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BLADENE LIMITED

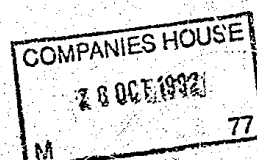
ANNUAL REPORT AND FINANCIAL STATEMENTS

- for the year ended -

31 DECEMBER 1991

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BLADENE LIMITED

COMPANY INFORMATION

DIRECTORS :

J H Metzger
F Primat-Schlumberger

SECRETARY :

J H Metzger

REGISTERED OFFICE :

271 Preston Road
Harrow, HA3 0PS
Middlesex

REGISTERED NUMBER :

2918318 (England)

AUDITORS :

Watson & Co
Chartered Accountants
271 Preston Road
Harrow, HA3 0PS
Middlesex

BLADENE LIMITED

DIRECTORS' REPORT

The directors present their report on the affairs of the company together with the financial statements and auditors' report for the year ended 31 December 1991.

PRINCIPAL ACTIVITIES

The company is principally engaged as investment brokers throughout the world except in the United Kingdom.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to FF 10,702,562.

No dividends are proposed.

DIRECTORS AND THEIR INTERESTS

The directors who served throughout the year were J H Metzger and F Primat-Schlumberger who had no beneficial interest in the issued share capital of the company.

COMPANY RESIDENCE

The company is controlled and managed outside the United Kingdom and does not trade or have a permanent establishment within the United Kingdom.

AUDITORS

A resolution to re-appoint Watson & Co as auditors will be put to the members at the Annual General Meeting.

BY ORDER OF THE BOARD

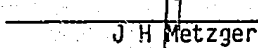
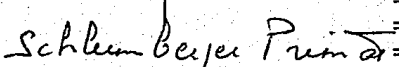
J H Metzger - SECRETARY

15 August 1992

BLADENE LIMITEDBALANCE SHEET
at 31 DECEMBER 1991

	NOTES	1991 FF	1990 FF
FIXED ASSETS			
Tangible assets	2	61,171,262	58,864,193
CURRENT ASSETS			
Investments	3	66,669,804	65,503,726
Debtors	4	959,438	595,152
Cash at bank		3,148	461,011
		67,632,390	66,559,889
CREDITORS: amounts falling due within one year	5	(197,839)	(937,881)
NET CURRENT ASSETS		67,434,551	65,622,008
TOTAL ASSETS LESS CURRENT LIABILITIES		128,605,813	124,486,201
CREDITORS: amounts falling due after one year	6	(150,055,000)	(135,232,826)
NET LIABILITIES		FF(21,449,187)	FF(10,746,625)
CAPITAL AND RESERVES			
Called-up share capital	7	22	22
Profit and loss account		(21,449,209)	(10,746,647)
TOTAL CAPITAL EMPLOYED		FF(21,449,187)	FF(10,746,625)

SIGNED ON BEHALF OF THE BOARD


 J H Metzger

 F Primat-Schlumberger

DIRECTORS

15 August 1992

The accompanying notes are an integral part of these financial statements

BLADENE LIMITED**WATSON & CO.****PROFIT AND LOSS ACCOUNT**
For the year 31 DECEMBER 1991

	NOTES	1991 FF	1990 FF
TURNOVER	8	16,960,593	24,199,710
Cost of sales		(16,378,763)	(21,197,493)
GROSS PROFIT		581,830	3,002,217
Administrative expenses		(185,159)	(526,990)
OPERATING PROFIT		396,671	2,475,227
Interest receivable & similar income	9	1,443,875	821,871
Interest payable & similar charges	10	(12,285,122)	(11,242,103)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	11	(10,444,576)	(7,945,005)
Tax on loss on ordinary activities	12	(257,986)	(318,540)
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(10,702,562)	(8,263,545)
Retained loss brought forward		(10,746,647)	(2,483,102)
RETAINED LOSS CARRIED FORWARD		FF (21,449,209)	FF (10,746,647)

The accompanying notes are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 DECEMBER, 1991

1. ACCOUNTING POLICIES

a) Accounting convention

The financial statements are prepared under the historical cost convention.

b) Tangible fixed assets

No depreciation is provided on freehold investment property.

c) Taxation

The company is considered to be non-resident in the United Kingdom for tax purposes. No liability is expected for United Kingdom taxation based on these financial statements.

d) Foreign currencies

The financial statements are stated in French francs.

Assets and liabilities denominated in other currencies are translated at the rate of exchange ruling at the balance sheet date.

Transactions in other currencies are recorded at the rate ruling at the date of transaction.

