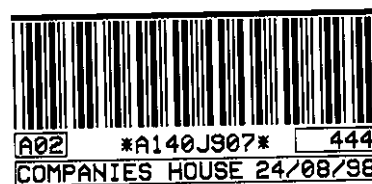


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SILCOTT PROPERTIES LIMITED

1997 FINANCIAL STATEMENTS

Registered Number 2818584



SILCOTT PROPERTIES LIMITED

Report of the Directors for the year to 31 October 1997

The Directors submit the accounts of the Company for the year to 31 October 1997

Principal activities and business review

The company is a property investment company and has made satisfactory progress in its fourth year.

Directors and their interests

The directors in office in the year and their beneficial interests in the company's issued ordinary share capital throughout the year.

P A Jarvis

Nil

Director's responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts the directors are required to:

Select suitable accounting policies and then apply them consistently.

Make judgements and estimates that are reasonable and prudent;

Follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;

Prepare the accounts 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 accounts 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.

Auditor

During the year WES Newton & Co were appointed as auditors and this company will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on 22 July 1998 and signed on their behalf.

By order of the board

Secretary



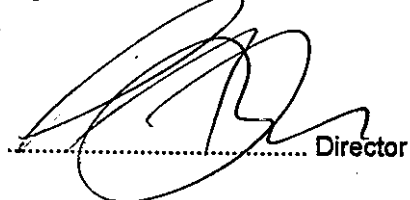
SILCOTT PROPERTIES LIMITED

Balance Sheet as at 31 October 1997

	Note	£	£	£	1996 £
Fixed assets					
Tangible fixed assets	4		385,736		389,302
Current assets					
Sundry debtors	5	16,654		7,330	
Cash balances		12,884		24,023	
		<u>29,538</u>		<u>31,353</u>	
Current liabilities					
Amounts payable within one year	6	273,887		305,411	
Net current liabilities			(244,349)		(274,058)
Total assets less current liabilities			<u>141,387</u>		<u>115,244</u>
Deferred taxation	3		(34,347)		(55,420)
Net assets			<u>107,040</u>		<u>59,824</u>
Shareholders funds					
Issued shares	8		100		100
Capital reserves	9		187,339		166,266
Revenue reserves	9		(80,399)		(106,542)
Total shareholders funds	7		<u>107,040</u>		<u>59,824</u>

In preparing these accounts advantage has been taken of exemptions applicable to small companies on the grounds that the director believes that the company is a small company.

Signed on behalf of the board on 22 July 1998

 Director

SILCOTT PROPERTIES LIMITED**PROFIT & LOSS ACCOUNT****Year to 31 October 1997**

			1996
	Note	£	£
Turnover	1.	59,027	52,644
Net operating expenses		30,195	24,558
Operating profit		<u>28,832</u>	<u>28,086</u>
Interest payable and similar charges		0	0
Interest (receivable)		(1)	(67)
Profit on ordinary activities before taxation	2.	<u>28,833</u>	<u>28,153</u>
Taxation	3.	(18,383)	0
Profit on ordinary activities after taxation		<u>47,216</u>	<u>28,153</u>
Retained profits brought forward		<u>59,724</u>	<u>31,571</u>
Retained profits carried forward	10	<u>106,940</u>	<u>59,724</u>

The only recognised profit for this year and last year is that shown above.

All activities are considered as continuing.

SILCOTT PROPERTIES LIMITED

ACCOUNTING POLICIES

Year 31 October 1997

Accounting convention

Subject only to the revaluation of the company's freehold property the accounts are prepared under the historical cost convention which takes no account of the effects of inflation.

Depreciation

Depreciation is provided on tangible fixed assets as follows so as to write them off over their useful lives.

Freehold property	2% on cost
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Turnover

Turnover relates to rents receivable

Cash flow statement

The company meets the small company criteria as set out in the Companies Act 1985 and has taken advantage of the exemptions available in sections 246 to 249 of that Act and has therefore not produced a cash flow statement.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accountancy purposes.

SILCOTT PROPERTIES LIMITED

Notes forming part of the financial statements year 31 October 1997

1. Turnover and attributable pretax profits.

These are wholly attributable to the company's main activities carried on exclusively in the United Kingdom.

2. Profit on ordinary activities before tax.

This is stated after charging the following:

	1997	1996
	£	£
Directors' emoluments	0	0
Auditor's remuneration	1,410	1,175
Depreciation	3,566	3,566

The company had no employees during the period.

3. Taxation

	1997	1996
	£	£
UK Taxation based on profits for year. @ 25% & 24%	2,690	0
Adjustment to deferred taxation	(21,073)	0
	(18,383)	0

4. Tangible assets

	Cost or Valuation Beginning of year £	Additions £	Cost or Valuation End of year £
Freehold premises	400,000	0	400,000
Depreciation	Balance Beginning of year £ 10,698	Charge for year £ 3,566	Balance End of year £ 14,264
Net book value	389,302		385,736

The property was revalued by the director at 31 October 1994, who is of the opinion that the value at 31 October 1997 is not materially different to that figure.

Net book value based on cost

Beginning of year £	End of year £
167,616	164,050

5. Debtors

	1997	1996
	£	£
Amounts receivable within one year		
Other debtors	16,654	7,330

SILCOTT PROPERTIES LIMITED

Notes forming part of the financial statements year to 31 October 1997 (cont)

6. Creditors	1997	1996
	£	£
Amount due to holding Company	259,184	299,184
Trade & other creditors	12,013	6,227
Taxation	2,690	0
	<u>273,887</u>	<u>305,411</u>
7. Shareholders funds	1997	1996
	£	£
Opening shareholders funds	59,824	31,671
Profit for the year	47,216	28,153
Closing shareholders funds	<u>107,040</u>	<u>59,824</u>
8. Share capital	1997	1996
	£	£
Authorised ordinary shares of £1 each	1,000	1,000
Alloted & fully paid Ordinary shares of £1 each	<u>100</u>	<u>100</u>
9. Reserves	1997	1996
	£	£
Capital reserves		
Revaluation of property	221,686	221,686
Deferred taxation thereon	<u>(34,347)</u>	<u>(55,420)</u>
	187,339	166,266
Revenue reserves	<u>(80,399)</u>	<u>(106,542)</u>
Total reserves	<u>106,940</u>	<u>59,724</u>

10. Contingent liabilities & capital commitments

During 1993 the company claimed a Local Government grant in respect of certain costs of redecorations to the freehold. Should the company sell the freehold or grant a long lease on it within five years of it being approved the grant would have to be repaid in full. The sum involved is £72,895.

There were no capital commitments at 31 October 1997.

11. Holding company

In the opinion of the director the ultimate holding company is Tuscan Properties Limited, a company incorporated in the British Virgin Islands.

12. Associated party transactions

There were no material associated party transactions during the year.

AUDITOR'S REPORT TO THE SHAREHOLDERS OF

SILCOTT PROPERTIES LIMITED

We have audited the accounts on pages 2 to 6 which have been prepared under the historical cost convention and the accounting policies set out on page 4.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As described on page 1 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion based on our audit on those accounts and to report our opinion to you.

BASIS OF OPINION

We have 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 accounts. It also includes an assessment of the significant estimates and judgements of the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We have 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 accounts are free from material misstatement whether caused by fraud or other irregularity or error. In forming our opinion we have also evaluated the overall adequacy of the presentation of the information in the accounts.

OPINION

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 October 1997 and of its results for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



W E S Newton & Co
Registered Auditors

13 Macclesfield Street
London
W1V 7LH

25 July 1998