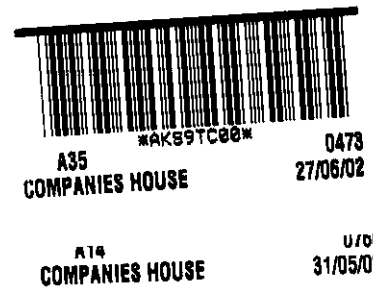


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GRACIE ASSOCIATES LIMITED

ANNUAL FINANCIAL STATEMENTS

for the year to 28th February 2001



GRACIE ASSOCIATES LIMITED

The Company is registered in England, under Company Number 39626670

VAT registration number 745 3183 31

Registered Office
20 Kirkstall Place
Oldbrook
Milton Keynes
MK6 2NB

Company Secretary
N Chesterton
The MacDonald Partnership PLC
Martin House
26-30 Old Church Street
London
SW3 5BY

Bank
Bank of Scotland
St Andrew Square
Edinburgh
EH

GRACIE ASSOCIATES LIMITED

Directors Report for the Year to 28th February 2001

The Company was incorporated in February 2000 and started trading in June 2000.

The Company provides corporate recovery expertise and resources to organisations facing commercial difficulties. The Company assists the organisation's existing management by providing training, assisting in business planning, and, in researching and seeking financing recovery options


For the year ended 28th February 2001 the company was entitled to exemption under section 249(1) of the Companies Act 1985.

Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.

The director acknowledges his responsibility for:

- i. ensuring the company keeps accounting records which comply with section 221; and
- ii. preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company;

The accounts set out on pages 3 to 5 have been prepared in accordance with the special provisions in Part VII of the Companies Act 1985 relating to small companies.



G H Gracie
Director

GRACIE ASSOCIATES LIMITED

Profit and Loss Account
for the year ended 28th February 2001
(all amounts are expressed in £'s)

Turnover		76,975
Administrative expenses	59,988	
Employee costs	56,094	
Premise costs	1,473	
Communications	1,615	
Sundry costs	806	
Marketing expenses	675	
Other operating income	<u>5,419</u>	
Profit before Taxation		<u>55,244</u> 21,731
Taxation		<u>3,639</u>
Profit after Taxation		<u>18,092</u>
Dividend declared		<u>16,000</u>
Profit for the year		<u><u>2,092</u></u>

GRACIE ASSOCIATES LIMITED

Balance Sheet
for the year to 28th February 2001
(all amounts are expressed in £'s)

Employment of Capital Current Assets

Debtors	3,305
Cash	<u>17,346</u>
	20,651

Current Liabilities

Creditors	<u>18,558</u>
	<u><u>£2,093</u></u>

Share Capital	1
Profit and Loss	<u>2,092</u>

Capital Employed	<u><u>£2,093</u></u>
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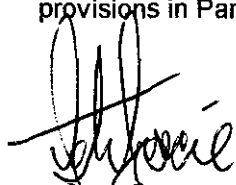
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G H Gracie
Director