

AUDITORS' REPORT TO MONTICELLO LIMITED

We have audited the attached balance sheet and the related notes.

Respective responsibilities of directors and auditors

The Company's directors are responsible for the preparation of the balance sheet. It is our responsibility to form an independent opinion, based on our audit and to report our opinion to you.

Basis of opinion

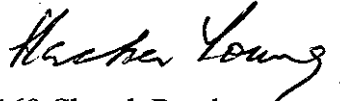
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures. It also includes an estimate of the significant estimates and judgements made by the directors, and 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 balance sheet is 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 balance sheet.

Opinion

In our opinion the balance sheet gives a true and fair view of the state of the company's affairs at 8th January 1999 and has been properly prepared in accordance with the provisions of the Companies Act 1985, which would have applied had the balance sheet been prepared for a financial year of the company.

Hacker Young
Chartered Accounts
Registered Auditors


168 Church Road
Hove, BN3 2DL

8th January 1999

