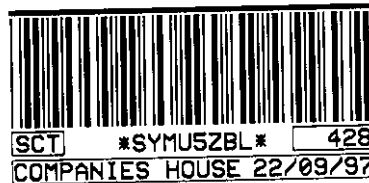


Registered Number:
SC145065
Scotland

(1)
DUNWILCO (379) LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 1996

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(2)
DUNWILCO (379) LIMITED

Directors

Mr.J.D.Ciffer
Mrs.H.R.Coren (Resigned as director on 24th
September 1996)

Secretary

Mrs.H.R.Coren (Resigned as secretary on 24th
September 1996)
Mrs.S.Ciffer (Appointed on 24th September 1996).

Registered Office

C/o Clairmonts
9 Clairmont Gardens
Glasgow
G3 7LW

Registered Number

SC145065 - Scotland

Auditors

D.H.Marks & Co.
Certified Accountants & Registered Auditors
631 Green Lanes
London
N8 0RE

(3)
DUNWILCO (379) LIMITED

REPORT OF THE DIRECTOR

REVIEW OF THE BUSINESS

The principal activity of the company was the receipt of rent and commission.

RESULT AND DIVIDEND

The Profit for the year after taxation was £ 44
The director recommends that no dividend be paid on the ordinary shares.

DIRECTOR AND HIS INTEREST

The director during the year and his interests in the Share Capital of the Company are as follows:-

	<u>At beginning of year</u>	<u>At End of year</u>
Mr. J.D.Ciffer	-	-
Mrs.H.R.Coren (Resigned 24th September 1996	-	-

The company is a wholly owned subsidiary of Dunwilco (385) Limited.
Mr J.D.Ciffer owns 100% of the ordinary share capital of Dunwilco (385) Limited.

GOING CONCERN

After making appropriate enquiries, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, he continues to adopt a going concern basis in preparing the accounts.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the balance sheet date and of the result for that period. In preparing those financial statements, the director is 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 statement; and
- * prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

AUDITORS

A resolution to re-appoint the auditors D.H.Marks & Co. will be proposed at the Annual General Meeting.

Registered office
C/o Clairmonts
9 Clairmont Gardens
Glasgow
G3 7LW.

On behalf of the board.
J.D.Ciffer - Director.
15th September 1997.

(4)
AUDITORS' REPORT TO THE MEMBER OF
DUNWILCO (379) LIMITED

We have audited the financial statements on pages 5 to 9, which have been prepared under the historical cost convention and the accounting policies set out on page 8.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITORS.

As described on page 3 the company's director is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and report our opinion to you.

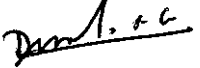
BASIS OF OPINION.

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 director in 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 information in the financial statements.

OPINION.

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985


D.H.MARKS & CO.
CERTIFIED ACCOUNTANTS AND REGISTERED AUDITORS
631 GREEN LANES, LONDON N8 0RE.

15th September 1997.

(5)
DUNWILCO (379) LIMITED
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1996

		£	1996 £	£	1995 £
	<u>Notes</u>				
Commission			3,200		44,600
Rent Receivable			23,500		23,579
			-----		-----
			26,700		68,179
Less					
Rent Review Expenses		-		1,381	
Rent Payable		(22,500)	(22,500)	(22,500)	(23,881)
			-----	-----	-----
			4,200		44,298
Salary	(2)	(3,129)		(2,997)	
Audit Fees		(588)		(588)	
General Expenses		(337)		(218)	
Travelling Expenses		-		(1,554)	
Bank Charges		(61)	(4,115)	(67)	(5,424)
			-----	-----	-----
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	(3)		85		38,874
Interest paid to Inland Revenue		(10)		-	
Corporation Tax	(4)	(31)	(41)	9,719	(9,719)
			-----	-----	-----
Balance for financial year			44		29,155
Balance at beginning of year			38,531		9,376
			-----		-----
			38,575		38,531
			-----		-----

The company had no recognised gains and losses in either 1995 or 1996, other than those shown in the profit and loss account and therefore a statement of total recognised gains and losses has not been presented.

(6)
DUNWILCO (379) LIMITED

BALANCE SHEET AS AT 31ST DECEMBER 1996

	<u>Notes</u>	<u>1996</u>	<u>1995</u>
	£	£	£
LEASEHOLD			
297 Byres Road and 1A Roxburgh Street, Glasgow.		22,556	22,556
CURRENT ASSETS			
Prepayment	-	214	
Deposit	-	176,500	
Corporation Tax Prepayment	318	-	
Corporation Tax Repayable	229	-	
Dunwilco (385) Ltd.	16,824	-	
Cash at Bank	3,842	5,040	
	-----	-----	
	21,213	181,754	
	-----	-----	
CURRENT LIABILITIES			
Creditors	763	96,089	
Accrual	2,060	-	
Corporation Tax	-	9,719	
Other Taxes	570	-	
Directors Loan Account	1,799	59,969	
	-----	-----	
	5,192	165,777	
	-----	-----	
NET CURRENT ASSETS		16,021	15,977
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		38,577	38,533
		-----	-----
CAPITAL AND RESERVES			
CALLED UP SHARE CAPITAL	(5)	2	2
INCOME AND EXPENDITURE ACCOUNT		38,575	38,531
		-----	-----
		38,577	38,533
		-----	-----

These financial statements were approved and signed by the director on 15th September 1997.

J.D.Ciffer

Director

(7)
DUNWILCO (379) LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 1996

	£	1996 £	£	1995 £
Reconciliation of Operating Profit to Net Cash (Outflow)/Inflow from Operating Activities				
Operating Profit		85		38,874
Decrease/(Increase) in Debtors & Prepayments		176,714		(176,714)
Increase in Dunwilco(385) Ltd		(16,824)		-
Increase/(Decrease) in Creditors		(92,696)		76,697
Increase/(Decrease) in Directors' Account		(58,170)		59,969
		-----		-----
Net Cash Inflow/(Outflow) from Operating Activities		9,109		(1,174)
		-----		-----
CASH FLOW STATEMENT				
Net Cash Inflow/Outflow)				
From Operating Activities		9,109		(1,174)
Corporation Tax paid		(10,297)		(3,220)
Interest paid to Inland Revenue		(10)		-
		-----		-----
Decrease in Cash		(1,198)		(4,394)
		-----		-----
Reconciliation of Net Cash Flow to movement of Funds				
Decrease in Cash being movement in Funds		(1,198)		(4,394)
Cash at Bank at beginning of year		5,040		9,434
		-----		-----
Cash at Bank at end of year		3,842		5,040
		-----		-----

(8)
DUNWILCO (379) LIMITED

NOTES TO THE ACCOUNTS AS AT 31ST DECEMBER 1996

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

2. STAFF COSTS

	<u>1996</u> £	<u>1995</u> £
Salary	3,129	2,997

The average weekly number of employees during the year was 2 made up as follows:-

Office	1	1
Directors	1	2

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	£	£
This is stated after charging:-		
Auditors' remuneration	588	588

4. Corporation Tax is based on the profit on the ordinary activities for the year.

5. SHARE CAPITAL
AUTHORISED

1,000 Ordinary Shares of £1 each	<u>1,000</u>	<u>1,000</u>
ALLOTTED, CALLED UP AND FULLY PAID		
2 Ordinary Shares of £1 each	2	2

6. PARENT COMPANY

The company is a wholly owned subsidiary of Dunwilco (385) Limited, which is registered in Scotland.
J.D.Ciffer owns the entire share capital of Dunwilco (385) Limited.