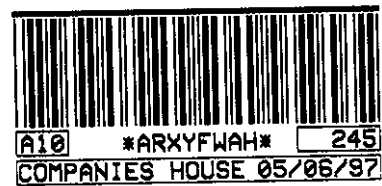


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PROCON (GREAT BRITAIN) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1996



PROCON (GREAT BRITAIN) LIMITED

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PROCON (GREAT BRITAIN) LIMITED

OFFICERS AND ADVISERS

DIRECTORS:

W R MacMillan
J M Smith
M C E Sturt

COMPANY SECRETARY:

D J White

REGISTERED OFFICE

P O Box 60
Broadheath
Altrincham
Cheshire
WA14 5EP

BANKERS:

Barclays Bank plc
Manchester City Office
51 Mosley Street
Manchester
M60 2AU

AUDITORS:

Rushtons
Starkie House
Winckley Square
Preston
Lancashire
PR1 3JJ

PROCON (GREAT BRITAIN) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1996

Directors Responsibilities

Company law requires us as 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 we are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable us to ensure that the financial statements comply with the Companies Act 1985. We are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

W R MacMillan
J M Smith
M C E Sturt

Secretary

D J White

Registered Office

P O Box 60
Broadheath
Altrincham
Cheshire
WA14 5EP

Principal Activities

The company has ceased trading, but continues to function in the winding up of the staff pension scheme.

The results for the year are shown in the attached Profit and Loss Account.

PROCON (GREAT BRITAIN) LIMITED

DIRECTORS REPORT FOR THE YEAR ENDED 31 DECEMBER 1996

Directors

The present Directors are as shown above.

The Company's Articles of Association do not require Directors to retire by rotation.

The Directors do not have any interests which require disclosure under Section 234 of the Companies Act 1985.

Close Company Status

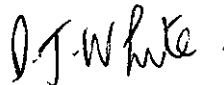
The Company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

Auditors

The auditors, Rushtons, have indicated their willingness to accept re-appointment under Section 385(2) of the Companies Act 1985.

This report has been prepared taking advantage of the exemptions conferred by Part II of Schedule 8 of the Companies Act 1985, on the grounds that in the opinion of the Directors the Company is entitled to these exemptions as a small company.

BY ORDER OF THE BOARD



**D J WHITE
SECRETARY**

Date: 27TH MARCH 1997

AUDITORS REPORT TO THE MEMBERS OF

PROCON (GREAT BRITAIN) LIMITED

We have audited the financial statements on page 5 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

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 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 judgements 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.

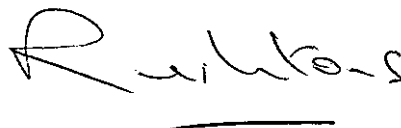
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Fundamental Uncertainty

The financial statements have been prepared on a going concern basis. This basis may not be appropriate because at that date the Company had net liabilities of £7,871,024 including an amount due to group undertakings of £7,893,229. It is therefore insolvent within the terms of Section 123 of the Insolvency Act 1986. Should the Company be unable to continue trading, adjustments might have to be made to reduce the value of assets to their recoverable amount and to provide for any further liabilities which may arise. Our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31 December 1996 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 as applicable to small companies.



**RUSHTONS
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS**

Date: 7 April 1997

Starkie House
Winckley Square
Preston
Lancashire PR1 3JJ

PROCON (GREAT BRITAIN) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1996

	Notes	1996	1995
		£000	£000
Turnover	2	0	14
Cost of Sales		0	(9)
		—	—
Gross Profit		0	5
Other Operating Charges		(9)	(13)
		—	—
Operating Profit/(Loss)	3	(9)	(8)
Interest Received		1	2
		—	—
Loss on Ordinary Activities before Taxation		(8)	(6)
		—	—
Loss on Ordinary Activities after Taxation		(8)	(6)
Retained (Deficit) brought forward at 1 January 1996		(7,868)	(7,862)
		—	—
Retained (Deficit) carried forward at 31 December 1996		(7,876)	(7,868)
		=	=

The only recognised loss for the year is the loss for the year of (£8,070) (1995 £6,446).

