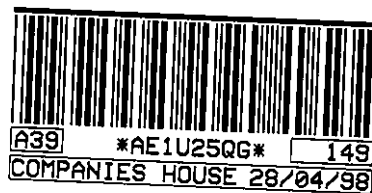


Company Registered No: 3214316

TERRACE HILL (UDDINGSTON) LIMITED

FINANCIAL STATEMENTS

31ST JULY 1997



Saffery Champness

CHARTERED ACCOUNTANTS

TERRACE HILL (UDDINGSTON) LIMITED

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COMPANY INFORMATION

DIRECTORS

N J C Turnbull
D A Prowse
H Llewellyn

SECRETARY

T Walsh

REGISTERED OFFICE

1 Portland Place
London W1N 3AA

REGISTERED AUDITORS

Saffery Champness
Chartered Accountants
Fairfax House
Fulwood Place
Gray's Inn
London WC1V 6UB

REPORT OF THE DIRECTORS

The Directors submit their first report and the financial statements for the fourteen month period ended 31st July, 1997.

RESULTS

The profit and loss account shows a profit after taxation of £25,197.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is property investment. The Directors do not currently envisage any major changes in the activities of the company.

INCORPORATION

The company was incorporated on 19th June, 1996 and commenced trading on 11th July, 1996.

DIRECTORS AND THEIR INTERESTS

The Directors who served during the period together with their interests in the share capital at 31st July, 1997 were as follows:

Ordinary Shares £1 each

Buyview Ltd	(appointed 19th June 1996, resigned 19th June 1996)	-
N J C Turnbull	(appointed 19th June 1996)	-
D A Prowse	(appointed 16th June 1996)	-
H Llewellyn	(appointed 16th June 1996)	-

REPORT OF THE DIRECTORS (continued)

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF
THE FINANCIAL STATEMENTS**

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 or loss of the company for that period. In preparing these financial statements, the Directors are required to:

Select suitable accounting policies and 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.

REGISTERED AUDITORS

Saffery Champness, Chartered Accountants, were appointed to fill the vacancy created by incorporation, and have indicated their willingness to continue in office. A resolution to re-appoint them will be put to the members at the Annual General Meeting.

On behalf of the Board



T Walsh
Secretary

Date: 24th March 1998

TERRACE HILL (UDDINGSTON) LIMITED

We have audited the financial statements on pages 5 to 11.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 3, the Company's Directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial 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. 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. In forming our opinion we also evaluated the overall adequacy of the presentation of the information in the financial statements.

OPINION

In our opinion, the financial statements give a true and fair view of the state of affairs of the company as at 31st July, 1997 and of the profit of the company for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Saffery Champness
Saffery Champness
Chartered Accountants
Registered Auditors
Fairfax House
Fulwood Place
Gray's Inn
London WC1V 6UB

Date: 25th March 1998

PROFIT AND LOSS ACCOUNTfor the fourteen month period ended 31st July, 1997

		<u>14 months to</u> <u>31st July</u> <u>1997</u> <u>£</u>
	<u>Note</u>	
TURNOVER	2	85,952
Cost of sales		(23,274)
		<hr/>
GROSS PROFIT		62,678
Administrative expenses		(2,051)
		<hr/>
OPERATING PROFIT		60,627
Interest payable	3	(35,430)
		<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	25,197
Taxation	5	-
		<hr/>
RETAINED PROFIT FOR THE PERIOD	12	<u>£25,197</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

PROFIT FOR THE PERIOD		25,197
Unrealised surplus on revaluation of investment properties	6	385,878
		<hr/>
TOTAL RECOGNISED GAINS AND LOSSES FOR THE PERIOD		<u>£411,075</u>

All the activities of the company during the period are continuing activities.

The accompanying notes form an integral part of this Profit and Loss Account and Statement of total recognised gains and losses.

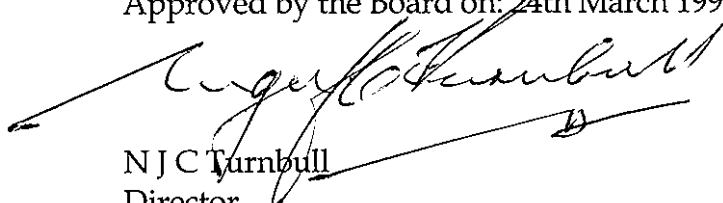
TERRACE HILL (UDDINGSTON) LIMITED

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BALANCE SHEET
at 31st July, 1997

	<u>Note</u>	<u>31st July</u> <u>1997</u> <u>£</u>
FIXED ASSETS		
Investment property	6	1,250,000
CURRENT ASSETS		
Debtors	7	1,399
		1,399
CREDITORS		
Amounts falling due within one year	8	(295,058)
NET CURRENT LIABILITIES		(293,659)
TOTAL ASSETS LESS CURRENT LIABILITIES		956,341
CREDITORS		
Amounts falling due after more than one year	9	(545,264)
NET ASSETS		<u>£411,077</u>
CAPITAL AND RESERVES		
Called-up share capital	10	2
Revaluation reserve	11	385,878
Profit and loss account	12	25,197
EQUITY SHAREHOLDERS' FUNDS	13	<u>£411,077</u>

Approved by the Board on: 24th March 1998


N J C Turnbull
Director

The accompanying notes form an integral part of this Balance Sheet.

