

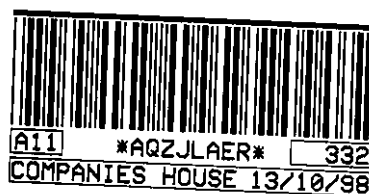
Company Registration No. 2892469 (England and Wales)



HANSON GREEN GROSVENOR LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1997



HANSON GREEN GROSVENOR LIMITED

COMPANY INFORMATION

Directors

T.J. Bedford
P.E. Waine
J.B.H. Dinan
A.S.T. Negretti
Ms A.T. Gallagher

Secretary

D. Maxwell Macdonald

Company number

2892469

Registered office

43 North Audley Street
London
W1Y 1WN

Auditors

Blick Rothenberg
12 York Gate
Regent's Park
London
NW1 4QS

Business address

43 North Audley Street
London
W1Y 1WN

HANSON GREEN GROSVENOR LIMITED

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HANSON GREEN GROSVENOR LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1997

The directors present their report and financial statements for the year ended 31 December 1997.

Principal activities and review of the business

The principal activity of the company continued to be that of executive recruitment.

Results and dividends

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

The directors do not recommend payment of an ordinary dividend.

It is proposed that the retained loss of £39,516 is transferred to reserves.

Fixed assets

The changes in fixed assets during the year are explained in note 7 to the financial statements.

Directors

The directors who held office during the year were:

T.J. Bedford
P.E. Waine
J.B.H. Dinan
A.S.T. Negretti
Ms A.T. Gallagher

Directors' interests

The directors who held office at the end of the year had the following interests in the shares of the company :

	Ordinary shares of £1 each	
	31 December 1997	1 January 1997
P.E. Waine	178	178
J.B.H. Dinan	178	178
A.S.T. Negretti	104	104
T.J. Bedford	-	-
Ms A.T. Gallagher	-	-

	Preference shares of £1 each	
	31 December 1997	1 January 1997
P.E. Waine	75,000	75,000
J.B.H. Dinan	75,000	75,000
A.S.T. Negretti	75,000	75,000
T.J. Bedford	-	-
Ms A.T. Gallagher	-	-

Charitable contributions

During the year the company made charitable donations of £5,585 (1996: £5,098).

HANSON GREEN GROSVENOR LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1997

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Blick Rothenberg be reappointed auditors of the company will be put to the Annual General Meeting.

Directors' 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 and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

select suitable accounting policies and then apply them consistently;

make judgements and estimates that are reasonable and prudent;

state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

prepare the financial statements on the 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.

By order of the board

 8th October 1998

.....
A.S.T. Negretti
Director
.....

HANSON GREEN GROSVENOR LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF HANSON GREEN GROSVENOR LIMITED

We have audited the financial statements on pages 4 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2, the company's directors are 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. 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 company's circumstances, consistently applied and adequately disclosed.

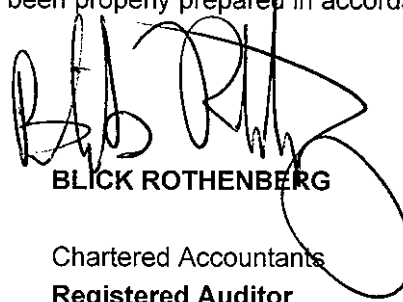
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. 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 the company's affairs as at 31 December 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

8 October 1998

12 York Gate
Regent's Park
London
NW1 4QS



BLICK ROTHENBERG
Chartered Accountants
Registered Auditor

HANSON GREEN GROSVENOR LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1997

			1997	1996 (as restated)
	Notes	£	£	£
Turnover	2		889,857	967,660
Administrative expenses			(916,054)	(756,779)
Operating (loss)/profit	3		(26,197)	210,881
Other interest receivable and similar income	4		220	310
Interest payable and similar charges	5		(11,053)	(3,074)
(Loss)/profit on ordinary activities before taxation			(37,030)	208,117
Tax on (loss)/profit on ordinary activities	6		(2,486)	(1,243)
(Loss)/profit on ordinary activities after taxation	12		(39,516)	206,874

Turnover and operating profit all derive from continuing operations.

