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EARLS COURT FARM LIMITED
BERMUDA

ANNUAL ACCOUNTS
FOR THE YEAR 1998

Content:

Balance Sheet
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Report by Management

**To the Shareholders and Board of Directors
of Earls Court Farm Limited, Bermuda**

The December 31, 1998 unaudited financial statements of Earls Court Farm Limited, Bermuda including notes thereto, presented in this report have been prepared by the company in accordance with generally accepted accounting principles.

All assets are properly safeguarded and all transactions have been executed and recorded in accordance with the shareholders' established policies and procedures and the accounting records are adequate for preparation of financial statements and other financial information.



**Douglas Docherty
Financial Controller**

October 14, 1999

cc : Raymond Smith, Management Revisions
Christopher Mitchell

EARLS COURT FARM LIMITED
(Formerly Earls Court Investments Limited)
BALANCE SHEET
AS AT DECEMBER 31

EXPRESSED IN U.K. STERLING

	<u>Notes</u>	<u>1998</u>	<u>1997</u>
<u>ASSETS AND CURRENT LIABILITIES</u>			
<u>Investments</u>			
Investment in Ridgeway Grain Limited, at Cost		260	260
<u>Fixed Assets</u>			
Fixed Assets, Net of Depreciation	1	1,848,077	1,628,292
<u>Current Assets</u>			
Cash and Deposits		966	171,897
Deposits		17,165	17,165
Accounts Receivable		15,617	11,305
Valuation and Stock		145,937	75,742
Total Current Assets		<u>179,685</u>	<u>276,109</u>
<u>Current Liabilities</u>			
Accounts Payable - Trade Creditors		24,170	14,816
Total Current Liabilities		<u>24,170</u>	<u>14,816</u>
Net Current Assets		<u>155,515</u>	<u>261,293</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>	GBP	<u>2,003,852</u>	<u>1,889,845</u>
<u>ADVANCES PAYABLE AND SHAREHOLDERS' DEFICIT</u>			
<u>Advances Payable</u>			
Shareholder		2,211,601	2,211,969
Other		620,311	474,014
Total Advances Payable		<u>2,831,912</u>	<u>2,685,983</u>
<u>Shareholders' Deficit</u>			
Share Capital - 300 Shares of par value CHF 100 each		11,775	11,775
Deficit - Opening Balance		(807,913)	(722,397)
Net Loss		(31,922)	(85,516)
Deficit - Closing Balance		<u>(839,835)</u>	<u>(807,913)</u>
Total Shareholders' Deficit		<u>(828,060)</u>	<u>(796,138)</u>
<u>TOTAL ADVANCES PAYABLE AND SHAREHOLDERS' DEFICIT</u>	GBP	<u>2,003,852</u>	<u>1,889,845</u>

Approved:

Director:

Date:

15 Oct 1999

Director:

Date:

15 Oct 1999

EARLS COURT FARM LIMITED
(Formerly Earls Court Investments Limited)
STATEMENT OF PROFIT & LOSS
FOR THE TWELVE MONTHS ENDED DECEMBER 31

EXPRESSED IN U.K. STERLING

	<u>1998</u>	<u>1997</u>
Turnover	267,829	272,975
Operating Costs	<u>(315,551)</u>	<u>(357,559)</u>
Loss on Trading Activities	<u>(47,722)</u>	<u>(84,584)</u>
Interest Received	65	166
Net Rent Received	15,482	-
Exchange Gain / (Loss)	<u>253</u>	<u>(1,098)</u>
NET LOSS	GBP <u>(31,922)</u>	<u>(85,516)</u>

EARLS COURT FARM LIMITED
(Formerly Earls Court Investments Limited)
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31

EXPRESSED IN U.K. STERLING

1. FIXED ASSETS, AT COST

<u>Cost</u>		<u>Freehold Land & Buildings</u>	<u>Improvements</u>	<u>Plant & Equipment</u>	<u>1998 Total</u>	<u>1997 Total</u>
Cost as at January 1	GBP	699,237	757,925	378,443	1,835,605	1,759,407
Additions		-	237,231	69,747	306,978	78,798
Disposals		-	-	(11,400)	(11,400)	(2,600)
As at December 31	GBP	<u>699,237</u>	<u>995,156</u>	<u>436,790</u>	<u>2,131,183</u>	<u>1,835,605</u>
<u>Accumulated Depreciation</u>						
To January 1		-	-	207,314	207,314	140,331
Disposals		-	-	(5,000)	(5,000)	(2,600)
Charge for the Year		-	-	80,792	80,792	69,582
At December 31	GBP	<u>-</u>	<u>-</u>	<u>283,106</u>	<u>283,106</u>	<u>207,313</u>
Net Book Value						
At December 31	GBP	<u>699,237</u>	<u>995,156</u>	<u>153,684</u>	<u>1,848,077</u>	<u>1,628,292</u>