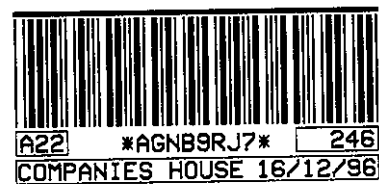


1856249

ISOSOL LIMITED

Abbreviated Financial Statements

31 March 1996



ISOSOL LIMITED

DIRECTORS: G. R. L. Snelling
R. T. Gibson

SECRETARY: Interco Services Limited

AUDITORS: Perkins - Certified Accountants

**REGISTERED
OFFICE:** Security House,
2, Romford Road,
Stratford,
London.
E15 4BZ

**REGISTERED
NUMBER:** 1856249

ISOSOL LIMITED

RESPONSIBILITIES OF THE DIRECTORS' IN RESPECT
OF THE PREPARATION OF THE ACCOUNTS

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 as at the end of the financial year and of the profit or loss of the Company for that period and are in accordance with applicable laws.

The Directors must ensure that suitable accounting policies are selected, that these policies are applied consistently and that they are supported by reasonable and prudent judgements and estimates.

Applicable accounting standards have to be followed, subject to any material departures being disclosed and explained in the notes to the financial statements. The Directors are required to prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for maintaining proper records which disclose with reasonable accuracy at any time the financial position of the Company to enable them to ensure that the financial statements comply with the Companies Act 1985. They are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS' REPORT TO THE DIRECTORS OF ISOSOL LIMITED
PURSUANT TO PARAGRAPH 8 OF SCHEDULE 8 TO THE COMPANIES ACT
1985

We have examined the abbreviated accounts on page 5 to 6 together with the full financial statements of Isosol Limited for the year ended 31 March 1996. The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemption claimed in the directors' statement on page 2 and that the abbreviated account have been properly prepared from the full financial statements.

In our opinion the company is entitled under sections 247 to 249 of the Companies Act 1985 to the exemptions conferred by Part I of Schedule 8 abbreviated accounts on page 5 to 6 have been properly prepared in accordance with that Schedule.

On this date, we reported, as auditors of Isosol Limited, to the members on the full financial statements prepared under section 227 of the Companies Act 1985 for the year ended 31 March 1995 and our audit report was as follows:

"We have audited the financial statements on pages 5 to 8 which have been prepared following the accounting policies set out on page 8.

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 disclosure in the financial statements. It also includes an assessment of the significant estimates and judgments 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.

Fundamental uncertainty

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements and the circumstances concerning the future funding of the company. The financial statements have been prepared on a going concern basis, the validity of which depends upon future funding being available the Financial Statements do not include any adjustments that would result from a failure to obtain funding details of the circumstances relating to this fundamental uncertainty are described in note 2, our opinion is not qualified in this respect.

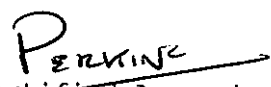
AUDITORS' REPORT TO THE DIRECTORS OF ISOSOL LIMITED
PURSUANT TO PARAGRAPH 8 OF SCHEDULE 8 TO THE COMPANIES ACT
1985 - Continued.

Qualified opinion arising from disagreement about accounting treatment.

As stated in note 4 the company's fixed asset, an investment property has been shown in the Balance Sheet at cost and not at its open market value as required by statement of standard Accounting Practice No. 19. No open market valuation has been obtained and difference between the historical cost and market value, and the consequential adjustments to the Balance Sheet and Profit and Loss Account cannot therefore be quantified.

Except for accounting for the investment property as referred to above and subject to any adjustments which might be necessary as a result of it in our opinion the financial statements give a true and fair view of the state of the above company's affairs as at 31 March 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Perkins,
Certified Accountants,
St. Peter Port,
Guernsey.


Certified Accountants
and
Registered Auditors


Date: 11/10/96

ISOSOL LIMITED
BALANCE SHEET AS AT 31 MARCH 1996

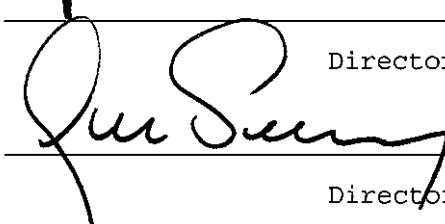
	<u>NOTE</u>	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
Fixed Asset			
Tangible Asset	4	305,368	305,368
Creditors: Amounts falling due within one year	5	332,572	330,533
Net Current Liabilities		(332,572)	(330,533)
<u>Net Liabilities</u>		(27,204)	(25,165)
		=====	=====
SHARE CAPITAL AND RESERVES			
Share Capital	6	2	2
Reserves			
Profit and Loss Account - adverse		(27,206)	(25,167)
<u>Deficiency of Share Capital and Reserves</u>		(27,204)	(25,165)
		=====	=====

We have relied on the exemptions for individual financial statements contained in Sections 247 to 249 of the Companies Act 1985 because, under the Act the Company is entitled to benefit from those exemptions as a small company.

Approved by the board on 8th October 1996
and signed on its behalf by



Director



Director

ISOSOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1996

1. Accounting Policies:

The financial statements have been prepared in accordance with applicable accounting standards.

a) Accounting convention

The financial statements are prepared under the historical cost convention.

b) No depreciation is charged on the freehold property.

2. Going Concern

The financial statements have been prepared on a going concern basis notwithstanding the deficiency in assets on the understanding that sufficient funds will be made available to the company to enable it to meet its liabilities as they fall due.

3.	Net loss is stated after charging:	1996	1995
		<u>£</u>	<u>£</u>
	Auditors remuneration - audit fee	250	250
	Directors' remuneration	250	250

4. Fixed Asset

Property

109 Gray d'Albion, Nueva Andalucia, Marbella, Malaga, Spain.

The property has been shown in the Balance Sheet at cost and not at its open market value as required by Statement of Standard Accounting Practice No. 19 "Accounting for Investment Properties" issued by the Consultative Committee of Accounting Bodies. The directors are of the opinion that such a valuation would involve expense out of proportion to the value to the members of the company.

5. Creditors: Amounts falling due with one year

Loan accounts	331,389	328,366
Accruals	1,183	2,167
	<u>332,572</u>	<u>330,533</u>
	=====	=====

The loans are unsecured, interest free and repayable on demand.

6. Called up share capital

Authorised		
100 Ordinary shares of £1 each.	100	100
	===	===
Issued		
2 Ordinary Shares of £1 each, fully paid	2	2
	===	===