

Bentinck Finance (UK) Limited

Financial Statements

31st December 1997

Registered Office
6 Babmaes Street
London
SW1Y 6HD



Company Number
2112180

Bentinck Finance (UK) Limited

Directors' Report

The directors submit their report and the audited financial statements for the year ended 31st December 1997.

Principal activities

The principal activities of the company are the financing and provision of credit and guarantee facilities to individuals and companies.

State of affairs and future developments

The company changed its name from Edsaco Finance Limited to Bentinck Finance (UK) Limited on 9th March 1998. The company changed its registered office from Sceptre House, 169/173 Regent Street, London to 6 Babmaes Street, London on 12th February 1998

The state of the company's affairs is as set out on page 5 of the financial statements. The directors expect that the present level of activity will be sustained in the foreseeable future.

Directors/Company Secretary

The directors at the date of this report or who served during the year were:

M Denton	
D F Lavin	(Resigned 3 rd September 1997)
R Hodges	(Resigned 25 th February 1998)
C G Malet de Carteret	(Resigned 25 th February 1998)
A Sai	(Resigned 25 th February 1998)
B Safa	(Appointed 25 th February 1998)

The directors had no interest in the share capital of the company during the year or at the balance sheet date.

The company secretaries at the date of this report or who served during the year were:

R Hodges	(Resigned 25 th February 1998)
A Weir	(Appointed 25 th February 1998)
	(Resigned 23 rd July 1998)
B Safa	(Appointed 23 rd July 1998)

Bentinck Finance (UK) Limited

Directors' Report (Continued)

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.

Results and dividends

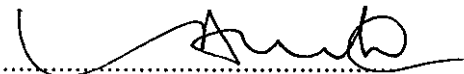
The company's result for the year was a profit after taxation of £238,748 (1996 - £231,764).

The directors have paid an interim dividend of £1,536,351 (1996 - nil). The directors do not recommend a final dividend and the remaining deficit of £1,297,603 will be transferred to reserves

Auditors

The auditors, Price Waterhouse, merged with Coopers and Lybrand on 1st July 1998 and as a consequence, Price Waterhouse will resign as auditors in favour of the new merged firm, PricewaterhouseCoopers. A resolution proposing their appointment will be presented at the Annual General Meeting.

On behalf of the board



M. DENTON
Director

Date: 16/3/99

Bentinck Finance (UK) Limited

Report of the auditors to the members

We have audited the financial statements on pages 4 to 10, which have been prepared under the historical cost convention and the accounting policies set out in note 1.

Respective responsibilities of directors and auditors

As described on pages 1 and 2, the company's directors are responsible for the preparation of the 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 affairs of the company as at 31st December 1997 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
Registered Auditors and
Chartered Accountants
Southwark Towers
32 London Bridge Street
London SE1 9SY

Date: *16 March 1998*

Bentinck Finance (UK) Limited

Profit and loss account

For the year ended 31st December 1997

	Notes	1997 £	1996 £
Interest receivable and similar income	1/2	2,229,376	2,040,235
Interest payable and similar charges		(1,865,581)	(1,687,537)
Net interest income		363,795	352,698
Administrative expenses		(15,220)	(6,782)
Profit on ordinary activities before taxation	2/3	348,575	345,916
Tax on profit on ordinary activities	5	(109,827)	(114,152)
Profit for the year		238,748	231,764
Dividend paid		(1,536,351)	-
Balance brought forward		1,302,245	1,070,481
Balance carried forward		4,642	1,302,245

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

Total recognised gains and losses

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 6 to 10 form an integral part of these financial statements.

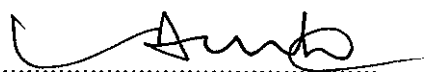
Bentinck Finance (UK) Limited

Balance Sheet

As at 31st December 1997

	Notes	1997 £	1996 £
Current assets			
Investments	6	3,061,597	3,071,597
Debtors: amounts falling due within one year	7	13,218,487	14,126,534
Debtors: amounts falling due after more than one year	8	13,650,503	11,105,997
Cash at bank and in hand		15,635	1,958,620
		-----	-----
		29,946,222	30,262,748
Creditors: Amounts falling due within one year	9	(15,218,672)	(17,120,306)
		-----	-----
Net current assets		14,727,550	13,142,442
Creditors: Amounts falling due after more than one year	10	(14,572,908)	(11,690,197)
		-----	-----
		154,642	1,452,245
		=====	=====
Capital and reserves			
Called up share capital	11	150,000	150,000
Profit and loss account		4,642	1,302,245
		-----	-----
Shareholders' Funds	12	154,642	1,452,245
		=====	=====

The financial statements were
approved by the board on



M. DENTON
Director 16/3/99

The notes on pages 6 to 10 form an integral part of these financial statements.

Bentinck Finance (UK) Limited

Notes to the financial statements

As at 31st December 1997

1. Accounting Policies

Accounting Convention

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

The company has taken advantage of the exemption in Financial Reporting Standard No.1 from producing a cash flow statement as it qualifies as a small sized company in accordance with Section 248 of the Companies Act 1985.

Interest receivable and similar income

This represents interest, facility fees and guarantee fees earned during the year.

