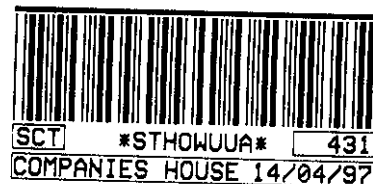


The Glasgow Caledonian University
Nominee Company
(Limited by Guarantee)

Directors' report and balance sheet

31 July 1996

Registered number 157698



The Glasgow Caledonian University Nominee Company

(Limited by Guarantee)

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The Glasgow Caledonian University Nominee Company (Limited by Guarantee)

Directors' report

The directors present their report and audited financial statements for the period ended 31 July 1996.

Business review

The company did not trade during the period.

Directors and their interests

The directors who served during the period were:

JK Macaldowie
JS Mason
JC Phillips
CML Urquhart

The directors had no financial interest in the company during the period.

Members

The company is limited by guarantee, and does not have a share capital. Glasgow Caledonian University is the sole member of the company, and its liability is limited to £2 by way of guarantee.

Auditors

KPMG were appointed as auditors during the period and in accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



Bishop and Robertson Chalmers
Secretaries

26 March 1997

The Glasgow Caledonian University Nominee Company (Limited by Guarantee)

Statement of directors' responsibilities

Company law requires the directors 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 for that period. In preparing those financial statements, the directors are required to (a) select suitable accounting policies and then apply them consistently, (b) make judgements and estimates that are reasonable and prudent, (c) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and (d) 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Report of the auditors to the members The Glasgow Caledonian University Nominee Company (Limited by Guarantee)

We have audited the financial statements on pages 3 and 4.

Respective responsibilities of directors and auditors

As described above 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. 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 July 1996 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.


KPMG
Chartered Accountants
Registered Auditors

24 Blythswood Square
Glasgow
G2 4QS

10 April 1997

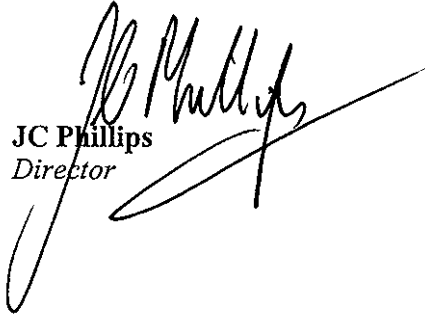


The Glasgow Caledonian University Nominee Company
(Limited by Guarantee)

Balance sheet
at 31 July 1996

The company has not traded during the period and had no assets or liabilities as at 31 July 1996.

This balance sheet was approved by the board of directors on 26 March 1997 and was signed on its behalf by:


JC Phillips
Director


JS Mason
Director

The Glasgow Caledonian University Nominee Company (Limited by Guarantee)

Notes

(forming part of the financial statements)

1 Guarantee by members

As at 31 July 1996 the company had one member. Under its guarantee, liability is limited to £2.

2 Accounting policies

Basis of accounting

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

3 Profit and loss account

The company has not traded during the period and has received no income and incurred no expenditure.

4 Parent undertaking

The parent undertaking of the group is Glasgow Caledonian University.

Copies of the group's financial statements can be obtained from Glasgow Caledonian University, 70 Cowcaddens Road, Glasgow G4 0BA.