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COLUMBIA HOUSE PROPERTIES (NO 3) LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30TH APRIL 1997
COMPANY NO. 3203167

GRUNBERG & CO
Chartered Accountants



REPORT OF THE AUDITORS
TO COLUMBIA HOUSE PROPERTIES (NO 3) LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8
TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 6, and 8 to 10 together with the financial statements of Columbia House Properties (No 3) Limited prepared under section 226 of the Companies Act 1985 for the period ended 30th April 1997.

Respective responsibilities of directors and auditors

The director is responsible for preparing abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the director's statement on page 6 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion, the company is entitled under section 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the period ended 30th April 1997 and the abbreviated accounts on pages 6, and 8 to 10 have been properly prepared in accordance with that Schedule.

Other information

We reported, as auditors of Columbia House Properties (No 3) Limited, to the members on 5th June 1997 on the full financial statements prepared under S.226 of the Companies Act 1985 for the period ended 30th April 1997, and our audit opinion was as follows:

"We have audited the financial statements on pages 6 to 11 which have been prepared under the accounting policies set out on page 8.

Respective responsibilities of the director and auditors

As described on page 1, the company's director is 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.

REPORT OF THE AUDITORS
TO COLUMBIA HOUSE PROPERTIES (NO 3) LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8
TO THE COMPANIES ACT 1985 (continued)


Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes an 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 director 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 at 30th April 1997, and of its loss for the period then ended, and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies."


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GRUNBERG & CO
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS
12/13 Accommodation Road
Golders Green
LONDON NW11 8ED

3rd July 1997

COLUMBIA HOUSE PROPERTIES (NO 3) LIMITED

BALANCE SHEET

AS AT 30TH APRIL 1997

	Note	£	1997	£
FIXED ASSETS	2			2,927
CURRENT ASSETS	3	4,222,506		
CREDITORS:				
Amounts due within one year	6	4,454,713		
NET CURRENT LIABILITIES				(232,207)

				£ (229,280)
				=====
CAPITAL AND RESERVES				
Called up share capital	7			2
Profit and loss account				(229,282)

	11			£ (229,280)
				=====

In preparing these financial statements, the director has taken advantage of:-

- a) the exemptions conferred on small companies by Schedule 8, Part I of the Companies Act 1985.
- b) the exemptions conferred on small companies by Schedule 8, Part III of the Companies Act 1985.

In the opinion of the director, the company qualifies as a small company and is therefore entitled to make use of these exemptions.

R N O'Carroll

R N O'Carroll

DIRECTOR

26th June 1997

COLUMBIA HOUSE PROPERTIES (NO 2) LIMITED

NOTES FORMING PART OF THE ACCOUNTS

FOR THE PERIOD ENDED 30TH APRIL 1997

1. ACCOUNTING POLICIES

There have been no changes in accounting policies during the period under review.

(a) Accounting convention

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

(b) Turnover

Turnover represents the invoiced amount of properties sold and services provided during the period stated net of Value Added Tax.

(c) Depreciation

Depreciation is provided to write off the cost less estimated residual values of all fixed assets over their expected useful lives, at the following annual rates:

Fixtures, fittings and equipment - 25% on net book value

(d) Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present condition and location. Net realisable value is based on the estimated selling price less any further costs expected to be incurred to completion and disposal.

(e) Deferred taxation

Provision is made for deferred taxation arising from the excess of capital allowances over depreciation charged and other timing differences to the extent that it is considered a liability will crystallise in the foreseeable future.

(f) Cash flow statements

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from producing a cash flow statement on the grounds that it is a small company.

(g) Continuing activities

None of the company's activities were acquired or discontinued during 1997.

COLUMBIA HOUSE PROPERTIES (NO 3) LIMITED
NOTES FORMING PART OF THE ACCOUNTS
FOR THE PERIOD ENDED 30TH APRIL 1997 (continued)

2. FIXED ASSETS - TANGIBLES

	Fixtures & Fittings £
COST	
Additions	3,903
At 30th April 1997	----- £ 3,903 =====
AGGREGATE DEPRECIATION	
Charge for period	976
At 30th April 1997	----- £ 976 =====
NET BOOK VALUE	
At 30th April 1997	£ 2,927 =====

3. CURRENT ASSETS

Stock and work in progress (Note 4)	4,010,085
Debtors due within one year (Note 5)	66,501
Cash at bank and in hand	145,920
	----- £ 4,222,506 =====

4. STOCK AND WORK IN PROGRESS

Work in progress	£ 4,010,085 =====
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In the opinion of the directors there is no material difference between the replacement cost of stock and that stated above.

5. DEBTORS

Amounts falling within one year:

Prepayments and accrued income	64,214
Other debtors	2,287
	----- £ 66,501 =====

COLUMBIA HOUSE PROPERTIES (NO 3) LIMITED
NOTES FORMING PART OF THE ACCOUNTS
FOR THE PERIOD ENDED 30TH APRIL 1997 (continued)

	1997 £
6. CREDITORS	
Amounts falling due within one year:	
Trade creditors	130,777
Other creditors	77,276
Taxation and social security	58,127
Accruals and deferred income	25,000
Bank loans and overdrafts	3,270,129
Amount due to holding company	247,535
Amount due to fellow subsidiary	40,346
Amount due to related companies	605,523

	£4,454,713
	=====
7. SHARE CAPITAL	
Authorised:	
1,000 Ordinary shares of £1 each	£ 1,000
	=====
Allotted and fully paid:	
2 Ordinary shares of £1 each	£ 2
	=====