HANSON GREEN GROSVENOR LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 1997

	1997	1996
	£	£
(Loss)/profit for the financial year	(39,516)	206,874
Prior year adjustment	25,100	-
Total gains and losses recognised since last financial statements	<u>(14,416)</u>	<u>206,874</u>

HANSON GREEN GROSVENOR LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1997

		1997		1996 (as restated)	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	7		71,951		50,014
Investments			25,100		25,100
			<u>97,051</u>		<u>75,114</u>
Current assets					
Debtors	8	187,829		219,731	
Cash at bank and in hand		-		50	
		<u>187,829</u>		<u>219,781</u>	
Creditors: amounts falling due within one year	9	(166,175)		(161,251)	
Net current assets			<u>21,654</u>		<u>58,530</u>
Total assets less current liabilities			<u>118,705</u>		<u>133,644</u>
Creditors: amounts falling due after more than one year	10		(40,007)		(15,430)
			<u>78,698</u>		<u>118,214</u>
Capital and reserves					
Called up share capital	11		175,400		175,400
Profit and loss account	12		(96,702)		(57,186)
Shareholders' funds	13		<u>78,698</u>		<u>118,214</u>
Equity interests			(96,302)		(56,786)
Non-equity interests			175,000		175,000
			<u>78,698</u>		<u>118,214</u>

The financial statements were approved by the Board on *17th September 1998*

A.S.T. Negretti

A.S.T. Negretti
Director

HANSON GREEN GROSVENOR LIMITED

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

1 Accounting policies

1.1 Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Turnover

Turnover represents the invoiced value of services rendered, excluding value added tax.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures and equipment	25% reducing balance
Motor vehicles	25% reducing balance

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged to the profit and loss account as incurred.

1.5 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year.

1.6 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Turnover

The turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating (loss)/profit

	1997	1996
	£	£
Operating (loss)/profit is stated after charging:		
Depreciation of tangible assets	26,950	18,178
Operating lease rentals		
- Plant and machinery	702	687
Auditors' remuneration	2,028	4,061

HANSON GREEN GROSVENOR LIMITED

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

4	Other interest receivable and similar income	1997	1996
		£	£
	Bank interest	220	310
		<u> </u>	<u> </u>
5	Interest payable and similar charges	1997	1996
		£	£
	On bank loans and overdrafts	1,882	-
	Hire purchase interest	9,171	3,074
		<u> </u>	<u> </u>
		11,053	3,074
		<u> </u>	<u> </u>
6	Taxation	1997	1996
		£	£
	UK current year taxation		
	UK corporation tax at 22% (1996- 24%)	2,486	1,243
		<u> </u>	<u> </u>

HANSON GREEN GROSVENOR LIMITED

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

7 Tangible fixed assets

	Fixtures and equipment £	Motor vehicles £	Total £
Cost			
At 1 January 1997	42,517	53,029	95,546
Additions	11,149	64,149	75,298
Disposals	-	(53,029)	(53,029)
	<hr/>	<hr/>	<hr/>
At 31 December 1997	53,666	64,149	117,815
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 January 1997	21,880	8,588	30,468
On disposals	-	(11,554)	(11,554)
Charge for the year	7,946	19,004	26,950
	<hr/>	<hr/>	<hr/>
At 31 December 1997	29,826	16,038	45,864
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 1997	23,840	48,111	71,951
	<hr/>	<hr/>	<hr/>
At 31 December 1996	20,637	29,377	50,014
	<hr/>	<hr/>	<hr/>

Included above are assets held under finance leases or hire purchase contracts as follows:

	Motor vehicles £
Net book value	
At 31 December 1997	33,893
	<hr/>
At 31 December 1996	29,377
	<hr/>
Depreciation charge for the year	
31 December 1997	14,264
	<hr/>
31 December 1996	11,299
	<hr/>

