

2870994

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1997
FOR
FINHILL LIMITED**



**INDEX TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1997**

	Page
Company Information	1
Report of the Directors	2
Profit and Loss Account	3
Balance Sheet	4
Notes to the Financial Statements	5
Report of the Accountants	9
Trading and Profit and Loss Account	10

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 1997**

DIRECTORS: 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 & Company
Radnor House
93-97 Regent Street
London W1R 7TD

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 1997**

The directors present their report with the financial statements of the company for the year ended 31 December 1997.

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:

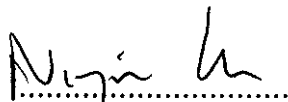
P J Cross
N D Cross

The beneficial interests of the directors holding office on 31 December 1997 in the issued share capital of the company were as follows:

	31.12.97	1.1.97
Ordinary £1 shares		
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: 23/4/98

FINHILL LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1997**

		<u>31.12.97</u>	<u>31.12.96</u>
	Notes	£	£
TURNOVER	2	41,212	11,715
Cost of sales		<u>6,227</u>	<u>-</u>
GROSS PROFIT		34,985	11,715
Administrative expenses		<u>21,576</u>	<u>17,610</u>
OPERATING PROFIT/(LOSS)	3	13,409	(5,895)
Interest receivable and similar income	4	<u>286</u>	<u>-</u>
		13,695	(5,895)
Interest payable and similar charges		<u>684</u>	<u>659</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		13,011	(6,554)
Tax on profit/(loss) on ordinary activities	5	<u>2,020</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		10,991	(6,554)
Deficit brought forward		<u>(10,711)</u>	<u>(4,157)</u>
RETAINED PROFIT/(DEFICIT) CARRIED FORWARD		<u>£280</u>	<u>£(10,711)</u>

The notes form part of these financial statements

BALANCE SHEET
31 DECEMBER 1997

	Notes	31.12.97		31.12.96	
		£	£	£	£
FIXED ASSETS:					
Tangible assets	6		3,273		5,345
CURRENT ASSETS:					
Debtors	7	6,950		25,250	
Cash at bank		6,440		-	
		<u>13,390</u>		<u>25,250</u>	
CREDITORS: Amounts falling due within one year	8	<u>16,379</u>		<u>41,302</u>	
NET CURRENT LIABILITIES:			(2,989)		(16,052)
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>£284</u>		<u>£(10,707)</u>
CAPITAL AND RESERVES:					
Called up share capital	9		4		4
Profit and loss account			280		(10,711)
Shareholders' funds			<u>£284</u>		<u>£(10,707)</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ending 31 December 1997.

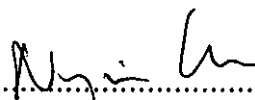
No notice has been deposited under Section 249B(2) of the Companies Act 1985 in relation to its financial statements for the financial year.

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.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.

ON BEHALF OF THE BOARD:


.....
- DIRECTOR

Approved by the Board on 23/4/98

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1997**

1. ACCOUNTING POLICIES**Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

Turnover

Turnover represents net invoiced sales of goods, 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 profit (1996 - loss) before taxation are attributable to the one principal activity of the company.

3. OPERATING PROFIT/(LOSS)

The operating profit (1996 - operating loss) is stated after charging:

	31.12.97	31.12.96
	£	£
Depreciation - owned assets	200	-
Depreciation - assets on hire purchase contracts or finance leases	<u>2,672</u>	<u>2,672</u>
Directors' emoluments and other benefits etc	<u>12,000</u>	<u>9,000</u>

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	31.12.97	31.12.96
	£	£
Deposit account interest	<u>286</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1997**

5. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	31.12.97	31.12.96
	£	£
UK Corporation Tax	2,020	-
	<u>2,020</u>	<u>-</u>

UK Corporation Tax has been charged at 0% (1996 - not applicable).

6. TANGIBLE FIXED ASSETS

	Plant and machinery etc
	£
COST:	
At 1 January 1997	10,689
Additions	800
	<u>11,489</u>
At 31 December 1997	
DEPRECIATION:	
At 1 January 1997	5,344
Charge for year	2,872
	<u>8,216</u>
At 31 December 1997	
NET BOOK VALUE:	
At 31 December 1997	<u>3,273</u>
At 31 December 1996	<u>5,345</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1997**

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
	<u>£</u>
COST:	
At 1 January 1997	
and 31 December 1997	<u>10,689</u>
DEPRECIATION:	
At 1 January 1997	5,344
Charge for year	<u>2,672</u>
At 31 December 1997	<u>8,016</u>
NET BOOK VALUE:	
At 31 December 1997	<u>2,673</u>
At 31 December 1996	<u><u>5,345</u></u>

**7. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.12.97 £	31.12.96 £
Other debtors	<u>6,950</u>	<u>25,250</u>

**8. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.12.97 £	31.12.96 £
Bank loans and overdrafts	315	611
Directors current accounts	12,081	33,039
Hire purchase	-	4,423
Social security & other taxes	1,363	2,788
Taxation	2,020	-
Accrued expenses	600	441
	<u>16,379</u>	<u>41,302</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1997**

9. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	31.12.97 £	31.12.96 £
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.97 £	31.12.96 £
4	Ordinary	£1	<u>4</u>	<u>4</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 1997 set out on pages three to eight and you consider that the company is exempt from an audit in accordance with section 249A 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 & Company
Radnor House
93-97 Regent Street
London W1R 7TD

Pethybridge Tarn & Company

Dated: 12/5/98