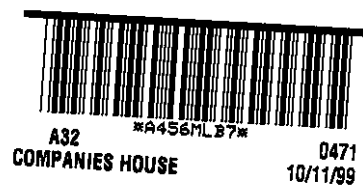


DRONCO (UK) LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 1998

MacIntyre & Co
Chartered Accountants
Registered Auditors

Company Number: 2029962



DRONCO (UK) LIMITED

ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1998

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TO THE DIRECTORS OF DRONCO (UK) LIMITED

PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 4 together with the financial statements of Dronco (UK) Limited prepared under Section 226 of the Companies Act 1985 for the year ended 31 December 1998.

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 2 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.


BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

OPINION

In our opinion the company is entitled under Sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 31 December 1998 and the abbreviated accounts on pages 2 to 4 have been properly prepared in accordance with that Schedule.

28 Ely Place
London
EC1N 6RL


MacIntyre & Co
Chartered Accountants
Registered Auditors

15/10/..... 1999

BALANCE SHEET

AS AT 31 DECEMBER 1998

	Notes	£	1998	£	£	1997	£
FIXED ASSETS							
Investments	2			170			170
CURRENT ASSETS							
Debtors		116,015			256,902		
Cash at bank and in hand		64,608			139,680		
			180,623		396,582		
CREDITORS: Amounts falling due within one year		(172,814)			(395,752)		
NET CURRENT ASSETS				7,809			830
NET ASSETS				£ 7,979			£ 1,000
CAPITAL AND RESERVES							
Share capital	3			1,000			1,000
Profit and loss account				6,979			-
Shareholders' Funds				£ 7,979			£ 1,000



.....
M W Denton
Director

In preparing these financial statements advantage has been taken of the exemptions provided in Companies Act 1985 Schedule 8 Part III. In the opinion of the directors the company is entitled to those exemptions on the grounds that it has met the qualifications for a small company specified in Sections 246 and 247.

The financial statements were approved by the board of directors on 25 Oct 1999.

The notes on pages 3 and 4 form part of these financial statements.

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1998

1. ACCOUNTING POLICIES

Basis of Accounting

These financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following accounting policies have been applied:

Cash Flow Statement

The directors have taken advantage of the exemptions allowed under Financial Reporting Standard No. 1 (FRS 1) not to produce a cash flow statement on the grounds that the company is small.

Turnover

The turnover shown in the profit and loss account represents amounts receivable by the company during the year, exclusive of Value Added Tax.

Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2. INVESTMENTS	1998 £	1997 £
Balance brought forward	170	250
Disposed of during the year	-	(80)
	<hr/>	<hr/>
Balance carried forward	£ 170	£ 170
	<hr/>	<hr/>

The investments represent holdings in various joint venture partnerships and are stated at cost.

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 1998

3. SHARE CAPITAL	1998 £	1997 £
AUTHORISED SHARE CAPITAL		
1,000 Ordinary shares of £1 each	£ 1,000	£ 1,000
	<hr/>	<hr/>
ALLOTTED, CALLED UP AND FULLY PAID		
1,000 Ordinary shares of £1 each	£ 1,000	£ 1,000
	<hr/>	<hr/>