

INDEPENDENT CAPITAL CORPORATION LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 1997

Company Registration Number : 02824402

GYNCH SHAW MAURICE & CO

Chartered Certified Accountants & Registered Auditors
5 Glenborne Road
Friern Barnet
London N11 3HU



INDEPENDENT CAPITAL CORPORATION LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 1997

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INDEPENDENT CAPITAL CORPORATION LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS: Mr Jean Michel CHAMBOULIVE
Mr Philippe FRANCOIS
Mr Jean CHAMBOULIVE

COMPANY SECRETARY : Mr Bahman Tasdighi

REGISTERED OFFICE : 3rd Floor
46 Albemarle Street
London W1X 3FE

AUDITORS : Gynch Shaw Maurice & Co
5 Glenthorne Road
Friern Barnet
London N113HU

BANKERS : National Westminster Bank Plc
P O Box No. 2JH
1 New Bond Street
London W1A 2JH

INDEPENDENT CAPITAL CORPORATION LIMITED**DIRECTORS' REPORT**
FOR THE YEAR ENDED 30 NOVEMBER 1997

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 November 1997.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company's principal activity is to provide financial advisory services.

RESULTS AND DIVIDENDS

The trading results for the year, and company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

The balance of the loss for the year amounting to £28,826 will be carried forward.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Class of share	At 30 Nov 97	At 1 Dec 96
Mr Jean Michel CHAMBOULIVE	Ordinary Shares	10,000	10,000
Mr Phillippe FRANCOIS	Ordinary Shares	10,000	10,000
Mr Jean CHAMBOULIVE		-	-
		<hr/>	<hr/>

FIXED ASSETS

The movements in fixed assets are recorded in the notes to the financial statements.

INDEPENDENT CAPITAL CORPORATION LIMITED

THE DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 30 NOVEMBER 1997

DIRECTOR'S 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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue 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. The directors 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.

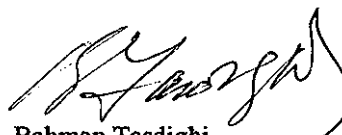
CLOSE COMPANY PROVISIONS

In the opinion of the directors, the company is a close company within the meaning of S.414 Income and Corporation Taxes Act, 1988 (as amended).

AUDITORS

A resolution to re-appoint Messrs Gynch Shaw Maurice & Co as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed on behalf of the directors


Bahman Tasdighi
Company secretary

Approved by the directors on 5.3.1998

Gynch Shaw Maurice & Co

Chartered Certified Accountants

Registered Auditors

5 Glenthorne Road

Friern Barnet

London N11 3HU

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INDEPENDENT CAPITAL CORPORATION LIMITED

AUDITOR'S REPORT TO THE SHAREHOLDERS FOR THE YEAR ENDED 30 NOVEMBER 1997

We have audited the financial statements on pages 5 to 11 which have been prepared in accordance with the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described in the director's report, the directors of the company are responsible for the preparation of the 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 circumstances of the company, 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.

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30 November 1997 and of its loss for the year ended, and have been properly prepared in accordance with the Companies Act 1985.

Gynch Shaw Maurice & Co.

GYNCH SHAW MAURICE & CO.
Chartered Certified Accountants
& Registered Auditors

GYNCH SHAW MAURICE & CO
CHARTERED CERTIFIED ACCOUNTANTS
5 GLENTHORNE ROAD
FRIERN BARNET
LONDON N11 3HU

Date: 6 March 1998

INDEPENDENT CAPITAL CORPORATION LIMITED**PROFIT AND LOSS ACCOUNT**
FOR THE YEAR ENDED 30 NOVEMBER 1997

	Note	1997 £	1996 £
TURNOVER	2	790,571	1,456,958
Discount received		179	420
		<hr/> 790,750	<hr/> 1,457,378
Administrative expenses		823,334	1,432,278
OPERATING (LOSS)/PROFIT	3	<hr/> (32,584)	<hr/> 25,100
Interest receivable and similar income	6	6,558	12,599
Interest payable and similar charges	7	<hr/> (2,800)	<hr/> (4,200)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<hr/> (28,826)	<hr/> 33,499
Tax on ordinary activities		<hr/> -	<hr/> -
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<hr/> (28,826)	<hr/> 33,499
Retained losses brought forward		<hr/> (18,445)	<hr/> (51,944)
RETAINED LOSSES CARRIED FORWARD		<hr/> <hr/> £ (47,271)	<hr/> <hr/> £ (18,445)

The company has no recognised gains or losses other than the results for the year as set out above. All activities of the company are classed as continuing.