NOTES TO THE FINANCIAL STATEMENTS
for the fourteen month period ended 31st July, 1997

1 ACCOUNTING POLICIES

a) BASIS OF ACCOUNTING

These financial statements have been prepared under the historical cost convention modified to include the revaluation of investment property and in accordance with the applicable accounting standards.

b) INVESTMENT PROPERTIES

All completed investment properties are revalued by the Directors annually, to reflect current market value. Changes in the value of investment properties are disclosed as movements on revaluation reserve, except for permanent diminutions which are charged to the profit and loss account.

No depreciation or amortisation is provided in respect of freehold investment property in accordance with Statement of Standard Accounting Practice 19 (revised). The Directors consider that this accounting policy results in the financial statements giving a true and fair view.

Investment property sales are reflected in the accounts if an unconditional contract is exchanged by the balance sheet date and the sale is completed before the date of approval of the accounts.

Profits and losses are based on the difference between proceeds and net carrying amount, whether at valuation or at historical cost.

c) CASH FLOW STATEMENT

The company is exempt from the requirement of Financial Reporting Standard No. 1 to prepare a cash flow statement as it is a wholly-owned subsidiary.

d) TURNOVER

Turnover represents rents receivable in respect of let property and sundry income (excluding Value Added Tax) and arises entirely within the United Kingdom.

e) DEFERRED TAX

Deferred taxation, representing the timing differences between recognition of items for accounts and tax purposes, is provided for to the extent that it is probable that a liability will crystallise.

NOTES TO THE FINANCIAL STATEMENTS
for the fourteen month period ended 31st July, 1997

2 TURNOVER

14 months to
31st July
1997

Rental income	£85,952
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3 INTEREST PAYABLE

14 months to
31st July
1997

Interest on loans wholly repayable within five years	£35,430
--	---------

4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:-	<u>14 months to</u> <u>31st July</u> <u>1997</u> £
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Auditors' remuneration	£2,000
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No Director received any emoluments in respect of their services to the company.
No other persons were employed by the company during the period.

5 TAXATION

There is no liability to corporation tax for the period as the company's taxable profits have been reduced by capital allowances of £30,307. The potential liability to deferred taxation is approximately £10,000 none of which has been provided for in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the fourteen month period ended 31st July, 1997**6 INVESTMENT PROPERTY****31st July**
1997
£

Additions	864,122
Revaluation	385,878
	<hr/>
Balance carried forward	£1,250,000
	<hr/>
Historical cost carried forward	£864,122
	<hr/>

The investment property was valued externally by Healey & Baker, on an open market value basis on 31st July, 1997.

No depreciation is provided in respect of investment properties, as stated in the accounting policy note 1(b). The Directors consider that this policy results in the accounts showing a true and fair view as depreciation is reflected in the open market valuation of these properties and cannot be separately quantified.

7 DEBTORS**31st July**
1997
£

Due within one year:	
Other debtors	874
Prepayments	525
	<hr/>
	£1,399
	<hr/>

8 CREDITORS**31st July**
1997
£

Amounts falling due within one year:-	
Bank overdraft	7,898
Bank loan (see note 9)	90,000
Trade creditors	3,525
Amounts due to fellow subsidiary undertakings	161,616
Accruals	32,019
	<hr/>
	£295,058
	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
for the fourteen month period ended 31st July, 1997**9 CREDITORS**31st July
1997
£

Amounts falling due after more than one year:-

Bank loans repayable within two to five years

360,000

Bank loans repayable after more than 5 years

185,264

£545,264

The bank loan is secured by a debenture on the investment property, together with a floating charge over the assets of the company. Rental income from the investment property is mandated to the lender, with interest being charged at various commercial rates. The loan is guaranteed by a fellow subsidiary undertaking.

10 SHARE CAPITAL31st July
1997
£

Authorised

1,000 Ordinary shares of £1 each

£1,000

Allotted, called-up and fully paid

2 Ordinary shares of £1 each

£2

11 REVALUATION RESERVE14 months to
31st July
1997
£

Surplus on revaluation of investment property

385,878

Balance carried forward

£385,878

NOTES TO THE FINANCIAL STATEMENTS
for the fourteen month period ended 31st July, 1997**12 PROFIT AND LOSS ACCOUNT****14 months to**
31st July
1997
£

Profit for the period 25,197

Balance carried forward £25,197

13 MOVEMENTS IN SHAREHOLDERS' FUNDS**14 months to**
31st July
1997
£

Profit for the period 25,197

Movement in revaluation reserve 385,878

New share capital subscribed 2

Closing shareholders' funds £411,077

14 GUARANTEES AND FINANCIAL COMMITMENTS

The company is a party to a guarantee arrangement securing the bank overdraft and loans of fellow subsidiaries.

15 ULTIMATE PARENT COMPANY

The ultimate parent company is Westview Group Limited which is registered in England and Wales.