

FORTE SERVICES HOLDINGS LIMITED
(Registered Number: 940123)

REPORT AND ACCOUNTS

PERIOD ENDED 28 SEPTEMBER 1996



FORTE SERVICES HOLDINGS LIMITED

DIRECTORS' REPORT

The Directors present their Report and Accounts for the period ended 28 September 1996.

CHANGE OF ACCOUNTING PERIOD

Following the acquisition of Forte Plc and its subsidiaries by Granada Group PLC, the company has changed its year end from 31 January in order to coincide with its ultimate parent undertaking. Consequently these accounts cover the period from 1 February 1996 to 28 September 1996.

PRINCIPAL ACTIVITY

The Company did not trade or incur any liability during the period.

TRADING RESULTS

The profit on ordinary activities before taxation for the period was £nil (Year ended 31 January 1996 - £752,299).

DIVIDEND

The Directors do not recommend the payment of a dividend for the period (Year ended 31 January 1996: £nil).

DIRECTORS

The Director of the Company as at 28 September 1996 was Forte (UK) Limited.

Forte (UK) Limited was appointed as Director of the Company on 8th July 1996. DJ Stevens, JM Mills and HJ Tautz resigned as Directors of the Company on 31 March 1996, 14 May 1996 and 22 July 1996 respectively.

DIRECTORS' INTERESTS

Forte (UK) Limited indirectly owns 100% of the issued share capital of the Company.

FORTE SERVICES HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

It is the responsibility of 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 as at the end of the financial year and of the profit or loss for that period.

The Directors consider that, in preparing the financial statements on pages 4 to 7, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, that all accounting standards which they consider to be applicable have been followed and that it is appropriate to use a going concern basis.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

ELECTIVE RESOLUTIONS

The Company has passed Elective Resolutions to dispense with the laying of the Annual Report and Financial Statements before the Company in General Meeting, the appointment of auditors annually and the holding of Annual General Meetings, pursuant to Sections 252, 386 and 366A respectively of the Companies Act 1985.

By Order of the Board


Forte Nominees Ltd
Secretary

26
18 March 1997

Registered office:
166 High Holborn
London
WC1V 6TT

Price Waterhouse



AUDITORS' REPORT TO THE MEMBERS OF FORTE SERVICES HOLDINGS LIMITED

We have audited the financial statements on pages 4 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

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 accounts, 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 28 September 1996 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

PRICE WATERHOUSE
Chartered Accountants
and Registered Auditors

26
18 March 1997

FORTE SERVICES HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 28 SEPTEMBER 1996

	Period ended 28 September 1996	31 January 1996
	£	£
Income from shares in group undertakings	-	783,965
Professional fees	-	(31,666)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (Note 2)	-	752,299
Taxation on profit on ordinary activities (Note 3)	-	(274,388)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION RETAINED (Note 5)	-	477,911

The Company had no recognised gains or losses during the period other than those reflected in the above profit and loss account.

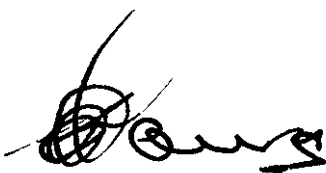
There is no difference between the reported profits for the period and those that would be reported under the historical cost convention.

FORTE SERVICES HOLDINGS LIMITED

BALANCE SHEET - AS AT 28 SEPTEMBER 1996

	28 September 1996 £	31 January 1996 £
DEBTORS		
Amounts owed by group undertakings	6,035,154	6,035,154
NET CURRENT ASSETS	6,035,154	6,035,154
TOTAL ASSETS LESS CURRENT LIABILITIES	6,035,154	6,035,154
CAPITAL AND RESERVES		
Called up share capital (Note 4)	2	2
Profit and loss account (Note 5)	6,035,152	6,035,152
TOTAL AMOUNT OF SHAREHOLDERS' FUNDS	6,035,154	6,035,154

APPROVED BY THE BOARD ON 26 March 1997



DIRECTOR

Forte (UK) Limited

FORTE SERVICES HOLDINGS LIMITED

NOTES TO THE ACCOUNTS - 28 SEPTEMBER 1996

1 ACCOUNTING POLICIES

(a) Accounting convention

The accounts have been prepared under the historical cost convention, as modified by the revaluation of investments, and in accordance with the Companies Act 1985, as amended by the Companies Act 1989, and applicable Accounting Standards.

(b) Income from shares in group undertakings

Dividends from overseas subsidiary undertakings are dealt with on a received basis, and are accounted for gross of withholding tax suffered.

(c) Accounting period

Following the acquisition of Forte Plc and its subsidiaries by Granada Group PLC, the company has changed its year end from 31 January in order to coincide with its ultimate parent undertaking. Consequently these accounts cover the period from 1 February 1996 to 28 September 1996.

2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The average number of personnel employed by the Company during the period was nil (Year ended 31 January 1996 - nil).

None of the directors received any emoluments in respect of their services to the Company (Year ended January 31 1996 - £nil).

The auditors' remuneration has been dealt with in the accounts of Forte (UK) Limited.

3 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

The taxation charge based on the profit on ordinary activities is made up as follows:

	Period ended 28 September 1996	31 January 1996
	£	£
Corporation tax at 33% (Year ended 31 January 1996 - 33%)	-	258,708
Foreign tax credit	-	(258,708)
Foreign withholding tax	-	274,388
	-	274,388

FORTE SERVICES HOLDINGS LIMITED**NOTES TO THE ACCOUNTS - 28 SEPTEMBER 1996 (CONTINUED)****4 CALLED UP SHARE CAPITAL**

	28 September <u>1996</u> £	31 January <u>1996</u> £
Authorised:		
100 ordinary shares of £1 each	100 <u> </u>	100 <u> </u>
Issued, allotted and fully paid:		
2 ordinary shares of £1 each	2 <u> </u>	2 <u> </u>

5 RESERVES

	Profit and <u>loss reserve</u> £
At 1 February 1996	6,035,152 <u> </u>
At 28 September 1996	6,035,152 <u> </u>

6 ULTIMATE PARENT UNDERTAKING

The Company's ultimate parent undertaking is Granada Group PLC, which is incorporated in England. Copies of the group accounts can be obtained from the following address: Stornoway House, 13 Cleveland Row, London, SW1A 1GG.