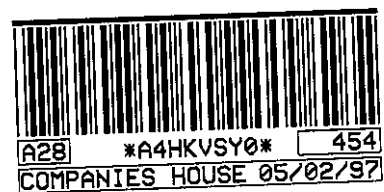


Company registration number: 3042092

INTER\$RATE LIMITED  
DIRECTORS' REPORT AND ACCOUNTS  
31ST DECEMBER 1996



INTER\$RATE LIMITED

Directors

R. Fiddemont  
S.P. Doherty

Secretary

S.P. Doherty

REPORT OF THE DIRECTORS

The directors submit their annual report, together with the accounts of the Company for the year ended 31st December, 1996.

REVIEW OF THE YEAR

The Company's principal activity is to act as an administrative company. The Company has not traded during the year.

DIRECTORS' AND OFFICERS' INSURANCE

The ultimate holding Company maintained an insurance policy for the directors and officers against liabilities incurred in the conduct of their duties throughout the year.

DIRECTORS

The names of the directors of the Company appear at the head of the report. The directors have served from the incorporation of the Company.

The Company's Articles of Association make no provision for the retirement of directors by rotation.

DIRECTORS' INTERESTS IN SHARES

The Company is a subsidiary of Singer & Friedlander Limited whose ultimate holding company is Singer & Friedlander Group PLC.

Mr. R. Fiddemont is a director of Singer & Friedlander Limited, accordingly his interests in the share and loan capital of Singer & Friedlander Group PLC and its subsidiary undertakings are not required to be recorded in this Company's register of directors' interests.

As at 31st December, 1996 Mr. S.P. Doherty had an option to acquire a total of 22,447 (1995: 22,447) ordinary shares of 10 pence each in the share capital of Singer & Friedlander Group PLC. These options were granted in accordance with the terms of the Singer & Friedlander Sharesave Scheme.

Mr. S.P. Doherty had no other interest, other than those detailed above, in the share capital of Singer & Friedlander Group PLC at 31st December, 1996 and 31st December, 1995.

INTERSTATE LIMITED  
REPORT OF THE DIRECTORS  
(continued)

AUDITORS

During the year the Company has remained dormant as defined under Section 250(1) of the Companies Act 1985, accordingly auditors have not been appointed.

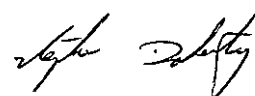
STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law required 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 year. 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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



S.P. Doherty  
Secretary

Registered Office:  
21 New Street  
Bishopsgate  
London EC2M 4HR

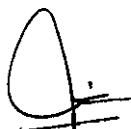
31st January, 1997

INTER\$RATE LIMITEDBALANCE SHEET AT 31ST DECEMBER, 1996

|   | <u>Note</u> | <u>1996</u> | <u>1995</u> |
|---|-------------|-------------|-------------|
| CURRENT ASSETS                              |             |             |             |
| Amount owed by Singer & Friedlander Limited |             | <u>£2</u>   | <u>£2</u>   |
| CAPITAL RESERVES                            |             |             |             |
| Share Capital                               | 3           | <u>£2</u>   | <u>£2</u>   |

I, Mr. R. Fiddemont, the undersigned confirm that Inter\$Rate Limited was a dormant company (as defined in section 250(1) Companies Act 1985) throughout the financial year ended 31st December, 1996.

The accounts were approved by the board of directors on 31/1 January, 1997.



Mr. R. Fiddemont  
DIRECTOR

The notes on page 4 form part of these accounts.

INTER\$RATE LIMITEDNOTES TO THE ACCOUNTS1. ACCOUNTING POLICIESAccounting convention

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

Cash flow

The Company is a wholly owned subsidiary of a parent undertaking which prepares consolidated financial statements including a consolidated cash flow statement. It is therefore exempt under Financial Reporting Standard 1 from preparing its own cash flow statement.

2. PROFIT AND LOSS ACCOUNTS

The Company has not traded during the year nor the preceding year, has received no income and incurred no expenditure, and consequently has made neither a profit nor a loss.

3. CALLED UP SHARE CAPITAL

|  | <u>1996</u>       | <u>1995</u>       |
|--|-------------------|-------------------|
|  | £                 | £                 |
| Authorised:                            |                   |                   |
| 1,000 ordinary shares of £1 each       | 1,000             | 1,000             |
|  | <u>          </u> | <u>          </u> |
| Allotted, called up and<br>fully paid: |                   |                   |
| 2 ordinary shares of £1 each           | 2                 | 2                 |
|  | <u>          </u> | <u>          </u> |

4. DIRECTORS' EMOLUMENTS

None of the directors received any emoluments during the year in respect of their services to the Company (1995: nil).

5. PARENT AND ULTIMATE HOLDING COMPANIES

The Company's results are included in the group accounts of Singer & Friedlander Limited. The Company's ultimate holding company is Singer & Friedlander Group PLC. Both companies are incorporated in Great Britain and registered in England and Wales.

Copies of group accounts of Singer & Friedlander Limited and Singer & Friedlander Group PLC, which are those of the smallest and largest groups in which the results of this Company are included, can be obtained from this Company's registered office.