The notes set out on pages 7 to 11 form an integral part of the financial statements.

INDEPENDENT CAPITAL CORPORATION LIMITED
BALANCE SHEET
AS AT 30 NOVEMBER 1997

	Note	1997		1996	
		£	£	£	£
FIXED ASSETS					
Tangible assets	8.		53,878		55,321
CURRENT ASSETS					
Debtors	9.	148,571		150,345	
Cash at bank and in hand		111,612		316,939	
		<u>260,183</u>		<u>467,284</u>	
CREDITORS: Amounts falling due within one year	10.	(48,703)		(231,050)	
NET CURRENT ASSETS			<u>211,480</u>		<u>236,234</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>265,358</u>		<u>291,555</u>
CREDITORS: Amount falling due after more than one year	11.	(40,000)		(40,000)	
NET ASSETS			<u><u>225,358</u></u>		<u><u>251,555</u></u>
CAPITAL AND RESERVES					
Share capital:	12.				
Equity			50,000		50,000
Non equity			220,000		220,000
			<u>270,000</u>		<u>270,000</u>
Reserves			(44,642)		(18,445)
SHAREHOLDERS' FUNDS			<u><u>225,358</u></u>		<u><u>251,555</u></u>

The notes set out on pages 7 to 11 form an integral part of the financial statements.

These financial statements were approved by the directors and are signed on their behalf by:


MR JEAN MICHEL CHAMBOULIVE


MR PHILIPPE FRANCOIS

Date... 5.3.98

Date... 05-03-98

INDEPENDENT CAPITAL CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 1997

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention using the following accounting policies:

Turnover

Turnover represent amount of fees and commission receivable from the main activities of the company.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Software & Systems	10% Straight line basis
Furniture, Fixtures & Fittings	15% Reducing balance basis
Office Equipment	15% Reducing balance basis

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit/loss.

2. TURNOVER

The turnover and profit/loss before tax are attributable to the one principal activity of the company.

3. OPERATING PROFIT/LOSS

Operating profit/loss is stated after charging:

	1997	1996
	£	£
Depreciation	7,389	7,509
Auditors' fees	2,000	3,500
Net loss on foreign currency translation	8,053	28,643
	<u> </u>	<u> </u>

INDEPENDENT CAPITAL CORPORATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 NOVEMBER 1997**4. PARTICULARS OF EMPLOYEES**

The aggregate payroll costs were:

	1997 £	1996 £
Wages and salaries	32,843	28,352
Staff redundancy and compensation	2,374	-
	<u>35,217</u>	<u>28,352</u>

5. DIRECTORS' EMOLUMENTS

The directors' emoluments were:

	1997 £	1996 £
Salaries	110,066	143,217
Commission and bonus	52,996	26,328
Medical insurance	3,257	2,525
Pensions contributions	3,600	3,600
	<u>169,919</u>	<u>175,670</u>

Emoluments excluding pension contributions:

	1997 £	1996 £
Chairman	-	-
Highest paid director	<u>85,175</u>	<u>85,800</u>

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	1997 £	1996 £
Bank interest receivable	<u>6,558</u>	<u>12,599</u>

INDEPENDENT CAPITAL CORPORATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 1997****7. INTEREST PAYABLE AND SIMILAR CHARGES**