All differences are taken to the profit and loss account.

e) Turnover

The turnover of the company comprises the value of commission income arising in the normal course of business.

f) Cash flow statement

A cash flow statement has not been prepared in accordance with FRS 1 on the basis that the company is entitled to the exemption conferred on small companies.

NOTES TO THE FINANCIAL STATEMENTS continued

2. TANGIBLE FIXED ASSETS

FREEHOLD INVESTMENT
PROPERTY

	1991 FF	1990 FF
Cost -		
Balance at beginning of year	58,864,193	58,639,562
Additions	2,307,069	224,631
Balance at end of year	FF61,171,262	FF58,864,193
	=====	=====

3. CURRENT ASSET INVESTMENTS

1991 1990

Listed investments (overseas),
at costFF66,669,804 FF65,503,726
=====

The market value of investments is in excess of the cost at the balance sheet date.

4. DEBTORS

1991 1990

Other debtors

FF959,438 FF595,152
=====5. CREDITORS: amounts falling due
within one year1991 1990
FF FFAccrued charges
Tenants' deposit

163,906	759,248
33,933	178,633
FF197,339	FF937,881
=====	=====

6. CREDITORS: amounts falling due
after one year

1991 1990

Loans by shareholders

FF150,055,000 FF135,232,826
=====

The loans are unsecured, bear interest at 9% per annum and have no fixed date of repayment.

BLADENE LIMITED

NOTES TO THE FINANCIAL STATEMENTS continued

7. CALLED-UP SHARE CAPITAL

	1991	1990
Authorised - 10,000 Ordinary shares of £1 each	£10,000 =====	£10,000 =====
Allotted, called-up and fully paid - 2 Ordinary shares of £1 each	FF 22 =====	FF 22 =====

8. TURNOVER

The turnover represents income arising wholly outside the United Kingdom in respect of :-

	1991 FF	1990 FF
Rental income	1,301,066	1,846,678
Sales of securities	15,659,527	22,353,032
	FF16,960,593	FF24,199,710
	=====	=====

9. INTEREST RECEIVABLE & SIMILAR INCOME

	1991 FF	1990 FF
Currency exchange gain	6,959	-
Income from listed investments	1,424,525	732,150
Bank deposit interest	12,391	89,721
	FF1,443,875	FF821,871
	=====	=====

10. INTEREST PAYABLE AND SIMILAR CHARGES

	1991 FF	1990 FF
Loan interest	12,285,122	11,239,164
Currency exchange loss	-	2,939
	FF12,285,122	FF11,242,103
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS continued

11. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging:	1991 FF	1990 FF
Directors' remuneration	16,232	13,604
Auditors' remuneration	5,814	6,343
	=====	=====

12. TAX ON LOSS ON ORDINARY ACTIVITIES

	1991	1990
Overseas taxation	FF257,986	FF318,540
	=====	=====

As the company is not resident in the United Kingdom for tax purposes and has no income arising in the United Kingdom, there is no United Kingdom corporation tax liability based on these financial statements.

AUDITORS' REPORT TO THE MEMBERS OF BLADENE LIMITED

We have audited the financial statements set out on pages 4 to 9 in accordance with Auditing Standards.

The company's accounting records are maintained outside the United Kingdom and we have not obtained all the information and explanations we consider necessary for the purpose of our audit and we were unable to satisfy ourselves as to the completeness and accuracy of its accounting records.

The financial statements have been prepared on a going-concern basis. As shown in the financial statements, the company incurred net losses for 1991 and 1990 of FF 10,702,582 and FF 8,263,545 respectively. At 31 December 1991 total liabilities exceeded total assets by FF 21,449,187. In addition; we have not been able to satisfy ourselves as to the carrying value of FF 61,171,262 representing the Freehold Investment property and FF 66,669,804 representing current asset investments. Furthermore, we have been unable to establish the market value of such current asset investments. These factors indicate that the company may be unable to continue in existence. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that may be necessary in the event that the company cannot continue in existence.

Due to the significance of the above paragraphs we are unable to form an opinion as to whether the financial statements give a true and fair view of the state of the company's affairs at 31 December 1991 and of its loss for the year then ended. In other respects, in our opinion, the financial statements have been properly prepared in accordance with the Companies Act 1985, as amended.

M. J. J.
CHARTERED ACCOUNTANTS
AND
REGISTERED AUDITORS

WATSON & CO
271 Preston Road
Harrow, HA3 OPS
Middlesex

15 August 1992