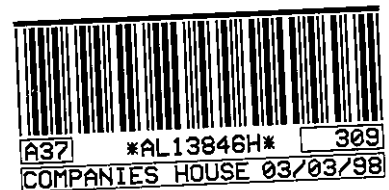


DUKES LODGE (FM) LIMITED

FINANCIAL STATEMENTS
31 JULY 1997

Registration Number 823445

Naylor Veitch
Chartered Accountants
8 Colston Avenue
Bristol BS1 4ST



DUKES LODGE (FM) LIMITED

REPORT OF THE DIRECTORS

The directors submit their report and financial statements of Dukes Lodge (FM) Limited for the year ended 31 July 1997.

ACTIVITIES

The principal activity of the company during the year was that the provision of services to the field of entertainment.

REVIEW OF THE BUSINESS

The company has experienced another difficult year, but the directors consider the results to be satisfactory.

DIVIDENDS

The directors do not recommend the payment of a dividend.

DIRECTORS

The directors as at 31 July 1997, together with their interest in the share capital of the company at the beginning and end of the year are shown below:-

	Ordinary Shares of £1 each	
	31.07.97	31.07.96
JD Gilbert	50	50
J McKenzie Gilbert	-	-

By order of the Board



JD Gilbert
Secretary

Feb 24 1998

DUKES LODGE (FM) LIMITED

Financial statements for the year ended 31 July 1997

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;
- state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements;
- 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 irregularities.

DUKES LODGE (FM) LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 July 1997

	Notes	1997 £	1996 £
TURNOVER	1	742	785
Less: Cost of sales		-	-
Gross profit		742	785
Other operating expenses (net)	2	502	752
OPERATING PROFIT		240	33
Interest receivable	3	26	24
Interest payable	4	7	4
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		259	53
Taxation	6	-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	12	259	53

All income and expenditure derive from the company's continuing operations. There were no operations discontinued or acquired during the year.

As there were no gains or losses, other than those accounted for in the profit and loss account, no Statement of Recognised Gains and Losses has been included with these financial statements.

The notes on pages 7 to 10 form part of these financial statements.

DUKES LODGE (FM) LIMITED

BALANCE SHEET

As at 31 July 1997

	Notes	1997 £	1996 £
FIXED ASSETS			
Tangible assets	7	315	370
CURRENT ASSETS			
Debtors	8	3,008	2,170
Cash at bank in hand		1,444	1,840
		<u>4,442</u>	<u>4,010</u>
CURRENT LIABILITIES			
Amounts falling due within one year	9	(10,194)	(10,066)
NET CURRENT (LIABILITIES)		<u>(5,742)</u>	<u>(6,056)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(5,427)</u>	<u>(5,686)</u>
CREDITORS-amounts falling due after one year	10	-	-
NET (LIABILITIES)		<u><u>(5,427)</u></u>	<u><u>(5,686)</u></u>
CAPITAL AND RESERVES			
Called up share capital	11	100	100
Profit and loss account	12	(5,527)	(5,786)
Equity shareholders funds	13	<u><u>(5,427)</u></u>	<u><u>(5,686)</u></u>

The directors confirm that:-

- a) for the period in question the company was entitled to exemption under section 249A(1)
- b) no member or members have requested an audit under section 249B(2)
- c) they recognise their responsibilities for:-
 - (i) ensuring the company keeps accounting records comply with section 221, and
 - (ii) preparing accounts that give a true and fair view of the state of affairs of the company in accordance with section 226, and which otherwise comply with the requirements of the Act relating to accounts.

The note on pages 7 to 10 form part of these financial statements.

Approved by the Board Feb 24 1998

JD Gilbert

J. D. Gilbert
DIRECTORS

J McKenzie Gilbert

Joan McKenzie Gilbert

DUKES LODGE (FM) LIMITED

Financial statements for the year ended 31 July 1997

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards.

The company has taken advantage of the exemption allowed under section 8 of FRS 1, permitting the company not to include a cash flow statement, as the company is classified as a small company under sections 246 to 249 of the Companies Act 1985.

DEFERRED TAXATION

Provision is made for taxation deferred or accelerated by the effect of timing differences, to the extent that it is probable that the liability will crystallise, at the rate expected to be ruling at that date.

TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of services provided to customers.

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost.

Depreciation is provided on all tangible fixed assets to write off the cost of the asset over its estimated useful life as follows:

Office and technical equipment	15% on reducing balance
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GOING CONCERN

These financial statements have been prepared on a going concern basis, as the controlling shareholder/director has confirmed that finance will continue to be made available by him to enable the company to meet its liabilities as they fall due.

DUKES LODGE (FM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 1997

	1997	1996
	£	£
1		
TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
The company's turnover and profit before taxation were all derived from its principal activity. Sales were made in the following geographical markets .		
United Kingdom and Eire	742	785
	<u>742</u>	<u>785</u>
2		
OTHER OPERATING EXPENSES(NET)		
Administrative expenses	502	752
Other operating income	-	-
	<u>502</u>	<u>752</u>
	<u>502</u>	<u>752</u>
3		
INVESTMENT INCOME		
Other interest receivable	26	24
	<u>26</u>	<u>24</u>
4		
INTEREST PAYABLE		
On bank loans and overdrafts and other loans wholly repayable within 5 years :	7	4
	<u>7</u>	<u>4</u>
5		
EMPLOYEES		
The average weekly number of employees (including directors) employed by the company during the year was :		
Office and management	2	2
	<u>2</u>	<u>2</u>
Staff costs for the above persons :		
Wages and salaries	-	-
Social security costs	-	-
Other pensions costs	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

DUKES LODGE (FM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 1997

	1997 £	1996 £
6 TAXATION		
Based on the profit for the year :		
UK Corporation tax at 24 %(1996-25%)	-	-
(Over)/under provided in earlier years	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
7 FIXED ASSETS	Equipment	Total
	£	£
COST		
As at 1.08.96	435	435
Additions	-	-
Deletions	-	-
	<u>-</u>	<u>-</u>
As at 31.07.97	435	435
	<u>-</u>	<u>-</u>
DEPRECIATION		
As at 1.08.96	65	65
Charge for the year	55	55
Deletions	-	-
	<u>-</u>	<u>-</u>
As at 31.07.97	120	120
	<u>-</u>	<u>-</u>
As at 31.07.97	315	315
	<u>-</u>	<u>-</u>
As at 31.07.96	370	370
	<u>-</u>	<u>-</u>
8 DEBTORS(due within one year)		
Other debtors	3,008	2,170
Prepayments and accrued income	-	-
	<u>-</u>	<u>-</u>
	3,008	2,170
	<u>-</u>	<u>-</u>
9 CREDITORS		
Amounts falling due within one year		
Bank loans and overdrafts	-	-
Trade creditors	-	-
Other taxation and social security	607	607
Other creditors	9,337	9,209
Accruals and deferred income	250	250
	<u>-</u>	<u>-</u>
	10,194	10,066
	<u>-</u>	<u>-</u>

DUKES LODGE (FM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 1997

	1997	1996
	£	£
10 CREDITORS		
Amounts falling due in more than one year		
Director's loan	-	-
	<u> </u>	<u> </u>
11 SHARE CAPITAL		
Authorised:		
50 'A' ordinary shares of £1 each	50	50
50 'B' ordinary shares of £1 each	50	50
	<u> </u>	<u> </u>
	100	100
	<u> </u>	<u> </u>
Allotted, issued and fully paid		
50 'A' ordinary shares of £1 each	50	50
50 'B' ordinary shares of £1 each	50	50
	<u> </u>	<u> </u>
	100	100
	<u> </u>	<u> </u>
12 PROFIT AND LOSS ACCOUNT		
1 August 1996	(5,786)	(5,839)
Profit for the year	259	53
	<u> </u>	<u> </u>
31 July 1997	(5,527)	(5,786)
	<u> </u>	<u> </u>
13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS		
Profit for the financial year	259	53
Opening shareholders' funds	(5,686)	(5,739)
	<u> </u>	<u> </u>
Closing shareholders' funds	(5,427)	(5,686)
	<u> </u>	<u> </u>
14 CAPITAL COMMITMENTS		
Capital expenditure contracted for but not provided in the financial statements	nil	nil
Capital expenditure authorised but not contracted for	nil	nil
	<u> </u>	<u> </u>