

Company number: SC20701

DEBRETТА LIMITED

REPORTS AND FINANCIAL STATEMENTS

FOR YEAR ENDED 31 DECEMBER 1998

MAZARS NEVILLE RUSSELL
Chartered Accountants
24 Bevis Marks
LONDON EC3A 7NR



DEBRETТА LIMITED

DIRECTORS:

J A H M Mackenzie (Resigned 8 December 1998)
P McDonald
K C Scates

SECRETARY:

P McDonald

REGISTERED OFFICE:

50 Lothian Road
Festival Square
EDINBURGH EH3 9WJ

AUDITORS:

Mazars Neville Russell
24 Bevis Marks
LONDON EC3A 7NR

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DIRECTORS' REPORT

The directors submit their report and the audited accounts of the company for the period ended 31 December 1998

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- 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.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The company did not trade during the period.

DIRECTORS

The directors set out below have held office during the whole of the period from 1 January 1998 to the date of this report, unless otherwise stated:

J A H M Mackenzie (Resigned 8 December 1998)
P McDonald
K C Scates

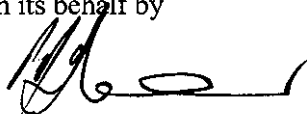
J A H M MacKenzie has no interest in the shares of this company or in SEET plc. K C Scates and P McDonald are directors of SEET plc, of which this company is a wholly owned subsidiary, and their interest in the shares of the holding company are given in those accounts.

AUDITORS

On 1 September 1998 our auditors Neville Russell changed their name to Mazars Neville Russell and have signified their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 22 March 1999
and signed on its behalf by

P. McDonald
Secretary



REPORT OF THE AUDITORS TO THE MEMBERS OF**DEBRETТА LIMITED**

We have audited the financial statements on pages 3 and 4 which have been prepared following the accounting policies set out on page 4.

Respective responsibilities of directors and auditors

As described on page 1, 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 judgments 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 December 1998 and have been properly prepared in accordance with the Companies Act 1985.



MAZARS NEVILLE RUSSELL
CHARTERED ACCOUNTANTS
and Registered Auditors

London

Date: 22 MARCH 1999

BALANCE SHEET as at 31 December 1998

	Note	1998 £	1997 £
FIXED ASSETS			
Investments	2	15,878	15,878
CURRENT ASSETS			
Debtors	3	33,259	33,259
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	4	176,052	176,052
NET CURRENT ASSETS/(LIABILITIES)		(142,793)	(142,793)
TOTAL ASSETS LESS CURRENT LIABILITIES		£(126,915)	£(126,915)
CAPITAL AND RESERVES			
Called up share capital	5	4,000	4,000
Profit and loss account		(130,915)	(130,915)
SHAREHOLDERS' FUNDS		£(126,915)	£(126,915)

Approved by the board on 22 March 1999
And signed on its behalf by



K C Scates
Director



P. McDonald
Director

NOTES TO THE FINANCIAL STATEMENTS**For the period ended 31 December 1998****1. ACCOUNTING POLICIES**

The accounts have been prepared in accordance with applicable accounting standards, the Companies Act 1985 and under the historical cost convention.

2. PROFIT AND LOSS ACCOUNT

The company did not trade during the period and there were no transactions on the profit and loss Account.

3. INVESTMENT IN SUBSIDIARY COMPANY

	1998 £	1997 £
Shares at cost	£15,878	£15,878
	=====	=====

The company owns 100% (31 December 1997: 100%) of the issued share capital of Beau Brummel Limited a non-trading company, registered in Scotland.

The carrying value of this investment was previously more than the investments, therefore, this Additional amount has been written off..

4. DEBTORS

	1998 £	1997 £
Group companies	£33,259	£33,259
	=====	=====

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1998 £	1997 £
Group companies	£176,052	£176,052
	=====	=====

6. CALLED UP SHARE CAPITAL

	1998 £	1997 £
Authorised, allotted and fully paid 4,000 ordinary shares of £1 each	£4,000	£4,000
	=====	=====

7. ULTIMATE HOLDING COMPANY

The ultimate parent company is SEET plc, a company registered in Scotland. This company has Undertaken to provide continuing financial support to cover the net asset deficit.