There were no acquisitions in the year.

The Company has ceased to provide property for rental.

The annexed notes form part of these financial statements.

PROCON (GREAT BRITAIN) LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1996

	Notes	1996	1995
		£000	£000
Current Assets			
Debtors	5	-	1
Cash at Bank and in Hand		23	31
		—	—
		23	32
Less Creditors:-			
Amounts falling due within one year	6	(7,894)	(7,895)
		—	—
Net Current Liabilities		(7,871)	(7,863)
		=====	=====
Capital and Reserves			
Called up Share Capital	4	5	5
Profit and Loss Account		(7,876)	(7,868)
		—	—
		(7,871)	(7,863)
		=====	=====

The Directors have taken advantage of the special exemptions conferred by Part I of Schedule 8 of the Companies Act 1985 and have done so on the grounds that, in their opinion, the Company is entitled to those special exemptions as a small company.

W R MACMILLAN
DIRECTOR

W R Macmillan

Date: 27th March 97

PROCON (GREAT BRITAIN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1996

1 Accounting Policies

(a) The financial statements have been prepared on the historical cost basis as in prior years, and on a going concern basis since support will continue to be provided by group companies. The accounts have been prepared in accordance with applicable accounting standards.

(b) Foreign Currency

Transactions denominated in foreign currencies are translated at the rate ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into pounds sterling at the exchange rates ruling at the Balance Sheet date. Differences on translation are reflected in the Profit and Loss Account.

(c) Deferred Taxation

In accordance with the principles contained in Statement of Standard Accounting Practice No 15 the Company has adopted the policy of providing for deferred taxation only to the extent that it is expected to fall due for payment in the foreseeable future.

2 Turnover

Turnover is the amount receivable in the ordinary course of business for services provided excluding Value Added Tax.

In the previous year this was comprised solely of rental income and associated expenses.

3 Operating Profit/(Loss)	1996	1995
This is stated after charging:-	£000	£000
Auditors Remuneration	1	1
	=	=

The Company has no employees and consequently, no staff costs. The Directors receive no emoluments from the Company.

PROCON (GREAT BRITAIN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1996

4	Called up Share Capital	1996	1995
		£000	£000
	Authorised Ordinary Shares of £1 each	5	5
		=	=
	Allotted, Issued and fully paid Ordinary Shares of £1 each	5	5
		=	=
5	Debtors	1996	1995
	Amounts falling due within one year:-	£000	£000
	Prepayments	-	1
		-	-
		-	1
		=	=
6	Creditors	1996	1995
	Amounts falling due within one year:-	£000	£000
	Amount owed to Parent Company and other Group Undertakings	7,893	7,893
	Accruals	1	2
		-----	-----
		7,894	7,895
		=====	=====

Inter-Company loans are included in amounts owed to holding company and fellow subsidiaries. These loans, which in prior years were primarily dollar denominated, were converted to sterling loans with effect from 1 January 1991. The loans are unsecured and have no fixed repayment date.

PROCON (GREAT BRITAIN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1996

7 Reconciliation of Shareholders' Funds	1996	1995
	£000	£000
Profit/(Loss) for the Financial Year	(8)	(6)
Opening Shareholders' Funds	(7,863)	(7,857)
	<hr/>	<hr/>
Closing Shareholders' Funds	(7,871)	(7,863)
	<hr/>	<hr/>

8 Ultimate Holding Company

The Company's ultimate holding company is the Koll Real Estate Group Inc., incorporated in the State of Delaware, USA.

9 Capital Commitments

There were no Capital Commitments at 31 December 1996.

10 Contingent Liabilities

At 31 December 1996 there were no Contingent Liabilities.