

Company Registration No. 2226163 (England and Wales)

AYLMER HOLDINGS PLC

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 1997



AYLMER HOLDINGS PLC

COMPANY INFORMATION

| | |
|--------------------------|---|
| Directors | P.M. Domb H.M. Defries |
| Secretary | P.M. Domb |
| Company number | 2226163 |
| Registered office | 3 Stedham Place London WC1A 1HU |
| Auditors | Jacobs Sassoon 3 Stedham Place London WC1A 1HU |
| Business address | 3 Stedham Place London WC1A 1HU |

AYLMER HOLDINGS PLC

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AYLMER HOLDINGS PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 1997

The directors present their report and financial statements for the year ended 31 July 1997.

Principal activities and review of the business

The company is a holding company and does not trade. During the year under review it disposed of its only subsidiary which had no realisable value.

The results for the year and the financial position at the year end were considered satisfactory.

Results and dividends

The results for the year are set out on page 4.

The directors are unable to recommend the payment of a dividend.

Directors

The following directors have held office since 1 August 1996:

P.M. Domb

H.M. Defries

In accordance with the company's Articles of Association, H.M. Defries retires by rotation and, being eligible, offers himself for re-election.

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

| | Ordinary shares of £1 each | |
|--------------|----------------------------|---------------|
| | 31 July 1997 | 1 August 1996 |
| P.M. Domb | 26,100 | 26,100 |
| H.M. Defries | 26,100 | 26,100 |

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Jacobs Sassoon be reappointed as auditors of the company will be put to the Annual General Meeting.

AYLMER HOLDINGS PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 1997

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year 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 those financial statements, the directors are required to:


- select suitable accounting policies and then 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.

By order of the board

P.M. Domb
Director

7 November 1997

A handwritten signature in black ink, consisting of a large, stylized 'D' followed by a horizontal line and a small flourish.

AYLMER HOLDINGS PLC

AUDITORS' REPORT TO THE SHAREHOLDERS OF AYLMEH HOLDINGS PLC

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

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

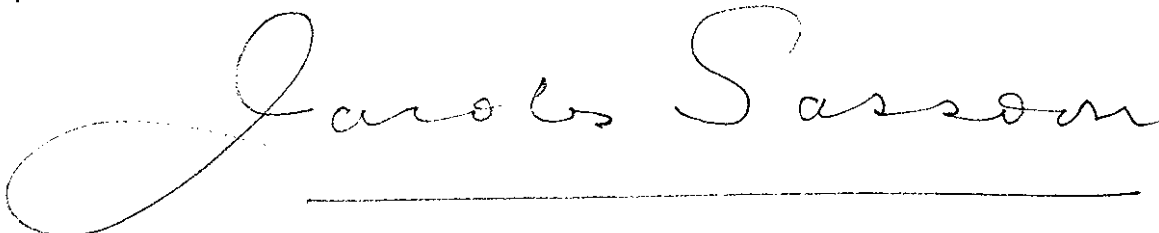
Basis of opinion

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 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 31 July 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A large, stylized handwritten signature in cursive script, reading "Jacobs Sassoon". The signature is written in dark ink and is positioned above a horizontal line.

Jacobs Sassoon
Chartered Accountants
Registered Auditor
3 Stedham Place
London
WC1A 1HU

7 November 1997

AYLMER HOLDINGS PLC

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 1997

| | Notes | 1997 £ | 1996 £ |
|--|-------|-----------|-----------|
| Administrative expenses | | (10) | (48) |
| Loss on ordinary activities before taxation | - | (10) | (48) |
| Tax on loss on ordinary activities | 2 | - | - |
| Loss on ordinary activities after taxation | 4 | (10) | (48) |

The company is a holding company and does not trade. The company has neither acquired nor commenced any new business activities. It has no recognised gains or losses other than the loss for the year.

AYLMER HOLDINGS PLC

BALANCE SHEET AS AT 31 JULY 1997

| | Notes | 1997 £ | £ | 1996 £ | £ |
|---|-------|-----------|----------|-----------|-----------|
| Current assets | | | | | |
| Cash at bank and in hand | | 2 | | 12 | |
| Total assets less current liabilities | | | <u>2</u> | | <u>12</u> |
| Capital and reserves | | | | | |
| Called up share capital | 3 | | 52,200 | | 52,200 |
| Profit and loss account | 4 | | (52,198) | | (52,188) |
| Shareholders' funds - equity interests | 5 | | <u>2</u> | | <u>12</u> |

The financial statements were approved by the Board on 7 November 1997


P.M. Domb
Director

AYLMER HOLDINGS PLC

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 1997

| | 1997 £ | 1996 £ |
|---|-----------|-----------|
| Net cash outflow from operating activities | (10) | (48) |
| Net cash outflow before management of liquid resources and financing | (10) | (48) |
| Decrease in cash in the year | (10) | (48) |

AYLMER HOLDINGS PLC

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 1997

| 1 | Reconciliation of operating loss to net cash outflow from operating activities | | | 1997 | 1996 |
|---|--|---------------|-----------|------------------------|--------------|
| | | | | £ | £ |
| | Operating loss | | | (10) | (48) |
| | Net cash outflow from operating activities | | | <u>(10)</u> | <u>(48)</u> |
| 2 | Analysis of net funds | 1 August 1996 | Cash flow | Other non-cash changes | 31 July 1997 |
| | | | | | |
| | | £ | £ | £ | £ |
| | Net cash: | | | | |
| | Cash at bank and in hand | 12 | (10) | | 2 |
| | Debt: | | | | |
| | Net funds | 12 | (10) | - | 2 |
| 3 | Reconciliation of net cash flow to movement in net debt | | | 1997 | 1996 |
| | | | | £ | £ |
| | (Decrease)/increase in cash in the year | | | (10) | 12 |
| | Cash inflow from increase in debt | | | - | - |
| | Movement in net funds in the year | | | <u>(10)</u> | <u>12</u> |
| | Opening net funds | | | 12 | - |
| | Closing net funds | | | <u>2</u> | <u>12</u> |

AYLMER HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1997

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

2 Taxation

No Corporation Tax charge arises on the results for the year.

3 Share capital

| | 1997 £ | 1996 £ |
|---|-----------|-----------|
| Authorised | | |
| 100,000 Ordinary shares of £1 each | 100,000 | 100,000 |
| Allotted, called up and fully paid | | |
| 52,200 Ordinary shares of £1 each | 52,200 | 52,200 |

4 Statement of movements on profit and loss account

| | Profit and loss account £ |
|----------------------------|---------------------------------|
| Balance at 1 August 1996 | (52,188) |
| Retained loss for the year | (10) |
| Balance at 31 July 1997 | (52,198) |

5 Reconciliation of movements in shareholders' funds

| | 1997 £ | 1996 £ |
|-----------------------------|-----------|-----------|
| Loss for the financial year | (10) | (48) |
| Opening shareholders' funds | 12 | 60 |
| Closing shareholders' funds | 2 | 12 |

6 Employees

Number of employees

There were no employees during the year apart from the directors