

Company Registration No. 3026837

DAGLISH INTERNATIONAL LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 1997



11720-NM-1997

Registered Office
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Mayfair
London
W1X 9DA

DAGLISH INTERNATIONAL LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 1997

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

Principal Activities and Review of the Business

The principal activity of the company is the provision of administrative services.

Results and Dividends

The results for the period are set out on page 4.

Fixed Assets

The significant changes in fixed assets during the period are explained in note 5 to the financial statements.

Post Balance Sheet Events

Directors

The following directors have held office since the beginning of the period

A.J Weir	(Resigned 31 July 1998)
M.W. Denton	(Resigned 1 June 1998)
J Schornoz	(Resigned 29 August 1997)
S Frei	(Appointed 29 August 1997)
A M Taylor	(Appointed 1 June 1998)
L R Taylor	(Appointed 1 June 1998)

The directors had no interest in the issued share capital of the company.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Matthew Edwards & Co. be reappointed as auditors of the company will be put to the Annual General Meeting.

Directors' Responsibilities

Company law requires the directors to prepare financial statements 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 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.

By order of the Board



A M Taylor

Date 15-1-99

MATTHEW EDWARDS & CO
CHARTERED ACCOUNTANTS

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DAGLISH INTERNATIONAL LIMITED

**AUDITORS' REPORT
TO THE SHAREHOLDERS OF DAGLISH INTERNATIONAL LIMITED**

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

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 to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board, except that the scope of our work was limited as explained below. 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. However, the evidence available to us was limited because the directors have not complied with Financial Reporting Standard No. 8 as they are unable to disclose the identity of the ultimate controlling party, transactions related thereto, and any other related party transactions. There were no other satisfactory audit procedures that we could adopt to ensure compliance with Financial Reporting Standard No. 8.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

DAGLISH INTERNATIONAL LIMITED

**AUDITORS' REPORT
TO THE SHAREHOLDERS OF DAGLISH INTERNATIONAL LIMITED**

Qualified Opinion arising from limitation in audit scope

Except for any adjustments or additional disclosures that may have been found to be necessary with regard to compliance with FRS 8, 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 loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our audit work relating to the above, we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

In all other respects, we have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the company. The financial statements are in agreement with the books of account.



Matthew Edwards & Co.

Chartered Accountants
Registered Auditor

15-1-99

Clinch's House, Lord Street
Douglas
Isle Of Man
IM99 1RZ

DAGLISH INTERNATIONAL LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 1997**

		Period ended 31 December 1997 SFr	Period ended 30 June 1996 SFr
	Notes		
Administrative expenses		(8,615)	(5,336)
Operating loss	2	(8,615)	(5,336)
Other interest receivable and similar income	3	-	202
Loss on ordinary activities before taxation		(8,615)	(5,134)
Tax on loss on ordinary activities	4	-	-
Loss on ordinary activities after taxation	8	(8,615)	(5,134)

All of the company's activities are derived from continuing operations.

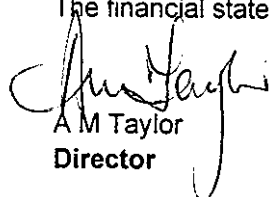
There are no recognised gains and losses other than those passing through the profit and loss account.

DAGLISH INTERNATIONAL LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 1997

	Notes	1997 SFr	SFr	30 June 1996 SFr	SFr
Fixed Assets					
Investments	5		11		-
Current Assets					
Cash at bank and in hand		7,091		766	
Creditors: amounts falling due within one year	6	<u>(18,951)</u>		<u>(4,000)</u>	
Net Current Liabilities			(11,860)		(3,234)
Total Assets Less Current Liabilities			<u>(11,849)</u>		<u>(3,234)</u>
Capital and Reserves					
Called up share capital	7		1,900		1,900
Profit and loss account	8		(13,749)		(5,134)
Shareholders' Funds - equity interests	9		<u>(11,849)</u>		<u>(3,234)</u>

The financial statements were approved by the Board on 15/1/99


A M Taylor
Director

DAGLISH INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 1997

1 Accounting Policies

1.1 Accounting conventions and Compliance with accounting standards

The financial statements are prepared under the historical cost convention. The accounts have been prepared in accordance with applicable accounting standards.

The financial statements have been prepared on the going concern basis. This is considered appropriate as the ultimate beneficial shareholders will continue to provide financial support to the company for the foreseeable future.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

1.2 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.3 Foreign currency translation

The company's accounting records are maintained in Swiss Francs.

Transactions in other currencies are converted at the rate ruling at the date of the transaction. Current assets and liabilities are converted at the rate of exchange ruling at the balance sheet date. Any material gains or losses resulting from the conversion are taken to the profit and loss account.

1.4 Comparatives

The comparatives have been restated due to the fact that the company's accounting records are stated in swiss francs

2 Operating Loss

	1997	1996
	SFr	SFr
Operating loss is stated after charging:		
Formation expenses	-	1,444
Auditors' remuneration	1,300	-
	<u> </u>	<u> </u>

3 Other Interest Receivable and Similar Income

	1997	1996
	SFr	SFr
Profit on Exchange	-	202
	<u> </u>	<u> </u>

4 Taxation

On the basis of these financial statements no provision has been made for corporation tax.

DAGLISH INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 1997**

5 Fixed Asset Investments

	Unlisted investments SFr
Cost	
At 1 July 1996	-
Additions	11
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At 31 December 1997	11
	<hr/> <hr/>

The investment represents a 5% interest in the Daglish Group and is stated at cost.

6 Creditors: amounts falling due within one year

	1997 SFr	1996 SFr
Other creditors	17,651	4,000
Accruals and deferred income	1,300	-
	<hr/>	<hr/>
	18,951	4,000
	<hr/> <hr/>	<hr/> <hr/>

7 Share Capital

The authorised share capital of the Company comprises 1000 Ordinary shares of £1 each of which 1000 have been issued and are fully paid up (1996 - 1000).

8 Statement of Movements on Profit and Loss Account

	Profit and loss account SFr
Balance at 1 July 1996	(5,134)
Retained loss for the period	(8,615)
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Balance at 31 December 1997	(13,749)
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DAGLISH INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 1997**

9 Reconciliation of Movements in Shareholders' Funds	1997 SFr	1996 SFr
Loss for the financial period	(8,615)	(5,134)
Proceeds from issue of shares	-	1,900
	<hr/>	<hr/>
Net depletion in shareholders' funds	(8,615)	(3,234)
Opening shareholders' funds	(3,234)	-
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Closing shareholders' funds	(11,849)	(3,234)
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10 Contingent liabilities

There were no contingent liabilities as at the balance sheet date.

11 Capital Commitments

There were no major capital commitments as at the balance sheet date.

12 Employees

Number of employees, wages and salaries

There were no employees during the period apart from the directors. The directors received no remuneration during the period.