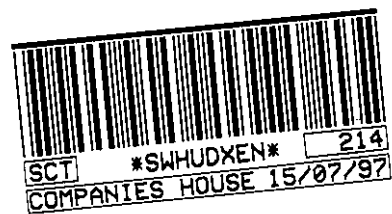


ICA Estates Limited

Report and Financial Statements

Period Ended

31 March 1997



BDO

BDO Stoy Hayward
Chartered Accountants

ICA ESTATES LIMITED

Annual report and financial statements for the period ended 31 March 1997

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Directors

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Director

H Rosenblatt

Secretary and registered office

L Rosenblatt, 56 Palmerston Place, Edinburgh, EH12 5AY.

Company number

SC513231
51321

Auditors

BDO Stoy Hayward, 8 Baker Street, London, W1M 1DA.

ICA ESTATES LIMITED

Report of the directors for the period ended 31 March 1997

The director presents his report together with the audited financial statements for the period from 1 October 1995 to 31 March 1997.

Results and dividends

The profit and loss account is set out on page 4 and shows the profit for the period.

The adverse balance on profit and loss account of £1,284,943 will be carried forward.

Principal activities

The principal activity of the company is property dealing.

Directors

The directors of the company during the period were:

H Rosenblatt	
P A Oppenheim	(resigned 11 June 1996)
D M Young	(resigned 11 June 1996)

No director had any interest in the ordinary or preference shares of the company.

H Rosenblatt is also a director of the ultimate parent undertaking, ICA (Holdings) Limited, and his interests in the share capital of that company are shown in its financial statements.

Director's responsibilities

Company law requires the director to prepare financial statements for each financial period 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 director is 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 the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. He is 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.

ICA ESTATES LIMITED

Report of the directors for the period ended 31 March 1997 (*Continued*)

Auditors

BDO Stoy Hayward were appointed as auditors during the period and have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board


H Rosenblatt

~~Secretary~~

Director

Date

30 June 1997

ICA ESTATES LIMITED

Report of the auditors

To the shareholders of ICA Estates Limited

We have audited the financial statements on pages 4 to 9 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the 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.

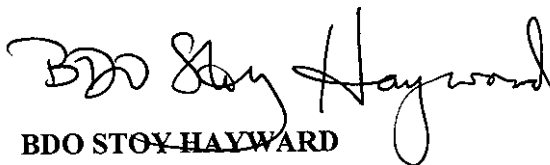
Basis of opinion

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 March 1997 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



BDO STOX HAYWARD
*Chartered Accountants
and Registered Auditors*
London

Date *30 June 1997*

ICA ESTATES LIMITED

Profit and loss account for the period ended 31 March 1997

	Note	18 months ended 31 March 1997 £	Year ended 30 September 1995 £
Turnover		24,000	54,000
Direct costs		(14,582)	(29,220)
Gross profit		9,418	24,780
Net rents	2	116,564	67,241
Provision against intercompany balances		(117,108)	(310,074)
Operating profit/(loss)		8,874	(218,053)
Interest payable		-	-
Profit/(loss) on ordinary activities before taxation		8,874	(218,053)
Taxation on profit from ordinary activities		-	-
Profit on ordinary activities after taxation		8,874	(218,053)
Adverse balance brought forward		(1,293,817)	(1,075,764)
Adverse balance carried forward		(1,284,943)	(1,293,817)

All amounts relate to continuing activities.

ICA Estates Limited has no recognised gains and losses other than the loss for the year.

The notes on pages 7 to 9 form part of these financial statements.

ICA ESTATES LIMITED

Reconciliation of movements in shareholders' funds for the period ended 31 March 1997

	18 months ended 31 March 1997 £	Year ended 30 September 1995 £
Reconciliation of movements in shareholders' funds		
Profit/(loss) for the period	8,874	(218,053)
Dividends	-	-
Net addition to/(reduction in) shareholders' funds	8,874	(218,053)
Opening shareholders' funds	(1,293,717)	(1,075,664)
Closing shareholders' funds	(1,284,843)	(1,293,717)

The notes on pages 7 to 9 form part of these financial statements.

