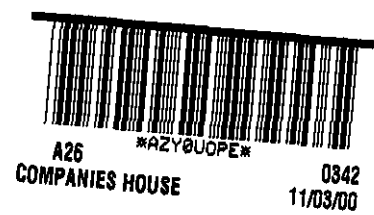


Company Registration No. 2874708

UNIGLOBAL ASSOCIATES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1998



5045-A-1998

Registered Office
27 Hanson Street,
London W1P 7LQ

UNIGLOBAL ASSOCIATES LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 1998**

The directors present their report and financial statements for the year ended 31 December 1998.

Principal activities and review of the business

The principal activity of the company continued to be that of an investment company.

Results and dividends

The results for the year are set out on page 3.

Fixed assets

The significant changes in fixed assets during the year are explained in note 6 to the financial statements.

Year 2000

The year 2000 issue had no effect on the company's operations or financial results for the year under review, including the extent to which the company was at risk from failure by other parties to remedy their year 2000 issues.

At the date of this report, there may be some further residual risk and uncertainty surrounding this issue. However, the Board have considered these potential risks and uncertainties. This included reviewing the company's business, operations and its relationships with customers, suppliers and other relevant bodies, as well as all key dates. The Board believes that it has achieved an acceptable state of readiness and will continue to monitor any year 2000 issues on a regular basis.

The company has not incurred significant costs during the consideration of this problem.

Directors

The following directors have held office since 1 January 1998:

L.R. Taylor	(Appointed 1 June 1998)
A.M. Taylor	(Appointed 1 June 1998)
F. Parsons	
J Butterfield	(Resigned 1 June 1998)
F M Forrai	(Resigned 1 June 1998)

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

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

Fiona Parsons

F. Parsons (Director)

Date : **22 FEB 2000**

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

**ACCOUNTANTS' REPORT TO THE DIRECTORS ON THE
ACCOUNTS OF UNIGLOBAL ASSOCIATES LIMITED**

We report on the accounts for the year ended 31 December 1998.

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31 December 1998, set out on pages 3 to 7 and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these accounts in order to assist you to fulfil your statutory responsibilities.

Our procedures consisted of comparing the accounts with the accounting records kept by the company and making such enquiries of the officers and other officials of the company as we considered necessary for the purposes of this report.

In our opinion the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985.

Matthew Edwards & Co.

Matthew Edwards & Co.

22.2.00
.....

Chartered Accountants

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

UNIGLOBAL ASSOCIATES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1998**

	Notes	1998 £	1997 £
Administrative expenses		(5,998)	(12,953)
Operating loss	2	(5,998)	(12,953)
Investment income	3	2,143	-
Amounts written off investments	4	(276,080)	-
Loss on ordinary activities before taxation		(279,935)	(12,953)
Tax on loss on ordinary activities	5	-	-
Loss on ordinary activities after taxation	9	(279,935)	(12,953)
(Loss)/profit brought forward at 1 January 1998		(12,953)	-
Loss carried forward at 31 December 1998		(292,888)	(12,953)

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 1998**

	Notes	1998 £	£	1997 £	£
Fixed assets					
Investments	6		8,805		284,885
Current assets					
Cash at bank and in hand		7,261		7,437	
Creditors: amounts falling due within one year	7	<u>(307,954)</u>		<u>(304,275)</u>	
Net current liabilities			<u>(300,693)</u>		<u>(296,838)</u>
Total assets less current liabilities			<u>(291,888)</u>		<u>(11,953)</u>
Capital and reserves					
Called up share capital	8		1,000		1,000
Profit and loss account	9		<u>(292,888)</u>		<u>(12,953)</u>
Shareholders' funds - equity interests	10		<u>(291,888)</u>		<u>(11,953)</u>

In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

22 FEB 2000

The financial statements were approved by the Board on

F. Parsons

F. Parsons (Director)

UNIGLOBAL ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1998

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and 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.

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.

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.

2 Operating loss	1998	1997
	£	£
Operating loss is stated after charging:		
Auditors' remuneration	626	450
	<u> </u>	<u> </u>
3 Income from investments	1998	1997
	£	£
Income from subsidiary undertakings	2,143	-
	<u> </u>	<u> </u>
	2,143	-
	<u> </u>	<u> </u>
4 Amounts written off investments	1998	1997
	£	£
Amounts written off fixed asset investments:		
- temporary diminution in value	276,080	-
	<u> </u>	<u> </u>

UNIGLOBAL ASSOCIATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 1998**

5 Taxation

On the basis of these financial statements no provision has been made for corporation tax.

6 Fixed asset investments

	Shares in subsidiary undertakings	Loans in subsidiary undertakings	Total
	£	£	£
Cost			
At 31 December 1998	257,480	27,405	284,885
Provisions for diminution in value			
At 1 January 1998	-	-	-
Charge for the year	248,676	27,404	276,080
At 1 January 1998 & at 31 December 1998	248,676	27,404	276,080
Net book value			
At 31 December 1998	8,804	1	8,805
At 31 December 1997	257,480	27,405	284,885

Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Sheliak srl	Italy	ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Principal Activity	Capital and reserves	Profit/(Loss) for the year
Sheliak srl	General trader	8,804	(20,616)

The investment represents a 100% holding in Sheliak srl (formely called Andromeda s.r.l), a company incorporated in Italy. The investment has been written down during 1998 and the loan receivable has been provided for due to the possibility of non-recovery.

7 Creditors: amounts falling due within one year

	1998 £	1997 £
Other creditors	307,054	303,825
Accruals and deferred income	900	450
	<u>307,954</u>	<u>304,275</u>

UNIGLOBAL ASSOCIATES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 1998****8 Share Capital**

The authorised share capital of the Company comprises 1000 ordinary £1 shares all of which have been issued and are fully paid up (1997 - 1000)

9 Statement of movements on profit and loss account**Profit and
loss account
£**

Balance at 1 January 1998	(12,953)
Retained loss for the year	(279,935)
Balance at 31 December 1998	(292,888)

10 Reconciliation of movements in shareholders' funds

1998	1997
£	£

Loss for the financial year	(279,935)	(12,953)
Opening shareholders' funds	(11,953)	1,000
Closing shareholders' funds	(291,888)	(11,953)

11 Contingent liabilities

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

12 Capital commitments

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

13 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.

14 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.