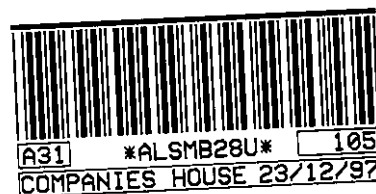


**FOUNTAIN & COLONNADE MANAGEMENT LIMITED
FORMERLY PRECIS (1416) LIMITED**

DIRECTORS' REPORT AND ACCOUNTS

FOR THE PERIOD ENDED 31ST MARCH 1997



FOUNTAIN & COLONNADE MANAGEMENT LIMITED

COMPANY INFORMATION

Directors

PA Thornton
CN Strickland
MA Poole
B Ellinthorpe
P Beasley
PM Manley

Secretary

NC Brown

Company Number

3165167

Registered Office

9 Savoy Street
London
WC2E 7EG

Auditors

Ernst & Young
Becket House
1 Lambeth Palace Road
London SE1 7EU

FOUNTAIN & COLONNADE MANAGEMENT LIMITED

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FOUNTAIN & COLONNADE MANAGEMENT LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31ST MARCH 1997

The directors present their report together with the audited accounts for the period ended 31st March 1997.

Principal Activities and Review of Business

The company was incorporated as Precis (1416) Limited on 27th February 1996 and changed its name to Fountain & Colonnade Management Limited on 21st May 1996 by written resolution.

Results

The company has not traded since incorporation and accordingly no profit and loss account is presented.

The directors consider the state of the company's affairs to be satisfactory.

Dividends

The directors do not recommend the payment of a dividend.

Directors

The directors who served during the period and their beneficial interests in the company's issued share capital were:

	31st March 1997
PA Thornton (appointed 22nd May 1996)	-
CN Strickland (appointed 22nd May 1996)	-
MA Poole (appointed 22nd May 1996)	-
B Ellinthorpe (appointed 22nd May 1996)	-
P Beasley (appointed 22nd May 1996)	-
PM Manley (appointed 22nd May 1996)	-
J Dillon (appointed 27th February 1996 - resigned 22nd May 1996)	-
L Neal (appointed 27th February 1996 - resigned 30th April 1996)	-
C Wilson (appointed 30th April 1996 - resigned 22nd May 1996)	-

None of the directors had any interest in the share capital of the company during the year.

FOUNTAIN & COLONNADE MANAGEMENT LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31ST MARCH 1997

Directors' Responsibilities

Company law requires the directors to prepare accounts for each financial period which give a true and fair view of the state of the company's affairs and of the profit or loss for that period. In preparing these accounts the directors:

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 accounts;

Prepare the accounts 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 enable them to ensure that the accounts 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.

Auditors

In accordance with section 386 Companies Act 1985, Ernst & Young will be deemed to be reappointed on the expiry of 28 days from the date on which the accounts are sent to members of the company.

This report was approved by the board on 22nd December 1997, and signed on its behalf.



MA Poole, Director
22nd December 1997

AUDITORS' REPORT TO THE

MEMBERS OF FOUNTAIN & COLONNADE MANAGEMENT LIMITED

We have audited the accounts on pages 4 to 5 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective Responsibilities of Directors and Auditors

As described on page 2 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and report our opinion to you.

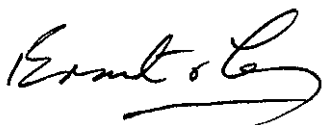
Basis of Opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31st March 1997 and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Chartered Accountants
and Registered Auditor
London
Date: 22nd December 1997

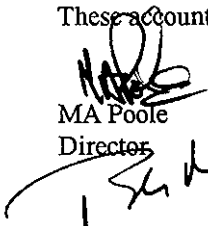
FOUNTAIN & COLONNADE MANAGEMENT LIMITED

BALANCE SHEET

AS AT 31ST MARCH 1997

	Notes	1997 £	£
Current Assets			
Debtors	3	100	
Net Current Assets			<u>100</u>
Total Assets Less Current Liabilities			<u><u>100</u></u>
Capital and Reserves			
Share capital - equity	4		<u>100</u>
Shareholders' funds			<u><u>100</u></u>

These accounts were approved by the board on 22nd December 1997 and signed on its behalf.


MA Poole
Director


PM Manley
Director

FOUNTAIN & COLONNADE MANAGEMENT LIMITED

NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 31ST MARCH 1997

1 Accounting Policies

Basis of Accounting

The accounts have been prepared under the historical cost convention, with the exception of investment properties which are stated at revalued amounts under the alternative accounting rules, and comply with the Companies Act 1985. The accounts have been prepared in accordance with applicable accounting standards.

2 Administrative Expenses

None of the directors received any remuneration for their services and the auditors' remuneration is borne by the shareholders.

3	Debtors	1997 £
	Other debtors	<u>100</u>

4	Share Capital	1997 £
	Authorised Equity Shares Ordinary shares of £1 each	<u>100</u>
	Allotted Equity Shares Allotted, called up and fully paid ordinary shares of £1 each	<u>100</u>

5 Profit and Loss Account

The company has not traded since incorporation and accordingly no profit and loss account is presented.