HANSON GREEN GROSVENOR LIMITED

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

8 Debtors	1997	1996
	£	£
Trade debtors	155,808	195,089
Loans to directors	12,007	12,007
Other debtors	20,014	12,635
	187,829	219,731
9 Creditors: amounts falling due within one year	1997	1996
	£	£
Bank loans and overdrafts	29,433	60,360
Net obligations under finance lease and hire purchase contracts	8,800	8,542
Other creditors	1,677	46,803
Corporation tax	2,486	-
Other taxes and social security costs	41,675	23,323
Accruals and deferred income	82,104	22,223
	166,175	161,251
10 Creditors: amounts falling due after more than one year	1997	1996
	£	£
Net obligations under finance leases and hire purchase agreements	40,007	15,430
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	13,042	11,615
Repayable between one and five years	47,478	16,806
	60,520	28,421
Finance charges and interest allocated to future accounting periods	(11,713)	(4,449)
	48,807	23,972
Included in liabilities falling due within one year	(8,800)	(8,542)
	40,007	15,430

HANSON GREEN GROSVENOR LIMITED

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

11 Share capital	1997	1996
	£	£
Authorised		
50,000 Ordinary shares of £1 each	50,000	50,000
250,000 Preference shares of £1 each	250,000	250,000
	300,000	300,000
Allotted, called up and fully paid		
400 Ordinary shares of £1 each	400	400
175,000 Preference shares of £1 each	175,000	175,000
	175,400	175,400

The preference shares are not entitled to a dividend. The preference shares are only entitled to vote on a resolution for either the winding up of the company or the reduction of the company's share capital or altering the objects and/or articles of association of the company or the varying any of the special rights and/or privileges attached to the preference shares. In any of those circumstances the preference share voting rights rank pari passu with those of the ordinary shares. The capital repayment entitlement is equal to the subscription price paid.

The company shall redeem the whole of the issued preference shares £1 shares on 31st December 2004, or as soon thereafter as the company shall be able to comply with the statutory provisions for the time being affecting such redemption. The company shall give the preference shareholders not less than three months written notice prior to any redemption taking place. The redemption price of the preference shares shall equal the subscription amount.

The ordinary shares are entitled to dividends as calculated by reference to the company's profit. The ordinary shares have one vote attached for every £1 in nominal amount of shares. The capital repayment entitlement is equal to the subscription price paid after having satisfied the entitlements of the preference shares. Any surplus is distributed amongst the ordinary shares.

12 Statement of movements on profit and loss account

	Profit and loss account £
At 1 January 1997 as previously reported	(82,286)
Prior year adjustment	25,100
At 1 January 1997 as restated	(57,186)
Retained loss for the year	(39,516)
At 31 December 1997	(96,702)

HANSON GREEN GROSVENOR LIMITED

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

13 Reconciliation of movements in shareholders' funds	1997	1996
	£	£
(Loss)/profit for the financial year	(39,516)	206,874
Opening shareholders' funds	118,214	(88,660)
Closing shareholders' funds	78,698	118,214

Opening shareholders' funds were originally £93,114 before adding prior year adjustments of £25,100.

The prior year adjustment relates to a contribution of £25,100 made to an Employee Share Ownership Plan in the year ended 31 December 1996. The contribution was originally written off as an expense in last year's profit and loss account. It has now been treated as a fixed asset investment.

14 Financial commitments

At 31 December 1997 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	1997	1996
	£	£
Expiry date:		
In over five years	24,000	24,000

15 Directors' emoluments	1997	1996
	£	£
Management services	212,500	163,609
Company pension contributions to money purchase schemes	33,898	38,585
	246,398	202,194

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	73,376	64,666
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HANSON GREEN GROSVENOR LIMITED

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

16 Employees

Number of employees

The average number of employees (including directors) during the year was:

	1997 Number	1996 Number
Management	8	6

Employment costs

	£	£
Wages and salaries	278,875	228,321
Social security costs	28,982	22,886
Other pension costs	33,898	38,585
	<u>341,755</u>	<u>289,792</u>

17 Control

The ultimate controlling parties are P.E. Waine, J.B.H. Dinan and A.S.T. Negretti.

18 Related party transactions

Name of related party	Relationship	Nature of transaction	Amount	Amount due (to)/from related party
			£	£
Domine Trust	Common interest	Charitable donation	5,004	-
P.E. Waine	Director	Loan	-	10,507
J.B.H. Dinan	Director	Loan	-	1,500
A. Gallagher	Director	Loan	-	(3,066)