Company Number 2270310

SCAGWAY LIMITED

FINANCIAL STATEMENTS FOR THE

YEAR ENDED 31ST DECEMBER 1996



INDEX TO THE FINANCIAL STATEMENTS

	Page
Report of the Directors	3-4
Balance Sheet	5
Notes to the Financial Statements	6-7

SCAGWAY LIMITED

REPORT OF THE DIRECTORS

The directors present their report with the financial statements of the company for the year ended 31st December 1996.

Results and Future Prospects
The company did not trade during the year and the directors do not anticipate that the company will trade in the foreseeable future. The directors do not recommend the payment of a dividend. (1995 - £nil)

Directors and Directors' Interests
The directors of the company who served during the year were:

A.I. Wilkes
P.G. Dumond

Neither of the directors has any beneficial interest in the shares of the company.

The beneficial interest of Mr. Wilkes in the shares of the holding company, Mid-States PLC, is disclosed in the directors' report of that company. Mr Dumond held 10,529 shares in Mid-States PLC at the year end (1995 - 529)

Directors' Responsibilities
Company law requires the directors to prepare financial statements for each financial year which gave 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 statement, the directors are 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 statements; and
* prepare the financial statements on a going basis concern unless it is inappropriate to assume that the group 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.

SCAGWAY LIMITED

Report of the Directors' (continued)

Taxation

The company is not a close company within the meeting of the Income and Corporation Taxes Act 1988.

By Order of the Board

P.G Dumond
Secretary
29th October 1997

Masters House
107 Hammersmith Road
London W14 OQH

SCAGWAY LIMITED

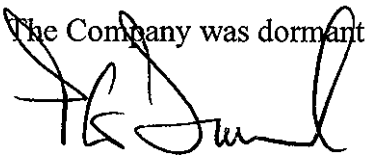
BALANCE SHEET

AS AT 31ST DECEMBER 1996

	Notes	1996 £	1995 £
CURRENT ASSETS			
Debtors: Amounts owed by ultimate holding company		239,594	239,594
NET ASSETS		239,594	239,594
CAPITAL AND RESERVES			
Share capital	4	450,100	450,100
Profit and loss account		(210,506)	(210,506)
SHAREHOLDER'S FUNDS		£239,594	£239,594

There were no recognised gains or losses during the year (1995 - £nil).

The Company was dormant throughout the financial year ended 31st December, 1996.



P G Dumond
Director

Approved by the Board on 29th October 1997.

The accompanying notes form an integral part of these financial statements.

SCAGWAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1996

1. ACCOUNTING POLICIES

The principal accounting policy, which has been applied consistently throughout the year and with the preceding year, is set out below.

Accounting Convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting and financial reporting standards.

2. INCOME AND EXPENDITURE

The company did not trade during the year and consequently no income or expenditure arose.

The company had no employees during the year.

3. DIRECTORS' REMUNERATION

The directors received no remuneration in respect of their services to the company during the year (1995 - £nil).

4. SHARE CAPITAL

AUTHORISED

	1996	1995
500,000 ordinary shares of £1 each	£500,000	£500,000

ALLOTED, CALLED-UP AND FULLY PAID

450,100 ordinary shares of £1 each	£450,100	£450,100

SCAGWAY LIMITED

Notes to the Financial Statements for the Year ended 31st December 1996 (continued)

5. ULTIMATE HOLDING COMPANY

The company is a subsidiary undertaking of Mid-States PLC, a company registered in England and Wales, which heads the only group in which the company's results are consolidated and whose consolidated financial statements may be obtained from its Head Office at Masters House, 107 Hammersmith Road, London W14 OQH.