



M Ellerby
Director
12 March 1998

Auditors' report to the members of Takare Special Projects Limited

We have audited the financial statements on pages 5 and 6.

Respective responsibilities of directors and auditors

As described on page 3, 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.

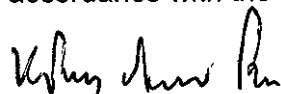
Basis of opinion

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 result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG Audit Plc
Chartered Accountants
Registered Auditor

12 March 1998

Takare Special Projects Limited

Balance Sheet as at 31 December 1997

	Note	1997 £	1996 £
Current assets			
Debtors			
Amounts falling due after more than one year	3	<u>20,200</u>	<u>20,200</u>
Net current assets and total assets less liabilities		<u>20,200</u>	<u>20,200</u>
Capital and reserves			
Called up share capital	4	<u>20,200</u>	<u>20,200</u>
Equity shareholders' funds		<u>20,200</u>	<u>20,200</u>

During the current and preceding year, the company did not trade, received no income and incurred no expenditure. Consequently, the company has made neither a profit nor a loss, has no recognised gains or losses and has no movements in shareholders' funds.

These financial statements were approved by the board of directors on 12 March 1998 and were signed on its behalf by:



M Ellerby
Director

Takare Special Projects Limited

Notes (forming part of the financial statements)

1. Accounting Convention

The financial statements have been prepared in accordance with the Companies Act 1985 using the historical cost convention and in accordance with all applicable UK Accounting Standards

2. Directors' Emoluments

None of the directors received any emoluments for their services.

3. Debtors

	1997 £	1996 £
Amounts falling due after more than one year:		
Amount due from parent undertaking	<u>20,200</u>	<u>20,200</u>

4. Called up share capital

	1997 £	1996 £
Authorised, allotted, issued and fully paid:		
Ordinary shares of £1 each	<u>20,200</u>	<u>20,200</u>

5. Ultimate holding company

The ultimate holding company is The British United Provident Association Limited, a company incorporated in Great Britain and registered in England and Wales. Copies of the financial statements of the ultimate parent company are available from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.