

EUROBOND INVESTMENTS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995

Edwards & Co.
Mitre House
177 Regent Street
London
W1R 8BB

Registered Office
Sceptre House
169/173 Regent Street
London
W1R 7FB

1995



EUROBOND INVESTMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1995

The directors present their report and financial statements for the year ended 31 December 1995.

Principal Activities and Review of the Business

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

The directors expect the present level of activity to be maintained in the foreseeable future.

Results and Dividends

The results for the year are set out on page 0.

It is proposed that the retained loss of £ 4,383 is transferred to reserves.

Directors

The following directors have held office during the year

M Jager	(Appointed 19 March 1996)
B Binggeli	(Appointed 19 March 1996)
S Frei	(Appointed 5 January 1995) And (Resigned 19 March 1996)
B Voellmin	(Resigned 5 January 1995)
C Thury	(Resigned 19 March 1996)
L Tellier	(Resigned 5 January 1995)
I.M. Groguz	(Appointed 5 January 1995)

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 Edwards & Co. be reappointed as auditors of the company will be put to the Annual General Meeting.

EUROBOND INVESTMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1995

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

EUROBOND INVESTMENTS LIMITED

Date 18.4.97

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EUROBOND INVESTMENTS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF EUROBOND INVESTMENTS LIMITED

We have audited the financial statements on pages 0 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 0 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, except that the scope of our work was limited as explained below. 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. However, the evidence available to us was limited because we were unable to obtain independent confirmation of the bank accounts and related information and have relied solely on bank statements provided to us to confirm bank balances held by the company. There were no other satisfactory audit procedures that we could adopt to confirm that all bank transactions were properly recorded.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

EUROBOND INVESTMENTS LIMITED

**AUDITORS' REPORT
TO THE SHAREHOLDERS OF EUROBOND INVESTMENTS LIMITED**

Opinion

Except for any adjustments or additional disclosures that may have been found to be necessary had we obtained independent confirmation of the bank balances, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our audit work relating to the above, we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

In all other respects, we have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

Edwards & Co.

Edwards & Co.

Chartered Accountants
Registered Auditor

18.4.97
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Mitre House
177 Regent Street
London
W1R 8BB

EUROBOND INVESTMENTS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1995**

	Notes	1995 £	1994 £
Turnover	2	3,230	3,211
Administrative expenses		(7,669)	(5,689)
Operating loss	3	(4,439)	(2,478)
Other interest receivable and similar income	4	2,093	1,002
Interest payable and similar charges	5	(2,037)	-
Loss on ordinary activities before taxation		(4,383)	(1,476)
Tax on loss on ordinary activities	6	-	-
Loss on ordinary activities after taxation	10	(4,383)	(1,476)

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.

EUROBOND INVESTMENTS LIMITED

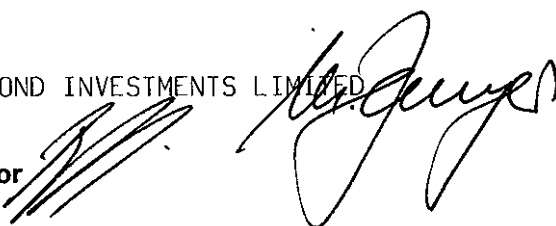
**BALANCE SHEET
AS AT 31 DECEMBER 1995**

	Notes	1995 £	£	1994 £	£
Current Assets					
Debtors	7	6,960		3,640	
Cash at bank and in hand		61,767		65,517	
		<u>68,727</u>		<u>69,157</u>	
Creditors: amounts falling due within one year	8	<u>(80,226)</u>		<u>(76,273)</u>	
Total Assets Less Current Liabilities			<u>(11,499)</u>		<u>(7,116)</u>
Capital and Reserves					
Called up share capital	9		1,000		1,000
Profit and loss account	10		(12,499)		(8,116)
Shareholders' Funds - equity interests	11		<u>(11,499)</u>		<u>(7,116)</u>

The financial statements were approved by the Board on18.4.97.....

EUROBOND INVESTMENTS LIMITED

Director



EUROBOND INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1995

1 Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The financial statements have been prepared on the going concern basis. This is considered appropriate as the shareholders will continue to provide financial support to the company for the foreseeable future.

1.2 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.3 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

The company's turnover is wholly derived from its principal activity.

3 Operating Loss	1995	1994
	£	£
Operating loss is stated after charging:		
Auditors' remuneration	479	520
	<hr/>	<hr/>
4 Other Interest Receivable and Similar Income	1995	1994
	£	£
Profit on Exchange	-	133
Bank interest	2,093	869
	<hr/>	<hr/>
	2,093	1,002
	<hr/>	<hr/>
5 Interest Payable and Similar Charges	1995	1994
	£	£
Loss on exchange	2,037	-
	<hr/>	<hr/>
6 Taxation		

Due to the loss incurred in the year no provision has been made for taxation. (1994 - nil)

EUROBOND INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995**

7 Debtors	1995	1994
	£	£
Trade debtors	500	3,211
Other debtors	-	429
Prepayments and accrued income	6,460	-
	<u>6,960</u>	<u>3,640</u>

8 Creditors: amounts falling due within one year	1995	1994
	£	£
Shareholders loan	77,914	73,303
Accruals and deferred income	2,312	2,970
	<u>80,226</u>	<u>76,273</u>

9 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 (1994 - 1000)

10 Statement of Movements on Profit and Loss Account

	Profit and loss account £
Balance at 1 January 1995	(8,116)
Retained loss for the year	(4,383)
	<u>(12,499)</u>
Balance at 31 December 1995	<u>(12,499)</u>

11 Reconciliation of Movements in Shareholders' Funds	1995	1994
	£	£
Loss for the financial year	(4,383)	(1,476)
Opening shareholders' funds	(7,116)	(5,640)
	<u>(11,499)</u>	<u>(7,116)</u>
Closing shareholders' funds	<u>(11,499)</u>	<u>(7,116)</u>

EUROBOND INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995**

12 Capital Commitments

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

13 Employees

Number of employees

There were no employees during the year apart from the directors