

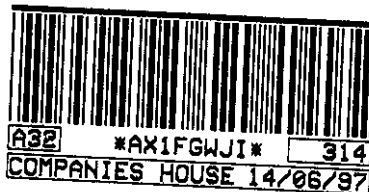
Co House

CRESTLANCELOT LIMITED

DIRECTORS	Mr. D.H. Mole Mr. J. Mole Mr. D. Kennett
SECRETARY	Mr. D.H. Mole
REGISTERED OFFICE	428a Limpsfield Road, Warlingham. Surrey. CR6 9LA
COMPANY NUMBER	1994435

REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31ST AUGUST, 1996

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CRESTLANCELOT LIMITED
REPORT OF THE DIRECTORS

The directors present their report with the financial statements for the year ended 31st August, 1996.

ACTIVITIES

The principal activities of the company continued to be the provision of factoring services, loan and leasing finance and ancillary financial services and there has been no material changes in these activities since 1st September, 1996. The company's main business now is that of debt collection/factoring.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, was £935. The directors do not recommend the payment of a dividend. The company has increased its provision from £2,500 against a potential bad debt there having been no repayment of capital or interest for two years.

DIRECTORS AND THEIR INTERESTS

The present membership of the Board is set out below and the directors' interests, including family interests, in the issued shares of the Company unchanged during the year were as follows:

	Number of Ordinary Shares of £1 each 31 August 1996	1st September, 1995
Mr. D.H. Mole	100	100
Mr. J. Grant	1	1
Mr. N. Mole	50	50
Mr. J. Mole	20	20
Mr. D. Kennett	-	-

SMALL COMPANY

Advantage is taken in the Directors' Report of the special exemptions applicable to small companies conferred by Part II of Schedule 8 of the Companies Act 1985.

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CRESTLANCELOT LIMITED
REPORT OF THE DIRECTORS (Continued)

DIRECTORS' RESPONSIBILITIES

In respect of the preparation of financial statements the directors are required by company law:

(i) to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of the year, and of the profit or loss, and total recognised gains and losses for the period to that date;

(ii) to ensure that suitable accounting policies, consistently applied and supported by judgements and estimates that are reasonable and prudent, have been used in the preparation of the financial statements;

(iii) to ensure that applicable accounting standards have been followed; and

(iv) to prepare the financial statements on a 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 directors confirm that the financial statements comply with the above requirements.

By Order of the Board


Secretary

Date: 9.6.97

CRESTLANCELOT LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED
31ST AUGUST, 1996

	<u>1996</u>	<u>1995</u>
INCOME	30,728	30,127
EXPENDITURE		
Sales Administration and Computer Consultancy	21,511	19,256
Bank Charges and Interest Payable	-	955
Accountancy and Professional Fees	2,400	1,652
Travel and Motor	-	220
Telephone	954	381
Printing, Post, Stationery and Publications	26	369
Use of Home as Office	360	360
Credit Licence and Sundries	202	17
Audit Fee	-	200
Provision for Bad and Doubtful Client Loans	2,500	-
Vehicle Depreciation	1,700	1,700
Fixtures and Fittings Depreciation	140	140
	<u>29,793</u>	<u>25,250</u>
Trading Profit before Taxation	935	4,877
Profit on Sale of Car	-	665
	<u>935</u>	<u>5,542</u>
Taxation	(503)	1,800
Profit after Taxation	1,438	3,742
PROFIT AND LOSS ACCOUNT		
Balance Brought Forward	17,356	13,614
Balance Carried Forward	<u>£18,794</u> =====	<u>£17,356</u> =====

The notes on pages 6 to 8 form part of these financial statements.

CRESTLANCELOT LIMITED
BALANCE SHEET
AS AT 31ST AUGUST, 1996

	<u>1996</u>	<u>1995</u>
FIXED ASSETS AND INVESTMENTS		
Motor Vehicle	3,400	5,100
Investments	-	-
Equipment, Fixtures and Fittings	177	317
	<u>3,577</u>	<u>5,417</u>
CURRENT ASSETS		
Loans to Clients	13,942	18,749
Clients Trade Debtors	172,471	118,620
Sundry Debtors	294	482
Cash at Bank and in Hand	11,492	12,896
	<u>198,199</u>	<u>150,747</u>
CREDITORS: Amounts falling due within one year		
Clients Current Inter-business Accounts	123,832	78,954
Clients Bank Overdrafts	48,638	40,074
Bank Overdraft	-	-
Taxation and V.A.T.	1,559	1,800
Sundry Creditors and Accruals	2,460	2,872
	<u>176,489</u>	<u>123,700</u>
NET CURRENT ASSETS	<u>21,710</u>	<u>27,047</u>
ASSETS LESS CURRENT LIABILITIES	<u>25,287</u>	<u>32,464</u>
CREDITORS: Amounts falling due after one year		
Aaroc Limited	4,219	4,219
Loans from Shareholders	-	1,500
Loans from Directors	2,103	9,218
	<u>6,322</u>	<u>14,937</u>
NET ASSETS	<u>£18,965</u> =====	<u>£17,527</u> =====
Represented by:		
CAPITAL AND RESERVES		
Called Up Share Capital	171	171
Profit and Loss Account	18,794	17,356
NET SHAREHOLDERS FUNDS	<u>£18,965</u> =====	<u>£17,527</u> =====

Cont/d....