	1997 £	1996 £
Interest on other loans	2,800	4,200

8. TANGIBLE FIXED ASSETS

	Software & Systems £	Furniture Fixtures & Fittings £	Office Equipment £	Total £
COST				
At 1 December 1996	40,849	12,689	10,149	63,687
Additions	5,461	459	1,894	7,814
Disposals	-	-	(2,194)	(2,194)
At 30 November 1997	46,310	13,148	9,849	69,307
DEPRECIATION				
At 1 December 1996	4,085	1,903	2,378	8,366
Charge for year	4,384	1,875	1,131	7,390
Disposals	-	-	(327)	(327)
At 30 November 1997	8,469	3,778	3,182	15,429
NET BOOK VALUE				
At 30 November 1997	37,841	9,370	6,667	53,878
At 30 November 1996	36,764	10,786	7,771	55,321

9. DEBTORS

	1997 £	1996 £
Trade Debtors	6,663	59,940
Other Debtors	131,683	76,918
Prepayments and accrued income	10,225	13,487
	148,571	150,345

INDEPENDENT CAPITAL CORPORATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 NOVEMBER 1997**10. CREDITORS : Amounts falling due within one year**

	1997		1996	
	£	£	£	£
Bank loans and overdrafts		73		14,863
Trade creditors		6,929		5,160
Other creditors including taxation and				
Social security:				
Taxation and Social Security	17,052		27,024	
Other creditors	14,089		14,089	
Directors' current account:				
J M Chamboulive	746		470	
P Francois	54		107	
Short term loan	-		100,000	
		31,941		141,690
Accruals and deferred income		9,760		69,337
		<u>48,703</u>		<u>231,050</u>

11. CREDITORS : Amounts falling due after more than one year

	1997	1996
	£	£
Subordinated loans:		
Director- P Francois	10,000	10,000
Others	30,000	30,000
	<u>40,000</u>	<u>40,000</u>

INDEPENDENT CAPITAL CORPORATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 NOVEMBER 1997**12. SHARE CAPITAL**

	1997		1996	
	£		£	
Authorised share capital				
50,000 Ordinary shares of £1 each	50,000		50,000	
220,000 Preference shares of £1 each	220,000		220,000	
	<u>270,000</u>		<u>270,000</u>	
Alloted, called up and fully paid :				
	1997		1996	
	NO.	£	NO.	£
Ordinary shares	50,000	50,000	50,000	50,000
Preference shares	220,000	220,000	220,000	220,000
	<u>270,000</u>	<u>270,000</u>	<u>270,000</u>	<u>270,000</u>

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**Equity shareholders' funds**

	1997	1996
	£	£
(Loss)/Profit for the financial period	(28,826)	33,499
Reserves	2,630	-
Opening shareholders' equity fund	31,555	(1,944)
	<u>5,359</u>	<u>31,555</u>
Closing shareholders' equity fund	<u>5,359</u>	<u>31,555</u>

Non-equity shareholders' funds

	1997	1996
	£	£
Opening shareholders' non-equity funds	220,000	220,000
	<u>220,000</u>	<u>220,000</u>
Closing shareholders' non-equity funds	<u>220,000</u>	<u>220,000</u>

INDEPENDENT CAPITAL CORPORATION LIMITED

MANAGEMENT INFORMATION
FOR THE YEAR ENDED 30 NOVEMBER 1997

The following pages do not form part of the statutory financial statements which are the subject of the auditors' report on page 4.

INDEPENDENT CAPITAL CORPORATION LIMITED**DETAILED PROFIT AND LOSS ACCOUNT**
FOR THE YEAR ENDED 30 NOVEMBER 1997

	1997 £	1996 £
TURNOVER	790,571	1,456,958
Discount received	179	420
	<hr/> 790,750	<hr/> 1,457,378
OVERHEADS		
Administrative expenses	823,334	1,432,278
	<hr/> (32,584)	<hr/> 25,100
OPERATING (LOSS)/PROFIT		
Bank interest receivable	6,558	12,599
	<hr/> (26,026)	<hr/> 37,699
Interest on other loans	2,800	4,200
(LOSS)/PROFIT ON ORDINARY ACTIVITIES	<hr/> (28,826) <hr/>	<hr/> 33,499 <hr/>