

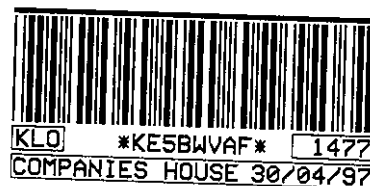
COMPANY NO:
2867439

**REGISTRAR'S
COPY**

MODEL BOND LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31st OCTOBER, 1996



FSPG
CHARTERED ACCOUNTANTS
21 BEDFORD SQUARE
LONDON WC1B 3HH

MODEL BOND LIMITED**AUDITORS' REPORT TO THE DIRECTOR OF MODEL BOND LIMITED****PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 3 to 5 together with the financial statements of Modelbond Limited prepared under section 226 of the Companies Act 1985 for the year ended 31st October, 1996.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITORS

The director is responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the director's statement on page 3 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

OPINION

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Part III of Schedule 8 to that Act, in respect of the year ended 31st October, 1996 and the abbreviated accounts on pages 3 to 5 have been properly prepared in accordance with that Schedule.

OTHER INFORMATION

On 21st January, 1997 we reported, as auditors of Modelbond Limited, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31st October, 1996, and our audit report was as follows:

"We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITORS

As described on page 2, the company's director is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

MODEL BOND LIMITED**AUDITORS' REPORT TO THE DIRECTOR OF MODEL BOND LIMITED****PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 OF THE COMPANIES ACT 1985**

(Continued)

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 director 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 31st October, 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985."

FSPG
Chartered Accountants
Registered Auditors
21 Bedford Square
London WC1B 3HH

FSPG

22nd January, 1997

MODEL BOND LIMITED**BALANCE SHEET AT 31st OCTOBER, 1996**

	<u>Notes</u>	<u>1996</u>	<u>1995</u>
		£	£
FIXED ASSETS			
Investments	2	537,514	537,514
CURRENT ASSETS			
Debtors		136	136
Cash at bank and in hand		-	6
		<u>136</u>	<u>142</u>
CREDITORS: Amounts falling due within one year		<u>(538,297)</u>	<u>(537,715)</u>
NET CURRENT LIABILITIES		(538,161)	(537,573)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(647)</u>	<u>(59)</u>
CAPITAL AND RESERVES			
Called up share capital	3	2	2
Profit and loss account		(649)	(61)
SHAREHOLDERS' FUNDS		<u>(647)</u>	<u>(59)</u>

In preparing these abbreviated accounts I have relied upon Sections 246 and 247 of the Companies Act 1985 on the grounds that the company is entitled to the benefit of these sections as a small company.

The accounts were approved by the Board of Directors on 21st January, 1997 and signed on their behalf by:

P. GODFREY Director

The notes set out on pages 4 and 5 form part of these abbreviated accounts

MODELBOND LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31st OCTOBER, 1996****1. ACCOUNTING POLICIES****(a) Basis of Accounting**

There have been no changes in the accounting policies during the year.

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

(b) Non-Consolidation of Subsidiary

The company and its subsidiary comprise a small sized group. The company has taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts. Details of the subsidiary are provided in note 6 to the financial statements.

(c) Deferred Taxation

Deferred taxation is provided using the liability method on all timing differences except that no provision is made where it can be reasonably foreseen that such deferred taxation will not be payable in the future.

(d) Valuation of Investments

Investments held as fixed assets are stated at cost less any provision for a permanent diminution in value.

(e) Cash Flow Statement

The company has taken advantage of the exemption in FRS1 (cash flow statements) from the requirement to prepare a cash flow statement as it qualifies as a small company.

(f) Capital Instruments

The company has adopted the provisions of FRS4 (Capital Instruments). Capital Instruments are accounted for and classified as equity or non-equity share capital, or debt, according to their form.

MODEL BOND LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31st OCTOBER, 1996**

(Continued)

	<u>1996</u> £	<u>1995</u> £
2. <u>INVESTMENTS</u>		
Group undertakings	537,514	537,514

<u>Name of company</u>	<u>Country of registration or incorporation</u>	<u>Holding</u> Ordinary shares of £1 each	<u>Proportion held</u> 100%	<u>Nature of business</u> Employment agency
Astorshield Limited	England			

3. SHARE CAPITAL

	<u>Authorised</u>		<u>Allotted, called up and fully paid</u>	
	<u>1996</u> No.	<u>1995</u> No.	<u>1996</u> £	<u>1995</u> £
Ordinary shares of £1 each	1,000	1,000	2	2