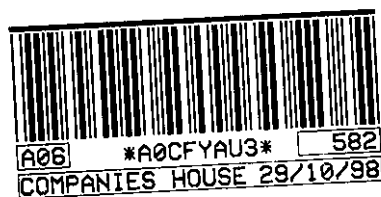


GEORGE WATT LIMITED
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(No.2823519 England & Wales)

DIRECTORS REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED
31st DECEMBER 1997



GEORGE WATT LIMITED
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Company Information

Directors	N.G.B. Edwards K. Millar Mrs S. Edwards
Secretary	Mrs N. Edwards
Company Number	2823519 (England & Wales)
Registered Office	146 Mostyn Road Merton Park London SW19 3LT
Auditors	Edwards & Elliott Registered Auditors 159 Kingston Road London SW19 1LJ

GEORGE WATT LIMITED

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Directors' Report for the year ended 31st December 1997

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

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 and of the profit and loss of the company 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;
- prepare the financial statements 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 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.

Principal activity

The company's principal activity continues to be that of providing parking facilities

Directors

The directors at 31st December 1997 and their interests in the share capital of the company were:

	31st December 1997	31st December 1996
	Ordinary £1. Shares	
N.G.B. Edwards	999	999
K.R. Millar	Nil	Nil
Mrs S. Edwards (appointed 25.03.96)	1	1

Auditors

The auditors, Edwards & Elliott, will be proposed for reappointment in accordance with Section 385 of the Companies Act 1985

Small Company Rules

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities.

This report was approved by the board on 24th September 1998

Signed on behalf of the board:



N.G.B. Edwards
Director

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AUDITORS REPORT TO THE SHAREHOLDERS OF GEORGE WATT LIMITED

We have audited the financial statements on pages 3 to 7 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities 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 report our opinion to you.

Basis of Opinion

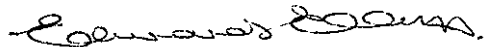
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 misstatements, 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 31st December 1997 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

EDWARDS & ELLIOTT
Registered Auditors
159 Kingston Road
London SW19 1LJ
20th October 1998



EDWARDS & ELLIOTT

PROFIT & LOSS ACCOUNT		year ended		31st DECEMBER 1997	
-----				-----	
		1997		1996	
		£		£	
		----		----	
Turnover	(1.2)	1,525,307		932,436	
Cost of Sales		(1,422,555)		(900,897)	
Gross Profit		102,752		31,539	
Administrative expenses		(156,182)		(105,506)	
Operating (Loss)	(3)	(53,430)		(73,967)	
Interest receivable		556		1,834	
Interest payable - bank	(4)	(378)		(64)	
(Loss) on ordinary activities before taxation		(53,252)		(72,197)	
Taxation on profit on ordinary activities	(5)	Nil		Nil	
Interest paid on late paid tax		(86)		-	
Supplement of Corporation Tax refund		-		149	
(Loss) on ordinary activities after taxation		(53,338)		(72,048)	
Retained (losses) profit brought forward		(62,721)		9,327	
Retained (Losses) carried forward		(116,059)		(62,721)	
		=====		=====	

There were no recognised gains and losses for 1996 and 1997 other than those included in the profit and loss account

GEORGE WATT LIMITED

4.

BALANCE SHEET

31st DECEMBER 1997

		1997 £	1996 £
FIXED ASSETS:			
Tangible	(6)	33,894	12,153
CURRENT ASSETS			
Stock		3,500	3,000
Debtors and Prepayments	(7)	127,574	55,133
Cash and Bank Balances		48,866	46,393
		179,940	104,526
CREDITORS: amounts falling due			
----- within one year	(8)	(328,893)	(178,400)
NET CURRENT (LIABILITIES) ASSETS		(148,953)	(73,874)
NET LIABILITIES		(115,059)	(61,721)
CAPITAL AND RESERVES			
CALLED UP SHARE CAPITAL	(9)	1,000	1,000
PROFIT AND LOSS ACCOUNT		(116,059)	(62,721)
SHAREHOLDERS' FUNDS: equity interests	(10)	(115,059)	(61,721)

The financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, and in accordance with the Financial Reporting Standard for Smaller Entities, were approved by the board on 24th September 1998

Signed on behalf of the board of directors



N.G.B. Edwards
Director

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Notes to the financial statements for the year ended 31st December 1997

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention

1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their expected residual value, over their expected useful lives on the following bases:

Motor Vehicles:	20% straight line basis.
Plant and Equipment	20% straight line basis.
Office Equipment and Furniture	20% straight line basis
Installations	In equal instalments over 3 years
Lease premium	In monthly instalments over period of lease

1.4 Operating Leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to profit and loss as incurred

1.5 Stocks

Stocks are valued at the lower of cost and net realisable value

1.6. Deferred taxation

No provision is considered necessary.

2. TURNOVER. In the year to 31st December 1997 the company had no sales to markets outside the United Kingdom (1996 NIL)

3. OPERATING (LOSS)

The operating (loss) is stated after charging:

	1997 £	1996 £
Depreciation of tangible fixed assets		
- owned by the company	12,021	3,390
Amortisation of Lease Premium	50	5
Auditors' remuneration	3,000	3,500
Directors' emoluments	79,609	40,187
pension contributions	600	-
Staff: pension contributions	1,265	-
4. INTEREST PAYABLE - bank	378	64

5. TAXATION

UK current year taxation:

Due to losses no liability is expected	Nil	Nil
Supplement received on refund of Corporation Tax	NIL	149
Interest paid on late paid tax	86	Nil

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6. TANGIBLE FIXED ASSETS

	Plant & Machinery etc. £	Lease Premium £	Total £
Cost			
At 31st December 1996	16,946	100	17,046
Additions	33,812	-	33,812
	-----		-----
At 31st December 1997	50,758	100	50,858
	=====		=====
Depreciation			
At 31st December 1996	4,888	5	4,893
Charge for year	12,021	50	12,071
	-----		-----
At 31st December 1997	16,909	55	16,964
	=====		=====
Net book values			
At 31st December 1997	33,849	45	33,894
	=====		=====
At 31st December 1996	12,058	95	12,153
	=====		=====

	1997 £	1996 £
7. DEBTORS		
Due within one year		
Trade debtors	35,316	21,553
Prepaid trade costs	68,798	26,708
Other debtors	16,217	10
Prepaid expenses	3,956	4,612
Director's Loan	1,600	2,250
Corporation tax	1,687	-
	-----	-----
	127,574	55,133
	=====	=====

The director's loan £1,600 (1996 £2,250) is to K. Miilar, the maximum amount outstanding during the year was £2,250

8. CREDITORS: amounts falling due within one year.

Bank overdraft	82,396	27,010
Trade creditors	186,786	104,364
Expenses creditors	17,916	25,644
Corporation tax	-	-
Other taxes and social security costs	41,795	21,382
	-----	-----
	328,893	178,400
	=====	=====

The company's bankers hold the company assets as security for the overdraft facilities

9. SHARE CAPITAL

Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
	=====	=====
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000
	=====	=====

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10. MOVEMENT ON SHAREHOLDERS' FUNDS

(Loss) for the year	(53,338)	(72,048)
Shares allotted and fully paid	-	998
Opening shareholders' funds	(61,721)	9,329
	-----	-----
Closing shareholders' funds	(115,059)	(61,721)
	=====	=====

11. Other Commitments

At 31st December 1997, the company had annual commitments under non-cancelable operating leases as follows:

	1997	1996
Expiry date		
Within one year	252,452	6,954
Between two and five years	206,583	8,986

12. Pensions Contributions

The company pays contributions to personal pension plan policies for directors and employees

13. Related Parties

The company pays charges for office accommodation and office services to the firm in which the father of Mr N. Edwards and the husband of Mrs S. Edwards, is a partner. The charges are at normal commercial terms and the total was £6,943 (1996 £3,576). There is no tenancy agreement