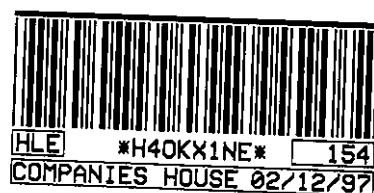


JOHN HEMINGWAY LIMITED
REPORT AND FINANCIAL STATEMENTS
31ST MARCH 1997

JOHN GORDON WALTON & CO.



co. number: 286143

John Hemingway Limited

Directors' Report

for the year ended 31st March 1997

<u>Directors</u>	M. R. Johnson R. Grant, F.C.A.
<u>Secretary</u>	R. Grant

Activity

The company is no longer trading and has been dormant for several years.

Directors' interests in shares in group companies

	Beneficial and Family Interests		As Trustee
	<u>1997</u>	<u>1996</u>	<u>1997 and 1996</u>
<u>Hemingways (Furnishers) Ltd</u>			
Ordinary Shares of £1			
M.R. Johnson	14,022	14,022	
R. Grant	2,000	2,000	
4.2% Cumulative Preference Shares of £1			
M.R. Johnson	515	515	}
R. Grant	1,190	1,190	
			1,650
5.25% Cumulative Preference Shares of £1			
M.R. Johnson	774	774	}
R. Grant	355	355	
			10,014

Appointment and retirement of directors

In terms of the Articles of Association, the director retiring at this time is R. Grant who, being eligible, offers himself for re-election.

Auditors

A resolution proposing the re-appointment of Messrs. John Gordon Walton & Co. will be put to the Annual General Meeting.

John Hemingway Limited

Directors' Report

for the year ended 31st March 1997 (continued)

Statement of Directors' Responsibilities

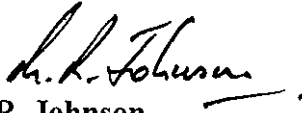
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

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

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

This report was approved by the Board on 21 November 1997


M. R. Johnson
Director

Auditors' Report

To the Shareholders of John Hemingway Limited

We have audited the financial statements on pages 4 to 5 which have been prepared under the historical cost convention.

Respective responsibilities of directors and auditors

As described on page 2 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 financial statements and to report our opinion to you.

Basis of opinion

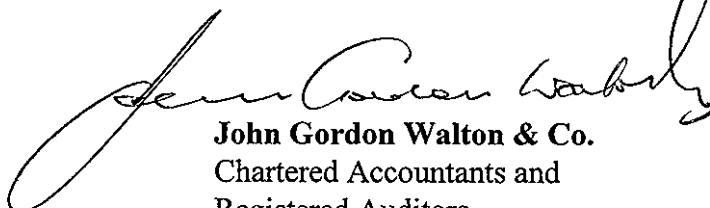
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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 31st March 1997 and have been properly prepared in accordance with the Companies Act 1985.

Leeds
24 November 1997



John Gordon Walton & Co.
Chartered Accountants and
Registered Auditors

John Hemingway Limited

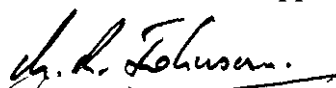

Balance Sheet

31st March 1997

	Notes	<u>1997</u> £	<u>1996</u> £
<u>Current Asset</u>			
Advance to holding company	1	<u>572</u>	<u>572</u>
<u>Capital and Reserves</u>			
Called up share capital	2	10,000	10,000
Profit and loss account - adverse balance	3	(9,428)	(9,428)
<u>Shareholders' funds</u>	4	<u>572</u>	<u>572</u>
Attributable to:			
Equity Interest		-	-
Non-equity Interest		<u>572</u>	<u>572</u>
		<u>572</u>	<u>572</u>

The financial statements have been prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 21 November 1997


M.R. Johnson)

R. Grant) Directors

John Hemingway Limited

Notes to the Balance Sheet

1. Holding Company and Related Party Transaction

The company is a wholly owned subsidiary of Hemingways (Furnishers) Limited, incorporated in England. The only related party transaction is the advance to the holding company of £572 (1996 £572).

2. Called up share capital

Authorised, issued
and fully paid
£

Ordinary shares of £1 each	2,500
4.2% redeemable preference shares of £1 each (redeemable by the company on six months notice)	<u>7,500</u>
	<u>10,000</u>

3. Profit and Loss Account

The company has been dormant for several years. There were no transactions on profit and loss account during the year and accordingly no profit and loss account has been prepared.

4. Shareholders' Funds

As the company was dormant through the year there were no movements in shareholders' funds.

5. Guarantee

The company is party, with other members of the group, to an unlimited multilateral guarantee securing group overdraft facilities.

6. Control

The company is under the ultimate control of M. R. Johnson.