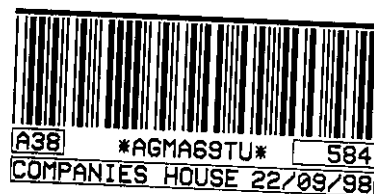


A P & L DIRECT LTD
(formerly Kensington Specialities Limited
and Nottcor 23 Limited)

ABBREVIATED FINANCIAL STATEMENTS

31 DECEMBER 1997

Registered number: 3284572



JERVIS TAYLOR & PARTNERS

CHARTERED ACCOUNTANTS

A P & L DIRECT LTD

ABBREVIATED FINANCIAL STATEMENTS

for the period from 27 November 1996 to 31 December 1997

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A P & L DIRECT LTD

**Auditors' report to
A P & L Direct Ltd
under section 247B of the Companies Act 1985**

We have examined the abbreviated financial statements set out on pages 2 and 3, together with the financial statements of the company for the period ended 31 December 1997 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages 2 and 3 are properly prepared in accordance with those provisions.

47 New Walk
Leicester
LE1 6TE

31 July 1998

Jervis Taylor & Partners

Jervis Taylor & Partners
Registered Auditor
Chartered Accountants

A P & L DIRECT LTD

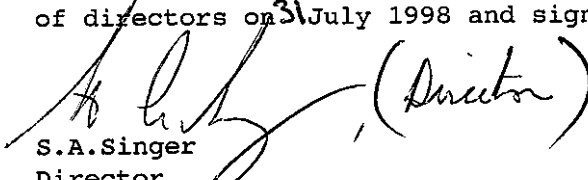
ABBREVIATED BALANCE SHEET

at 31 December 1997

	Note	1997	
		£	£
Current assets			
Debtors		147,538	
Cash at bank and in hand		76,187	
		<u>223,725</u>	
Creditors: amounts falling due within one year		(384,343)	
		<u></u>	
Net current liabilities			(160,618)
			<u></u>
Total assets less current liabilities			(160,618)
			<u></u>
Capital and reserves			
Called up share capital	2		2
Profit and loss account			(160,620)
			<u></u>
Total shareholders' funds			(160,618)

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The abbreviated financial statements on pages 2 and 3 were approved by the board of directors on 31 July 1998 and signed on its behalf by:


S.A. Singer
Director

A P & L DIRECT LTD

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 December 1997

1 Accounting policies**Basis of accounting**

The financial statements have been prepared under the historical cost accounting rules, and on a going concern basis as the parent company has agreed to provide continuing financial support to the company.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Foreign currencies

Transactions expressed in foreign currencies are translated into sterling and recorded at rates of exchange approximating to those ruling at the date of the transaction. Monetary assets and liabilities are translated at rates ruling at the balance sheet date. All differences are taken to the profit and loss account.

2 Called up share capital

	1997	
	Number of shares	£
Authorised		
Ordinary shares of £1 each	1,000	1,000
	<u> </u>	<u> </u>
Allotted called up and fully paid		
Ordinary shares of £1 each	2	2
	<u> </u>	<u> </u>

2 Ordinary shares of £1 each were issued for cash, at par on incorporation, 27 November 1996.

3 Ultimate parent undertaking

The company's ultimate parent company at the balance sheet date was GAT International, Ltd., a company incorporated in the U.S.A.