

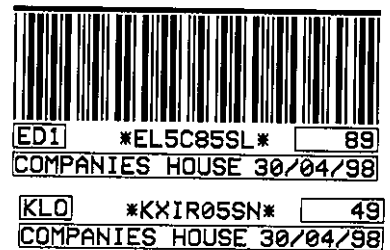
MIKEMOLE LIMITED

Company No: 1157596

FINANCIAL STATEMENTS

for the year ended

31 MARCH 1997



MIKEMOLE LIMITED

DIRECTORS

Mr. Hasias Laufer
Mr. Samuel Berger
Mrs. Sarah Rachel Klein
Mrs. Zelda Sternlicht

SECRETARY

Mr. Sighismond Berger

REGISTERED OFFICE

13-17 New Burlington Place
Regent Street
London W1X 2JP

AUDITORS

Cohen Arnold & Co.
13-17 New Burlington Place
Regent Street
London W1X 2JP

MIKEMOLE LIMITED
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FOR THE YEAR ENDED 31 MARCH 1997

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MIKEMOLE LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 1997.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The company's principal activity during the year continued to be that of a parent company; there has been no significant change in the nature of the company's business activities during the year under review.

RESULTS AND DIVIDEND

The financial results of the company's activities for the year ended 31 March 1997, are fully reflected in the attached financial statements together with the notes thereon.

The directors do not recommend the payment of a dividend for the year under review.

DIRECTORS AND THEIR INTEREST IN SHARE CAPITAL

The directors who served during the year were as follows:

Mr. Hasias Laufer
Mr. Samuel Berger
Mrs. Sarah Rachel Klein
Mrs. Zelda Sternlicht

The interests of the directors and their families in the share capital of the company are as follows:

	Number of Ordinary £1 Shares	
	1997	1996
Mr. Sighismond Berger	148	148
Estate of Gerson Berger	13	13
Brucha Berger	3	3

In addition, 2,829 shares are held jointly by Abraham Klein, Berish Berger and Milton Gross and 1,000 shares are held by Gerson Berger Association Limited, a charity company, of which the directors of this company are governors.

The Articles of Association do not require the directors to retire by rotation.

No director has a service contract with the company.

MIKEMOLE LIMITED

DIRECTORS' REPORT

(Cont'd)

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 the company and of its profit or loss for that period. In preparing the financial statements, the directors are required to:

- i) select suitable accounting policies and apply them consistently
- ii) make judgements and estimates that are reasonable and prudent
- iii) follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements
- iv) 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 maintaining 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.

DONATIONS

During the year the company made no charitable donations or political contributions.

CLOSE COMPANY


The company is a close company as defined by the Income and Corporation Taxes Act 1988.

AUDITORS

The auditors, Cohen, Arnold & Co, are willing to continue in office and a resolution re-appointing them in accordance with Section 385 of the Companies Act 1985 and authorising the board to fix their remuneration will be proposed at the Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the Board


.....
Mrs. Sarah Rachel Klein
Director

Date: 29th April 1998

REPORT OF THE AUDITORS, COHEN ARNOLD & CO.

TO THE MEMBERS OF

MIKEMOLE LIMITED

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out in note 1.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As indicated in the directors' report, 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 the financial statements and to report our opinion to you.

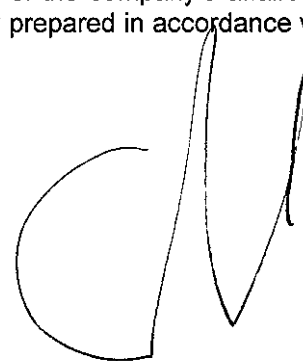
BASIS OF OPINION

We have 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 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 and to give reasonable assurance that the financial statements are free from material mis-statement, 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 at 31st March 1997 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.



London

Date: 30th April 1998

COHEN ARNOLD & CO
Chartered Accountants and
Registered Auditor

MIKEMOLE LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1997

	Notes	<u>1997</u> £	<u>1996</u> £
Administrative expenses	3	(5,009)	(1,017)
OPERATING LOSS		(5,009)	(1,017)
Interest receivable and similar income		1,568	39
Interest payable and similar charges	4	(63)	(350)
LOSS ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION		(3,504)	(1,328)
(Adverse balance)/retained profit brought forward		(1,260)	68
Adverse balance carried forward		£(4,764)	£(1,260)

None of the company's activities were acquired or discontinued during the year under review or in the previous year.

The company has no recognised gains or losses other than those reflected in the above Profit and Loss Account for the year under review or for the previous year.

The notes on pages 6 to 9 form part of these financial statements.

MIKEMOLE LIMITED**BALANCE SHEET AS AT 31 MARCH 1997**

	Notes	£	<u>1997</u>	£	£	<u>1996</u>	£
FIXED ASSETS							
Investments	5			4,893			4,893
CURRENT ASSETS							
Debtors	6	5,220			5,220		
Cash at bank and in hand		692			5,229		
			5,912		10,449		
CREDITORS: Amounts falling due within one year	7	(11,576)			(12,609)		
NET CURRENT LIABILITIES				(5,664)			(2,160)
NET (LIABILITIES)/ASSETS				£(771)			£2,733
CAPITAL AND RESERVES							
Called up share capital	8			3,993			3,993
Profit and loss account				(4,764)			(1,260)
				£(771)			£2,733

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and were approved by the Board on 29th April 1998 and signed on its behalf by:-


Mrs. Sarah Rachel Klein

Directors


Mrs. Zeld Sternlicht

The notes on pages 6 to 9 form part of these financial statements.

MIKEMOLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1997

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in the preparation of the company's financial statements.

1.1 BASIS OF ACCOUNTING

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

1.2 CONSOLIDATED FINANCIAL STATEMENTS

The company is exempt from the requirement to produce consolidated financial statements on the basis of it being a "small group" as defined by Section 248 of the Companies Act 1985.

1.3 CASH FLOW STATEMENT

The company is exempt from the requirement to prepare a cash flow statement (in accordance with Financial Reporting Standard No. 1) on the basis of it being a "small company" as defined by Section 247 Companies Act 1985.

2. FORMAT OF FINANCIAL STATEMENTS

The financial statements are presented in accordance with the format described in Schedule 4 of the Companies Act 1985 with suitable adaption thereof which the directors consider to be appropriate having regard to the nature of the company's activities.

3. ADMINISTRATIVE EXPENSES

	<u>1997</u>	<u>1996</u>
	£	£
Auditors' remuneration	470	881
Legal and professional fees	4,406	-
Office and administration costs	133	136
	<hr/>	<hr/>
	£5,009	£1,017
	<hr/>	<hr/>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1997</u>	<u>1996</u>
	£	£
Bank overdraft repayable within one year	£63	£350
	<hr/>	<hr/>

MIKEMOLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1997

5. INVESTMENTS

	<u>1997</u> £	<u>1996</u> £
Investments in subsidiary undertakings:		
<i>At 1st April 1996 and 31st March 1997</i>	£4,893	£4,893

The company owns 100% of the ordinary share capital of Tripform Limited, a company incorporated in England, whose principal activity is as a parent undertaking. Its direct active subsidiaries are as follows:

	Description & Proportion of Share Capital Owned	Country of Incorporation	Nature of Business
Avida (London) Ltd	Ordinary 100% Preference 100%	England	Property Investment Co.
B. Fordyce Ltd	Ordinary 100% Preference 100%	England	Property Investment Co.
B. & R. Sigmar Ltd	Ordinary 100%	England	Property Investment Co.
Clapham Inv. & Mortgage Co. Ltd	Ordinary 100% Preference 100%	England	Property Investment Co.
Cramion Co. Ltd	Ordinary 100% Preference 100%	England	Property Investment Co.
Dexite Co. Ltd	Ordinary 100% Preference 100%	England	Property Investment Co.
Edgecroft Ltd	Ordinary 105%	England	Investment Co.
M & M Savant Ltd	Ordinary 100% Preference 100%	England	Property Investment Co.
Malkholme Co. Ltd	Ordinary 100% Preference 100%	England	Share Investment Co.
M. Inber Ltd	Ordinary 100% Preference 100%	England	Property Investment Co.
Severnate Co. Ltd	Ordinary 100% Preference 100%	England	Property Investment Co.

In addition, Dexite Co. Limited has two subsidiaries, details of which are as follows:

	Description & Proportion of Share Capital Owned	Country of Incorporation	Nature of Business
Louisdene Limited	Ordinary 100%	England	Dormant
Marionette Limited	Ordinary 100% Preference 100%	England	Property Investment Co.

MIKEMOLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1997

5. INVESTMENTS (Cont...)

The value of the investment in the subsidiary companies based on the net equity method is as follows:-

	Aggregate capital and reserves at 31st March 1997 £	Profit/(Loss) for the year ended 31st March 1997 £
Avida (London) Limited	668,653	147,291
B. Fordyce Limited	25,331	1,005
B & R Sigmar Limited	149,350	3,384
Clapham Inv. & Mortgage Co. Ltd	41,993	3,588
Cramion Company Limited	272,759	44,346
Dexite Company Limited	1,556,970	(68,736)
Edgcroft Limited	(308,238)	(183,138)
Louisdene Limited	31,438	(369)
M & M Savant Limited	379,576	(148,579)
Malkholme Company Limited	366,174	223,774
Marionette Limited	122,972	181,876
M. Inber Limited	420,998	(27,733)
Severnate Company Limited	143,326	36,450
Tripmole Limited	(1,638)	(549)

6. DEBTORS

	<u>1997</u> £	<u>1996</u> £
Loan debtors	£5,220	£5,220
	<u> </u>	<u> </u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1997</u> £	<u>1996</u> £
Amounts due to subsidiary undertakings	8,660	8,129
Loan creditors	1,565	3,065
Sundry creditors and accruals	1,351	1,415
	<u> </u>	<u> </u>
	£11,576	£12,609
	<u> </u>	<u> </u>

MIKEMOLE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1997

8. SHARE CAPITAL

	<u>1997</u>	<u>1996</u>
	£	£
<u>Authorised</u>		
3,993 ordinary shares of £1 each	£3,993	£3,993
	<u> </u>	<u> </u>
<u>Issued and Fully Paid</u>		
3,993 ordinary shares of £1 each	£3,993	£3,993
	<u> </u>	<u> </u>

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1997</u>	<u>1996</u>
	£	£
Loss for financial year	(3,504)	(1,328)
	<u> </u>	<u> </u>
Net movement in shareholders' funds	(3,504)	(1,328)
Opening shareholders' funds	2,733	4,061
	<u> </u>	<u> </u>
	£(771)	£2,733
	<u> </u>	<u> </u>