CRESTLANCELOT LIMITED
BALANCE SHEET
AS AT 31ST AUGUST, 1996 (Continued)

Advantage is taken in the preparation of the financial statements of the special exemptions applicable to small companies conferred by Part I of Schedule 8 of the Companies Act 1985. In the directors' opinion the company is entitled to these exemptions as a small company.

The directors have taken advantage of the exemption conferred by section 249A(1) not to have these accounts audited and confirm that no notice has been deposited under section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for ensuring that:-

- (i) The company keeps accounting records which comply with section 221 of the Companies Act 1985, and
- (ii) The accounts give a true and fair view of the state of affairs of the company at 31st August, 1996 and of its profit for the year ended in accordance with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the company.

Advantage is taken in the preparation of the financial statements of the special exemptions applicable to small companies conferred by Part I of Schedule 8 of the Companies Act 1985. In the directors' opinion the company is entitled to these exemptions as a small company.

.....)
.....) DIRECTORS
.....)

Approved by the Board on: 9 June 1997.

The notes on pages 6 - 8 form part of these financial statements.

CRESTLANCELOT LIMITED

NOTES TO FINANCIAL STATEMENTS - YEAR ENDED 31ST AUGUST, 1996

1. ACCOUNTING POLICIES

CONVENTION

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985, as by the Companies Act 1989, and the Accounting Standards issued by the Accounting Standards Board. The following paragraphs describe the main policies.

a) Income

Income is derived from factoring loan interest, leasing and ancillary financial services provided by the company exclusive of value added tax and realised wholly in the United Kingdom.

b) Taxation

The charge for taxation is based on the results for the period and takes into account any material amounts of taxation deferred because of timing differences between the treatment of certain items for accounting and taxation purposes. However no provision is made for taxation deferred by reliefs where there is reasonable evidence that no liability will arise in the foreseeable future.

c) No cash flow statement has been prepared as the company complies with the definition of a small company under the Financial Reporting Standards No 1.

2. STATEMENT OF DIRECTORS' RESPONSIBILITIES - See Page 2.

3. LOSS BEFORE TAXATION

Loss on ordinary activities before
taxation is arrived at after charging:

	<u>1996</u>	<u>1995</u>
Directors' Remuneration	£ -	£ -
Auditors' Remuneration	£ -	£200
	===	===

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CRESTLANCELOT LIMITED

NOTES TO FINANCIAL STATEMENTS - YEAR ENDED 31ST AUGUST, 1996

(Continued)

4. TAXATION

Charge for Taxation Based on the Profit
for the Year

	<u>1996</u>	<u>1995</u>
Corporation Tax at small company rates	£250	£1,800
Over Provision Prior Years	£753	£ -
Deferred Taxation	£ -	£ -
	=====	===

The Company is a Close Company as defined by the Income and Corporation Taxes Act 1988. No provision for an anticipated recovery of tax has been made.

5. EMPLOYEE COSTS

The average number of people, including the directors, employed by the company during the year was made up as follows:

	<u>1996</u>	<u>1995</u>
Number of Employees	-	-
Wages and Salaries	-	-
Social Security Costs	-	-
	=====	===

6. DIRECTORS EMOLUMENTS

No Emoluments were paid to the directors during the year (1995 £NIL).

7. TANGIBLE FIXED ASSETS AND INVESTMENTS

	Cost	Depreciation	Net Book Value
Motor Vehicle			
At 1st September, 1995	6,800	1,700	5,100
Additions	-	-	-
Sales	-	-	-
Charge for Year	-	1,700	(1,700)
	=====	=====	=====
At 31st August, 1996	£6,800	£3,400	£3,400
	=====	=====	=====

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CRESTLANCELOT LIMITED
NOTES TO FINANCIAL STATEMENTS - YEAR ENDED 31ST AUGUST, 1996
(Continued)

8. DEBTORS

Clients trade debtors represents amounts due from accepted debts factored by the company and which are fully offset by the clients current inter-business account and clients cash at bank.

9. CALLED UP SHARE CAPITAL	<u>1996</u>	<u>1995</u>
Ordinary Shares of £1 each		
Authorised	£1,000	£1,000
	=====	=====
Allotted, Issued and Fully Paid	£171	£171
	===	===

10. DIRECTOR'S INTERESTS/RELATED TRANSACTION

Mr. D.H. Mole a director is a partner in Barber & Company, an unincorporated accountancy practice. During the year the company traded with Barber & Company at arms length under normal commercial terms as follows:-

Charges from Barber & Company		
Financial Consultancy and Accounts	£2,400	£1,400
	=====	=====

Mr. D. Kennett a director of the company operates a sales ledger consultancy/accounting service with his wife and charges the company for such services.

11. COMMITMENTS

There was neither capital expenditure contracted for but not provided for in the financial statements nor capital expenditure authorised but not contracted for at the balance sheet date.

12. CONTINGENT LIABILITIES

There were no contingent liabilities at the balance sheet date.

13. EVENTS SINCE THE BALANCE SHEET DATE

There have been no material post balance sheet date events which would affect these financial statements.