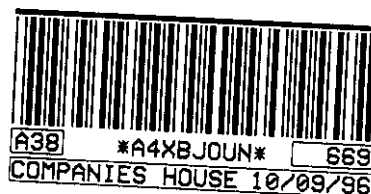


FORTE SERVICES HOLDINGS LIMITED
(Registered Number: 940123)

REPORT AND ACCOUNTS

YEAR ENDED 31 JANUARY 1996



FORTE SERVICES HOLDINGS LIMITED

DIRECTORS' REPORT

The Directors present their Report and Accounts for the year ended 31 January 1996.

PRINCIPAL ACTIVITY

The Company ceased to be an investment holding company during the year ended 31 January 1995. It continued to receive dividends declared by its former subsidiaries prior to the cessation of this activity during the year.

TRADING RESULTS

The profit on ordinary activities before taxation for the year was £752,299 (1995 - profit £2,272,291).

DIVIDEND

The Directors do not recommend the payment of a dividend for the year (1995: £nil).

DIRECTORS

The Directors of the Company as at 31 January 1996 were as follows:

JM Mills
DJ Stevens
HJ Tautz

JG Edis-Bates and JM Mills resigned as Directors of the Company on 6 November 1995 and 14 May 1996 respectively. DJ Stevens was appointed as a Director of the Company on 6 November 1995 and resigned on 31 March 1996. Forte UK Limited was appointed Director of the Company on 8 July 1996 and HJ Tautz resigned as a Director of the Company on 22 July 1996.

DIRECTORS' INTERESTS

None of the Directors had a direct interest in the issued share capital of the Company.

The beneficial interests of the Directors in the issued share capital of Forte Plc were as follows:

	At 31 January 1996	At 1 February 1995 (or date of appointment where later)
JM Mills	-	330
DJ Stevens	-	-
HJ Tautz	-	-

The following Directors held share options under the Forte Plc Executive and Savings-Related Share Option Schemes:

	At 31 January 1996	At 1 February 1995 (or date of appointment where later)	Granted	Exercised
JM Mills	15,581	35,330	-	19,749
DJ Stevens	-	169,750	169,750	169,750
HJ Tautz	618	17,118	-	16,500

FORTE SERVICES HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

It is the responsibility of the Directors to prepare accounts 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 accounts 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 accounts 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

3 September 1996

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 as modified by the revaluation of certain fixed assets 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 31 January 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

PRICE WATERHOUSE
Chartered Accountants
and Registered Auditors

3 September

1996

FORTE SERVICES HOLDINGS LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JANUARY 1996**

	<u>1996</u> £	<u>1995</u> £
Income from shares in group undertakings	783,965	2,272,291
Professional Fees	<u>(31,666)</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (Note 2)	752,299	2,272,291
Taxation on profit on ordinary activities (Note 3)	<u>(274,388)</u>	<u>(207,726)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION RETAINED (Note 5)	<u>477,911</u>	<u>2,064,565</u>

**STATEMENT OF TOTAL RECOGNISED GAINS OR LOSSES
FOR THE YEAR ENDED 31 JANUARY 1996**

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

**NOTE OF HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 31 JANUARY 1996**

	<u>1996</u> £	<u>1995</u> £
Profit on ordinary activities before taxation	752,299	2,272,291
Realisation of investment revaluation gains	<u>-</u>	<u>667,130</u>
Historical cost profit on ordinary activities before taxation	<u>752,299</u>	<u>2,939,421</u>
Historical cost profit for the year after taxation and dividends	<u>477,911</u>	<u>2,731,695</u>

FORTE SERVICES HOLDINGS LIMITED

BALANCE SHEET - AS AT 31 JANUARY 1996

	<u>1996</u> £	<u>1995</u> £
DEBTORS		
Amounts owed by group undertakings	6,035,154	5,557,243
NET CURRENT ASSETS	<u>6,035,154</u>	<u>5,557,243</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>6,035,154</u>	<u>5,557,243</u>
CAPITAL AND RESERVES		
Called up share capital (Note 4)	2	2
Profit and loss account (Note 5)	<u>6,035,152</u>	<u>5,557,241</u>
	<u>6,035,154</u>	<u>5,557,243</u>

APPROVED BY THE BOARD ON 3 September 1996



DIRECTOR

FORTE SERVICES HOLDINGS LIMITED

NOTES TO THE ACCOUNTS - 31 JANUARY 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.

2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

None of the directors received any emoluments in respect of their services to the company (1995 - £nil).

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

3 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

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

	<u>1996</u>	<u>1995</u>
	£	£
Corporation tax at 33% (1995 - 33%)	258,708	749,856
Foreign tax credit	(258,708)	(749,856)
Foreign withholding tax	<u>274,388</u>	<u>207,726</u>
	<u>274,388</u>	<u>207,726</u>

FORTE SERVICES HOLDINGS LIMITED

NOTES TO THE ACCOUNTS - 31 JANUARY 1996 (CONTINUED)

4 CALLED UP SHARE CAPITAL

	<u>1996</u> £	<u>1995</u> £
Authorised:		
100 ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>
Issued, allotted and fully paid:		
2 ordinary shares of £1 each	2	2
	<u> </u>	<u> </u>

5 RESERVES

	<u>Profit and loss reserve</u> £
At 1 February 1995	5,557,241
Profit for the year	<u>477,911</u>
At 31 January 1996	<u>6,035,152</u>

6 ULTIMATE PARENT UNDERTAKING

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

The Company's immediate parent undertaking is Forte Limited (formerly Forte Plc). Copies of the group accounts of Forte Limited (formerly Forte Plc) can be obtained at the following address: 166 High Holborn, London, WC1V 6TT.