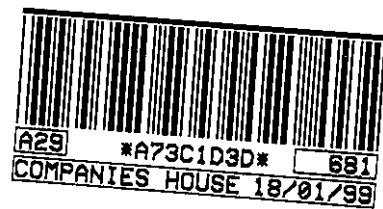


Company Registration No. 2874708

UNIGLOBAL ASSOCIATES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1997



5045-NM-1997

Registered Office
27 Hanson Street,
London W1P 7L2

UNIGLOBAL ASSOCIATES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1997

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

Principal Activities and Review of the Business

The company was incorporated on 24th November 1993. The company prepared dormant accounts during the period to 31st December 1996. The principal activity of the company was that of an investment company.

The company commenced its activities on 17th April 1997.

Results and Dividends

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

It is proposed that the retained loss of £ 12,953 is transferred to reserves.

Fixed Assets

The significant changes in fixed assets during the year are explained in note 4 to the financial statements.

Directors

The following directors have held office since the beginning of the year

L R Taylor	(Appointed 1 June 1998)
A M Taylor	(Appointed 1 June 1998)
F. Parsons	(Appointed 20 August 1997)
F M Forrai	(Appointed 20 August 1997 and resigned 1 June 1998)
J Butterfield	(Appointed 20 August 1997 and resigned 1 June 1998)
C.G.M De Carteret	(Resigned 28 August 1997)
M.W. Denton	(Resigned 20 August 1997)

The directors had no interest in the issued share capital of the company.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Matthew Edwards & Co. be reappointed as auditors of the company will be put to the Annual General Meeting.

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


F. Parsons

Date: **23 DEC 1998**

MATTHEW EDWARDS & CO
CHARTERED ACCOUNTANTS

P.O. Box 227, Clinch's House, Lord Street, Douglas, Isle of Man IM99 1RZ
Telephone: +44 (0) 1624 663166 Facsimile: +44 (0) 1624 677108
+44 (0) 171 950 9800 +44 (0) 171 437 9509
E-mail edwards@bentinck.com

UNIGLOBAL ASSOCIATES LIMITED

AUDITORS' REPORT
TO THE SHAREHOLDERS OF UNIGLOBAL ASSOCIATES LIMITED

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 6.

Respective responsibilities of directors and auditors

As described on page 1 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, except that the scope of our work was limited as explained below. 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. However, the evidence available to us was limited because we were unable to obtain satisfactory independent confirmation of the valuation of the subsidiary and we could not confirm that the company is entitled to exemption from FRS2 by way of section 248 of the Companies Act 1985, as no audited accounts for the subsidiary were available. In addition we were unable to confirm that the company is entitled to the exemption available from FRS 1 not to prepare a cash flow statement on the grounds that it is a small company. There were no other satisfactory audit procedures that we could adopt to confirm these issues.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

UNIGLOBAL ASSOCIATES LIMITED

**AUDITORS' REPORT
TO THE SHAREHOLDERS OF UNIGLOBAL ASSOCIATES LIMITED**

Qualified Opinion arising from limitation in audit scope

Except for any adjustments or additional disclosures that may have been found to be necessary had we obtained independent confirmation of the valuation of the investment and compliance with FRS2 and FRS1, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our audit work relating to the above, we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

In all other respects, we have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the company. The financial statements are in agreement with the books of account.



Matthew Edwards & Co.

Chartered Accountants
Registered Auditor

23-12-98

Clinch's House, Lord Street
Douglas
Isle Of Man
IM99 1RZ

UNIGLOBAL ASSOCIATES LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1997

	Notes	1997 £	1996 £
Administrative expenses		(12,953)	-
Loss on ordinary activities before taxation		<u>(12,953)</u>	<u>-</u>
Tax on loss on ordinary activities	3	-	-
Loss on ordinary activities after taxation	7	<u><u>(12,953)</u></u>	<u><u>-</u></u>

All of the company's activities are derived from continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

UNIGLOBAL ASSOCIATES LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 1997

	Notes	1997 £	£	1996 £	£
Fixed Assets					
Investments	4		284,885		-
Current Assets					
Cash at bank and in hand		7,437		1,000	
Creditors: amounts falling due within one year	5	<u>(304,275)</u>		<u>-</u>	
Net Current (Liabilities)/Assets			(296,838)		1,000
Total Assets Less Current Liabilities			<u>(11,953)</u>		<u>1,000</u>
Capital and Reserves					
Called up share capital	6		1,000		1,000
Profit and loss account	7		(12,953)		-
Shareholders' Funds - equity interests	8		<u>(11,953)</u>		<u>1,000</u>

The financial statements were approved by the Board on **23 DEC 1998**

F. Parsons
F. Parsons
Director

UNIGLOBAL ASSOCIATES LIMITED

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

1 Accounting Policies

1.1 Accounting conventions and Compliance with accounting standards

The financial statements are prepared under the historical cost convention. The accounts have been prepared in accordance with applicable accounting standards.

The financial statements have been prepared on the going concern basis. This is considered appropriate as the ultimate beneficial shareholders will continue to provide financial support to the company for the foreseeable future.

1.2 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.3 Foreign currency translation

The company's accounting records are maintained in Pounds Sterling.

Transactions in other currencies are converted at the rate ruling at the date of the transaction. Current assets and liabilities are converted at the rate of exchange ruling at the balance sheet date. Any material gains or losses resulting from the conversion are taken to the profit and loss account.

1.4 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

1.5 Cash flow

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

2 Operating Loss

	1997	1996
	£	£
Operating loss is stated after charging:		
Auditors' remuneration	450	-

3 Taxation

In view of the tax allowable losses incurred during the year, no provision has been made for corporation tax.

UNIGLOBAL ASSOCIATES LIMITED

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

4 Fixed Asset Investments

	Shares in subsidiary undertakings £	Loans in subsidiary undertakings £	Total £
Cost			
At 1 January 1997	-	-	-
Additions	257,480	27,405	284,885
	<u>257,480</u>	<u>27,405</u>	<u>284,885</u>
At 31 December 1997	<u>257,480</u>	<u>27,405</u>	<u>284,885</u>

The investment represents a 100% holding in Andromeda s.r.l, a company incorporated in Italy. The investment is stated at cost and in the opinion of the directors its market value is at least equal to and not less than its original cost. No audited accounts for this company were available at the date of this report.

5 Creditors: amounts falling due within one year

	1997 £	1996 £
Other creditors	303,825	-
Accruals and deferred income	450	-
	<u>304,275</u>	<u>-</u>

6 Share Capital

The authorised share capital of the Company comprises 1000 ordinary £1 shares of which 1000 have been issued and are fully paid up (1996 - 1000).

7 Statement of Movements on Profit and Loss Account

	Profit and loss account £
Retained loss for the year	(12,953)
Balance at 31 December 1997	<u>(12,953)</u>

UNIGLOBAL ASSOCIATES LIMITED

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

8	Reconciliation of Movements in Shareholders' Funds	1997 £	1996 £
	Loss for the financial year	(12,953)	-
	Opening shareholders' funds	1,000	1,000
	Closing shareholders' funds	(11,953)	1,000

9 **Contingent liabilities**

There were no contingent liabilities as at the balance sheet date.

10 **Capital Commitments**

There were no major capital commitments as at the balance sheet date.

11 **Employees**

Number of employees, wages and salaries

There were no employees during the year apart from the directors. The directors received no remuneration during the year.

12 **Ultimate Controlling Party and Related Party Transactions**

The directors are not aware of the ultimate controlling party, transactions related thereto and any other related party transactions.