Deferred Income

Annual fees are billed in advance and time apportioned to the respective accounting periods. Fees billed but not yet earned are recorded as deferred income.

Deferred Taxation

Deferred taxation is provided in respect of timing differences at the appropriate rate of taxation where there is a reasonable probability that such taxation will become payable in the foreseeable future.

Foreign Currencies

The company's accounting records are maintained in Pounds Sterling.

Transactions in other currencies are converted at the rate ruling at the date of the transaction. Current assets and liabilities are converted at the rate of exchange ruling at the balance sheet date. Any gains or losses resulting from the conversion are taken to the profit and loss account.

Current Asset Investments

Current asset investments are stated at cost, provision being made for any permanent diminution in value.

Bentinck Finance (UK) Limited

Notes to the financial statements

As at 31st December 1997

2. **Geographical analysis**

The geographical origin of turnover and profit before tax is as follows:-

	Turnover		Profit before tax	
	1997	1996	1997	1996
	£	£	£	£
United Kingdom	383,083	659,547	59,897	311,343
Rest of Europe	753,852	643,461	117,869	8,657
United States of America	938,148	649,359	146,684	21,748
Rest of the World	154,293	87,868	24,125	4,168
	2,229,376	2,040,235	348,575	345,916

3. **Profit before taxation**

	1997	1996
	£	£
Profit before taxation is stated after charging/(crediting):		
Auditors' remuneration	2,400	4,000
Exchange (gains)/losses	(1,974)	28,791
	=====	=====

4. **Directors and employees**

The directors were the only employees during the year. The directors received no emoluments from or in respect of their services to the company during the year (1996 - nil).

5. **Taxation**

Corporation tax has been provided on the company's taxable profit at the rate of 31.5% (1996 - 33%). The charge comprises:

	1997	1996
	£	£
Current year charge	109,827	114,152
	=====	=====

There is no material unprovided liability for deferred taxation at 31st December 1997 (1996 - Nil).

Bentinck Finance (UK) Limited

Notes to the financial statements

As at 31st December 1997

6. **Current asset investments**

	1997 £	1996 £
Unlisted investments at cost	3,061,597 =====	3,071,597 =====

In the opinion of the directors, the market value of unlisted investments is not less than cost.

7. **Debtors**

	1997 £	1996 £
Trade debtors - loans receivable within one year (see note 10)	11,980,737	12,889,080
Trade debtors - other	63,851	70,536
Amounts owed by group undertaking	330,816	258,650
Withholding tax recoverable	-	69,437
Other debtors	-	14,871
Prepayments and accrued income	843,083	823,960
	----- 13,218,487 =====	----- 14,126,534 =====

Loans receivable include £ Nil (1996 - £10,000) due from Mr M Denton who is a director of the company. The maximum balance during the year was £10,000. The loan was made in the ordinary course of the company's business and on terms no more favourable than those given by the company to employees of the Edsaco Participation Limited group.

8. **Debtors:** Amounts falling due after more
than one year

	1997 £	1996 £
Trade debtors - loans receivable (see note 10)	13,650,503 =====	11,105,997 =====

Loans are receivable between two and five years.

Bentnick Finance (UK) Limited

Notes to the financial statements

As at 31st December 1997

9. **Creditors:** Amounts falling due within one year

	1997 £	1996 £
Bank overdrafts	12	24
Trade creditors - bank loans payable (see note 10)	11,869,351	13,276,980
Trade creditors - other loans payable (see note 10)	2,012,279	2,012,279
Amounts owed to group undertakings	-	968,178
Corporation tax	50,761	114,152
Accruals and deferred income	1,286,269	748,693
	-----	-----
	15,218,672	17,120,306
	=====	=====

10. **Creditors:** Amounts falling due after more than one year

	1997 £	1996 £
Bank loans	13,523,592	10,640,881
Other loans	1,049,316	1,049,316
	-----	-----
	14,572,908	11,690,197
	=====	=====

Bank loans are repayable otherwise than by instalments between two and five years at various rates of interest. Bank loans above and in note 9 are secured by charges over the loans included in notes 7 and 8.

11. **Called up share capital**

The authorised share capital of the Company comprises 1,000,000 shares of £1 each, of which 150,000 have been allotted, issued and fully paid up (1996 - £150,000).

12. **Reconciliation of movement on shareholders' funds**

	1997 £	1996 £
Increase in shareholders' funds - profit for the financial year after taxation	238,748	231,764
Dividend paid	(1,536,351)	-
Opening shareholders' funds	1,452,245	1,220,481
	-----	-----
Closing shareholders' funds	154,642	1,452,245
	=====	=====

Bentinck Finance (UK) Limited

Notes to the financial statements

As at 31st December 1997

13. Capital commitments

There were no capital commitments at the balance sheet date (1996 - Nil).

14. Contingent liabilities

There were no contingent liabilities at the balance sheet date (1996 - Nil).

15. Related party transactions

The company has taken advantage of the exemption under FRS8 not to disclose inter-group related party transactions.

16. Parent companies

Edsaco Participation Limited, a company registered in Jersey, is the parent company. The ultimate holding company is ETC Holdings Limited, a company registered in the British Virgin Islands