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SAWIN & EDWARDS

CHARTERED ACCOUNTANTS

REGISTERED AUDITORS

PARTNERS: WITOLD SAWIN FCA KEELEY EDWARDS FCCA

AUDITORS' REPORT TO MERCHANT CAPITAL CORPORATE FINANCE LIMITED

We have audited the attached balance sheet and 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 assessment 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 22 October 2002 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.

Keeley Edwards

Sawin & Edwards
Registered Auditors
30 October 2002

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COMPANIES HOUSE 11/10/02