ICA ESTATES LIMITED

Balance sheet at 31 March 1997

	Note	31 March 1997 £	30 September 1995 £
Current assets			
Stocks	1	790,143	803,102
Debtors	5	1,420	1,000
		791,563	804,102
Creditors: amounts falling due within one year	6	19,815	854,382
Net current assets/(liabilities)		771,748	(50,280)
Debtors: due after one year	5	545,190	662,298
Total assets less current liabilities		1,316,938	612,018
Creditors: amounts falling due after more than one year	7	2,601,781	1,905,735
Net liabilities		(1,284,843)	(1,293,717)
Capital and reserves			
Called up share capital	8	100	100
Profit and loss account		(1,284,943)	(1,293,817)
Shareholders' funds - equity		(1,284,843)	(1,293,717)

The financial statements were approved by the Board on 30 June 1997

H Rosenblatt

H Rosenblatt
Director

The notes on pages 7 to 9 form part of these financial statements.

ICA ESTATES LIMITED

Notes forming part of the financial statements for the period ended 31 March 1997

1 Accounting policies

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

The financial statements have been prepared under the historical cost convention,, and are in accordance with applicable UK accounting standards. The financial statements have been prepared on a going concern basis as the parent company has confirmed that it will continue to support the company to meet its obligations.

The effect of events relating to the year, which occurred before the date of approval of the financial statements by the board of directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at the year end and of the results for the year ended on that date.

Stock

Stocks, comprising properties for resale, are stated at the lower of cost and the directors' estimate of realisable value. Profits on sales of properties are taken only when legal title passes.

2 Net rents

	18 months ended 31 March 1997 £	Year ended 30 September 1995 £
Gross rents receivable	116,248	79,833
Less: Direct property outgoings	316	(12,592)
Net rents	116,564	67,241

3 Auditors' remuneration

Auditors' remuneration is accounted for on a group basis.

ICA ESTATES LIMITED

Notes forming part of the financial statements for the period ended 31 March 1997 (*Continued*)

4 Directors remuneration and staff costs

The directors received no remuneration during the period (1995 - £Nil) and there were no employees during the year (1995 - £Nil).

5 Debtors

	31 March 1997 £	30 September 1995 £
Due within one year: Prepayments	1,420	1,000
Due after one year: Due by fellow subsidiary undertakings	545,190	662,298
	<u>546,610</u>	<u>663,298</u>

6 Creditors: amounts falling due within one year

Bank overdraft	-	832,388
Accruals and deferred income	19,815	21,994
	<u>19,815</u>	<u>854,382</u>

7 Creditors: amounts falling due after more than one year

Due to parent undertaking	2,166,867	1,470,821
Due to fellow subsidiary undertakings	434,914	434,914
	<u>2,601,781</u>	<u>1,905,735</u>

There are no specified terms under which amounts owed to group undertakings are advanced. The relevant companies have, however, confirmed that repayment of the amounts noted above will not be requested in the coming year. Interest is charged at variable rates on these advances.

ICA ESTATES LIMITED

Notes forming part of the financial statements for the period ended 31 March 1997 (*Continued*)

8 Share capital

	Authorised		Allotted, called up and fully paid	
	31.3.1997	30.9.1995	31.3.1997	30.9.1995
	£	£	£	£
Ordinary shares of £1 each	100	100	100	100
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

9 Ultimate parent company

The company is wholly owned by International Caledonian Assets Limited.

At 31 March 1997 the company's ultimate parent undertaking was ICA (Holdings) Limited which is incorporated in England.

Copies of the consolidated financial statements of ICA (Holdings) Limited are available from Companies House.

10 Cash flow statement

The Accounting Standards Board has issued Financial Reporting Standard (FRS 1), which requires companies to prepare a cash flow statement in place of a statement of source and application of funds. However, companies which are wholly owned subsidiary undertakings of a European Union parent are granted exemption by FRS 1 from the requirement to prepare a cash flow statement, provided that certain conditions are met. ICA Estates Limited is such a subsidiary undertaking and, accordingly, a cash flow statement has not been prepared.