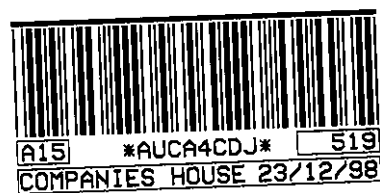


Company Registration No. 2757736

L.C INTERCORP LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1997



2325PE-1997

Registered Office
60 Welbeck Street
London
W1M 8BH

L.C INTERCORP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1997

The directors present their report and financial statements for the year ended 31 December 1997.

Principal Activities and Review of the Business

The principal activity of the company continued to be that of the provision of administrative services.

Results and Dividends

The results for the year are set out on page 3.

It is proposed that the retained loss of £ 1,176 is transferred to reserves.

Fixed Assets

The significant changes in fixed assets during the year are explained in note 7 to the financial statements.

Directors

The following directors have held office since the beginning of the year

A.J Weir	(Resigned 31 July 1998)
F M Forrai	(Appointed 20 August 1997 and resigned 1 June 1998)
J Butterfield	(Appointed 20 August 1997 and resigned 1 June 1998)
S. Hirst	(Appointed 31 July 1998)
L R Taylor	(Appointed 1 June 1998)
A M Taylor	(Appointed 1 June 1998)
C.G Malet De Carteret	(Resigned 20 August 1997)
M.W. Denton	(Resigned 20 August 1997)

The directors had no interest in the issued share capital of the company.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Matthew Edwards & Co. be reappointed as auditors of the company will be put to the Annual General Meeting.

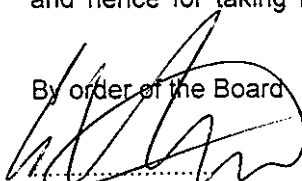
Directors' Responsibilities

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;
- 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.

By order of the Board



S. Hirst

Date: 23 NOV 1998

MATTHEW EDWARDS & CO

CHARTERED ACCOUNTANTS

P.O. Box 227, Clinch's House, Lord Street, Douglas, Isle of Man IM99 1RZ

Telephone: +44 (0) 1624 663166 Facsimile: +44 (0) 1624 677108

+44 (0) 171 950 9800 +44 (0) 171 437 9509

E-mail edwards@bentinck.com

L.C INTERCORP LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF L.C INTERCORP LIMITED

We have audited the financial statements on pages 3 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1 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 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 the company's affairs as at 31 December 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Matthew Edwards & Co.

23.11.98

Chartered Accountants
Registered Auditor

Clinch's House, Lord Street
Douglas
Isle Of Man
IM99 1RZ

L.C INTERCORP LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1997**

	Notes	1997 £	1996 £
Turnover	2	1,016	-
Administrative expenses		(1,784)	(1,917)
Operating loss	3	(768)	(1,917)
Other interest receivable and similar income	4	-	952
Interest payable and similar charges	5	(408)	-
Loss on ordinary activities before taxation		(1,176)	(965)
Tax on loss on ordinary activities	6	-	-
Loss on ordinary activities after taxation	11	(1,176)	(965)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

L.C INTERCORP LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 1997**

	Notes	1997 £	£	1996 £	£
Fixed Assets					
Investments	7		8		8
Current Assets					
Debtors	8	1,774		8,649	
Cash at bank and in hand		2,266		4,090	
		<u>4,040</u>		<u>12,739</u>	
Creditors: amounts falling due within one year	9	<u>(2,119)</u>		<u>(9,642)</u>	
Net Current Assets			1,921		3,097
Total Assets Less Current Liabilities			<u>1,929</u>		<u>3,105</u>
Capital and Reserves					
Called up share capital	10		1,000		1,000
Profit and loss account	11		929		2,105
Shareholders' Funds - equity interests	12		<u>1,929</u>		<u>3,105</u>

The financial statements were approved by the Board on 23 NOV 1998


S. Hirst
Director

L.C INTERCORP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1997

1 Accounting Policies

1.1 Accounting conventions and Compliance with accounting standards

The financial statements are prepared under the historical cost convention. The accounts have been prepared in accordance with applicable accounting standards.

1.2 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.3 Foreign currency translation

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 material gains or losses resulting from the conversion are taken to the profit and loss account.

1.4 Cash Flow

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

2 Turnover

Turnover represents the company's share of income derived from its principal activity.

3 Operating Loss	1997	1996
	£	£
Operating loss is stated after charging:		
Auditors' remuneration	500	500
	<u> </u>	<u> </u>

4 Other Interest Receivable and Similar Income	1997	1996
	£	£
Profit on Exchange	-	952
	<u> </u>	<u> </u>

5 Interest Payable and Similar Charges	1997	1996
	£	£
Loss on exchange	408	-
	<u> </u>	<u> </u>

6 Taxation

Due to the losses incurred in the year, no provision has been made for UK corporation tax

L.C INTERCORP LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1997****7 Fixed Asset Investments**

	Unlisted investments £
Cost	
At 1 January 1997 & at 31 December 1997	8
At 31 December 1996	8

The investment represents an 8% interest in the B.T.L. Group and is stated at cost.

8 Debtors	1997	1996
	£	£
Trade debtors	647	7,899
Corporation tax	1,127	-
Prepayments and accrued income	-	750
	<u>1,774</u>	<u>8,649</u>

9 Creditors: amounts falling due within one year	1997	1996
	£	£
Other creditors	-	7,131
Accruals and deferred income	2,119	2,511
	<u>2,119</u>	<u>9,642</u>

10 Share Capital

The authorised share capital of the Company comprises 1000 ordinary £1 shares all of which have been issued and are fully paid up (1996 - 1000)

11 Statement of Movements on Profit and Loss Account

	Profit and loss account £
Balance at 1 January 1997	2,105
Retained loss for the year	(1,176)
Balance at 31 December 1997	<u>929</u>

L.C INTERCORP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1997**

12 Reconciliation of Movements in Shareholders' Funds	1997	1996
	£	£
Loss for the financial year	(1,176)	(965)
Opening shareholders' funds	3,105	4,070
	<hr/>	<hr/>
Closing shareholders' funds	1,929	3,105
	<hr/>	<hr/>

13 Contingent liabilities

There were no contingent liabilities as at the balance sheet date.

14 Capital Commitments

There were no major capital commitments as at the balance sheet date.

15 Employees

Number of employees

There were no employees during the year apart from the directors

16 Ultimate Controlling Party and Related Party Transactions

The directors are not aware of the ultimate controlling party, transactions related thereto and any other related party transactions.