

REDHURST LIMITED**AUDITORS' REPORT TO REDHURST LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated financial statements set out on pages 2 to 5, together with the full statutory financial statements of the Company for the year ended 31st July 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 consider 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 statutory 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 to 5 are properly prepared in accordance with those provisions.

In our opinion the company is entitled under Section 248 of the Companies Act 1985 to be exempt from preparing Group accounts.

19-29 Woburn Place
London WC1H 0XF

28 Jan 1998

HALPERNS
Registered Auditors
Chartered Accountants



REDHURST LIMITED

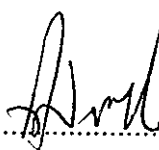
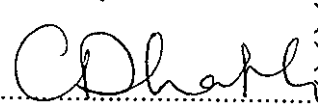
BALANCE SHEET AS AT 31ST JULY 1997

	<u>NOTE</u>	<u>1997</u>	<u>1996</u>
<u>FIXED ASSETS</u>			
Tangible assets	2	82	241
Investments	3	2,120	20,100
		2,202	20,341
<u>CURRENT ASSETS</u>			
Debtors		39,979	48,263
Cash at bank and in hand		489	313
		40,468	48,576
<u>CREDITORS</u> - Amounts falling due within one year		(17,493)	(28,605)
<u>NET CURRENT ASSETS</u>		22,975	19,971
<u>NET ASSETS</u>		£25,177	£40,312
<u>CAPITAL AND RESERVES</u>			
Share capital	7	100	100
Profit and loss account		25,077	40,212
<u>SHAREHOLDERS FUNDS</u>		£25,177	£40,312

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

The financial statements on pages 2 to 5 were approved by the Board of

Directors on 28.8.1998


.....)

.....) Directors

REDHURST LIMITED

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

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Company's financial statements.

a. Accounting Convention

The financial statements have been prepared under the historical cost convention.

b. Depreciation

Depreciation on fixed assets is provided at the following rates:

Fixtures, Fittings
and Equipment - on a straight line basis, at rates sufficient to write them off
over their estimated useful lives

2. TANGIBLE FIXED ASSETS

<u>Cost</u>	<u>Fixtures, Fittings and Equipment</u>
At 1st August 1996 and at 31st July 1997	7,176
<u>Depreciation</u>	—
At 1st August 1996	6,935
Charge in year	159
	—
As at 31st July 1997	7,094
<u>Net Book Value</u>	—
At 31st July 1997	82
	—
At 31st July 1996	241
	—

REDHURST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JULY 1997 - Continued

3. FIXED ASSETS - INVESTMENTS

	<u>1997</u>	<u>1996</u>
	<u>COST</u>	
Listed	20,100	20,100
Unlisted - Dijon (London) Limited	77	77
Disposals	(17,980)	-
	2,197	20,177
Provision for diminution in investment	(77)	(77)
	2,120	20,100
<u>Listed Investment</u>		

At 31.7.1997 the Market Value of the listed investments was £5,336 (1996 - £26,018).

4. PENSION COSTS

The company operates a defined pension scheme which is independently managed.

Contributions payable in the year amounted to £100 (1996 - £100).

5. TRANSACTION WITH DIRECTORS

Management charges of £12,500 (1996 - £12,500) were payable to Dijon (London) Limited a company in which Mrs. C.D. North is a Director and shareholder.

6. SUBSIDIARY COMPANY

The Company owns 77% of the share capital of Dijon (London) Limited a Company incorporated in England.

As at 31st July 1997 £24,183 was due from the subsidiary (1996 - £37,670).

7. SHARE CAPITAL

	<u>1997</u>	<u>1996</u>
<u>Authorised</u>		
Ordinary Shares of £1 each	100	100
<u>Allotted, Called Up and Fully Paid</u>		
Ordinary Shares of £1 each	100	100

REDHURST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JULY 1997 - Continued

8. CLOSE COMPANY STATUS

The Company is a close company within the provisions of the Income and Corporation Taxes Act 1988.