

Company Registration No. 01959777 (England and Wales)

ANNFOLD LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1996

Jeffreys Henry

**Finsgate
5-7 Cranwood Street
London
EC1V 9EE**



ANNFOLD LIMITED

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ANNFOLD LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 1996

The director presents his report and financial statements for the year ended 31 December 1996.

Principal activities and review of the business

The principal activity of the company continued to be that of property investment.

The director considers the results of the year to be satisfactory.

Results and dividends

The results for the year are set out on page 4.

It is proposed that the retained loss of £ 1,000 is transferred to reserves.

Fixed assets

The significant changes in fixed assets during the year are explained in note 4 to the financial statements.

Director

The following director has held office since 1 January 1996:

S.A. Couldridge

Director's interests

The director's beneficial interest in the shares of the company was as stated below:

	Ordinary shares of £1 each	
	31 December 1996	1 January 1996
S.A. Couldridge	-	-

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Jeffreys Henry be reappointed as auditors of the company will be put to the Annual General Meeting.

ANNFOLD LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 1996

Director's responsibilities

Company law requires the director 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 director is 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 the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

By order of the board


.....

8/7/99
.....
Date

ANNFOLD LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF ANNFOLD LIMITED

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of the director and auditors

As described on page 2 the company's director is 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, except that the scope of our work was limited as explained below. 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 director 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. However, the evidence available to us was limited because;

- i) the company was not able to provide any evidence as to the existence or valuation of its fixed assets,
- ii) the company was not able to provide any evidence as to the validity and completeness of its liabilities, and
- iii) the company was not able to provide us with the standard audit confirmation from its bankers as to the bank balances. We are therefore unable to verify that the bank balances are stated correctly and, if any contingent liabilities disclosed properly. There were no other satisfactory audit procedures that we could adopt to confirm that the above items were properly recorded and adequately disclosed.

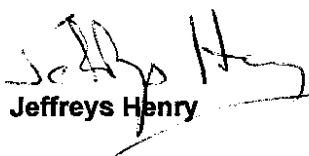
In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Disclaimer of opinion

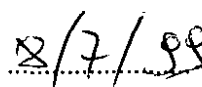
Because of the possible effect of the limitation in evidence available to us, we are unable to form an opinion as to whether the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1996 or of its loss for the year then ended. In all other respects, in our opinion the financial statements have been properly prepared in accordance with the Companies Act 1985..

In respect alone of the limitation on our audit work:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether proper accounting records had been maintained.


Jeffreys Henry

Chartered Accountants
Registered Auditor


8/7/98

Finsgate, 5-7 Cranwood Street
London
EC1V 9EE

ANNFOLD LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1996

	Notes	1996 £	1995 £
Administrative expenses		(1,000)	(1,282)
Loss on ordinary activities before taxation	2	(1,000)	(1,282)
Tax on loss on ordinary activities	3	-	-
Loss on ordinary activities after taxation	8	(1,000)	(1,282)

The profit and loss account has been prepared on the basis that all operations are continuing operations.


There are no recognised gains and losses other than those passing through the profit and loss account.

ANNFOLD LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1996

	Notes	1996 £	£	1995 £	£
Fixed assets					
Tangible assets	4		296,000		296,000
Current assets					
Creditors: amounts falling due within one year	5	(4,968)		(3,968)	
Net current liabilities			(4,968)		(3,968)
Total assets less current liabilities			291,032		292,032
Creditors: amounts falling due after more than one year	6		(286,870)		(286,870)
			4,162		5,162
Capital and reserves					
Called up share capital	7		10,000		10,000
Profit and loss account	8		(5,838)		(4,838)
Shareholders' funds - equity interests	9		4,162		5,162

The financial statements were approved by the Board on 8/7/98



Director

ANNFOLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

1.2 Turnover

The company received rental income from its real estate in Zaire. Owing to the company's inability to remit this income no credit has been included in these accounts. All information relating to the company's activities in Zaire had been destroyed during the civil unrest in that country.

1.3 Tangible fixed assets and depreciation

Tangible assets are stated at cost. No provision has been made for depreciation of the buildings, however, the company has been reliably informed that the real estate could currently be sold for a net sum exceeding its book value.

1.4 Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the director considers that a liability to taxation is unlikely to crystallise.

1.5 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Operating loss

	1996	1995
	£	£
Operating loss is stated after charging:		
Auditors' remuneration	705	705

3 Taxation

The company has estimated losses of £4,890 (1995 - £3,890) available for carry forward against future trading profits.

ANNFOLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996

4 Tangible fixed assets

	Land and buildings Freehold £
Cost	
At 1 January 1996 & at 31 December 1996	296,000
Depreciation	
At 1 January 1996 & at 31 December 1996	-
Net book value	
At 31 December 1996	296,000
At 31 December 1995	296,000

5 Creditors: amounts falling due within one year

	1996 £	1995 £
Accruals and deferred income	4,968	3,968

6 Creditors: amounts falling due after more than one year

	1996 £	1995 £
Other loans	286,870	286,870
Loans		
Amount due to parent undertaking	286,870	286,870
	286,870	286,870
Loan maturity analysis		
In five years or more	286,870	286,870

The loan from the parent company is unsecured, interest free and has no fixed date for repayment. It is repayable in sterling.

ANNFOLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996

7 Share capital	1996	1995
	£	£
Authorised		
10,000 Ordinary shares of £1 each	10,000	10,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	10,000	10,000
	<u> </u>	<u> </u>
8 Statement of movements on profit and loss account		
		Profit and loss account £
Balance at 1 January 1996		(4,838)
Retained loss for the year		(1,000)
		<u> </u>
Balance at 31 December 1996		(5,838)
		<u> </u>
9 Reconciliation of movements in shareholders' funds	1996	1995
	£	£
Loss for the financial year	(1,000)	(1,282)
Opening shareholders' funds	5,162	6,444
	<u> </u>	<u> </u>
Closing shareholders' funds	4,162	5,162
	<u> </u>	<u> </u>

10 Employees

Number of employees

There were no employees during the year apart from the director

11 Control

The ultimate parent company is Brugefi International S.A., a company registered in Luxembourg.