

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1996
FOR
FINHILL LIMITED**



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for the Year Ended 31 December 1996

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FINHILL LIMITED

COMPANY INFORMATION
for the Year Ended 31 December 1996

DIRECTORS: Mrs P J Cross
N D Cross

SECRETARY: Mrs PJ Cross

REGISTERED OFFICE: 179-181 North End Road
London
W14 9NL

REGISTERED NUMBER: 2870994 (England and Wales)

ACCOUNTANTS: Pethybridge Tarn & Co
Rooms 405-410, Radnor House
93-97 Regent Street
London W1R 7TD

FINHILL LIMITED

**REPORT OF THE DIRECTORS
for the Year Ended 31 December 1996**

The directors present their report with the financial statements of the company for the year ended 31 December 1996.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of property owning and managing.

DIRECTORS

The directors during the year under review were:

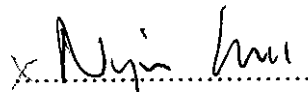
Mrs P J Cross
N D Cross


The beneficial interests of the directors holding office on 31 December 1996 in the issued share capital of the company were as follows:

	31.12.96	1.1.96
Ordinary £1 shares		
Mrs P J Cross	2	2
N D Cross	2	2

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:


.....
- DIRECTOR

Dated:  18/7/97

FINHILL LIMITED

PROFIT AND LOSS ACCOUNT
for the Year Ended 31 December 1996

		31.12.96	31.12.95
	Notes	£	£
TURNOVER	2	11,715	-
GROSS PROFIT		11,715	-
Administrative expenses		17,610	3,529
OPERATING LOSS	3	(5,895)	(3,529)
Interest payable and similar charges		659	275
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(6,554)	(3,804)
Tax on loss on ordinary activities		-	-
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		(6,554)	(3,804)
Deficit brought forward		(4,157)	(353)
DEFICIT CARRIED FORWARD		<u>£(10,711)</u>	<u>£(4,157)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the losses for the current and previous years.

The notes form part of these financial statements

FINHILL LIMITED

BALANCE SHEET
31 December 1996

		31.12.96		31.12.95	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	6		5,345		8,017
CURRENT ASSETS:					
Debtors	7	25,250		-	
Cash at bank		-		562	
		<u>25,250</u>		<u>562</u>	
CREDITORS: Amounts falling due within one year	8	<u>41,302</u>		<u>8,285</u>	
NET CURRENT LIABILITIES:			<u>(16,052)</u>		<u>(7,723)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			(10,707)		294
CREDITORS: Amounts falling due after more than one year	9		-		4,447
			<u>£(10,707)</u>		<u>£(4,153)</u>
CAPITAL AND RESERVES:					
Called up share capital	11		4		4
Profit and loss account			<u>(10,711)</u>		<u>(4,157)</u>
Shareholders' funds	12		<u>£(10,707)</u>		<u>£(4,153)</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ending 31 December 1996.

No notice has been deposited under Section 249B(2) of the Companies Act 1985 in relation to its financial statements for the financial year.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

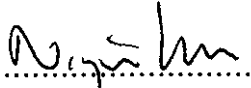
The notes form part of these financial statements

FINHILL LIMITED

BALANCE SHEET
31 December 1996

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:

X 
.....
- DIRECTOR

Approved by the Board on X.....18/1/97.....

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery etc - 25% on cost

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

2. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the company.

3. OPERATING LOSS

The operating loss is stated after charging:

	31.12.96	31.12.95
	£	£
Depreciation - assets on hire purchase contracts or finance leases	<u>2,672</u>	<u>2,672</u>
Directors' emoluments	<u>9,000</u>	<u>-</u>

FINHILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 1996

4. INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.96	31.12.95
	£	£
Hire purchase	659	275
	<u> </u>	<u> </u>

5. TAXATION

No liability to UK Corporation tax arose on ordinary activities for the year ended 31 December 1996 nor for the year ended 31 December 1995.

6. TANGIBLE FIXED ASSETS

	Plant and machinery etc
	£
COST:	
At 1 January 1996	
and 31 December 1996	10,689
	<u> </u>
DEPRECIATION:	
At 1 January 1996	2,672
Charge for year	2,672
	<u> </u>
At 31 December 1996	5,344
	<u> </u>
NET BOOK VALUE:	
At 31 December 1996	5,345
	<u> </u>
At 31 December 1995	8,017
	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 1996

6. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts or finance leases are as follows:

	Plant and machinery etc
	£
COST:	
At 1 January 1996	
and 31 December 1996	10,689
DEPRECIATION:	
At 1 January 1996	2,672
Charge for year	2,672
At 31 December 1996	5,344
NET BOOK VALUE:	
At 31 December 1996	5,345
At 31 December 1995	8,017

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.96 £	31.12.95 £
Other debtors	25,250	-

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.96 £	31.12.95 £
Bank loans and overdrafts (see note 10)	611	-
Directors current accounts	33,039	3,592
Hire purchase	4,423	4,399
Social security & other taxes	2,788	-
Accrued expenses	441	294
	41,302	8,285

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 1996

**9. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	31.12.96	31.12.95
	£	£
Hire purchase	-	4,447
	<u> </u>	<u> </u>

10. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	31.12.96	31.12.95
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	611	-
	<u> </u>	<u> </u>

11. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	31.12.96	31.12.95
			£	£
1,000	Ordinary	£1	1,000	1,000
			<u> </u>	<u> </u>

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.96	31.12.95
			£	£
4	Ordinary	£1	4	4
			<u> </u>	<u> </u>

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.96	31.12.95
	£	£
Loss for the financial year	(6,554)	(3,804)
Subscriber shares		
Additional shares issued	-	2
	<u> </u>	<u> </u>
NET REDUCTION OF SHAREHOLDERS' FUNDS	(6,554)	(3,802)
Opening shareholders' funds	(4,153)	(351)
	<u> </u>	<u> </u>
CLOSING SHAREHOLDERS' FUNDS	(10,707)	(4,153)
	<u> </u>	<u> </u>
Equity interests	(10,707)	(4,153)
	<u> </u>	<u> </u>

FINHILL LIMITED

**REPORT OF THE ACCOUNTANTS TO THE DIRECTORS OF
FINHILL LIMITED**

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 31 December 1996 set out on pages three to nine and you consider that the company is exempt from an audit and a report under section 249A(2) of the Companies Act 1985. In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

Pethybridge Tarn & Co
Rooms 405-410, Radnor House
93-97 Regent Street
London W1R 7TD

Pethybridge Tarn & Co

Dated: 24/7/1997