

GRANVILLE PRIVATE EQUITY (GENERAL PARTNER) LIMITED

REPORT AND ACCOUNTS

31 MARCH 1996

Registration number: 2878506



GRANVILLE PRIVATE EQUITY (GENERAL PARTNER) LIMITED

Directors: M J O Proudlock (Chairman)
J R Brakell
H G Eastman
R A Padgett
A H M White

Secretary: Lovat Nominees Limited

Registered Office: Mint House, 77 Mansell Street, London E1 8AF

REPORT OF THE DIRECTORS

The Directors present their report, together with the audited accounts of the company for the year ended 31 March 1996.

PRINCIPAL ACTIVITY OF THE FIRM

The company is a general partner in the Granville Private Equity Limited Partnership which invests in unquoted companies in the United Kingdom and elsewhere within the European Union. The company has sole responsibility for the conduct and management of the partnership's business. Under the terms of the partnership agreement the company has exercised its right to appoint Granville Private Equity Limited to act as manager of the partnership with substantially the same powers and duties as it would otherwise have retained.

RESULTS AND DIVIDENDS

The company made neither a profit nor a loss for the year ended 31 March 1996. No dividend has been paid or is proposed.

DIRECTORS AND THEIR INTERESTS

The Directors of the company are those shown above. The Directors who held office on 31 March 1996 have no interests in the share capital of the company. Messrs H G Eastman and M J O Proudlock have interests in the shares, and options to subscribe in the shares, of the ultimate parent company, Granville Holdings plc, which are disclosed in that company's financial statements. No other directors have interests in the share capital of the ultimate parent company.

GRANVILLE PRIVATE EQUITY (GENERAL PARTNER) LIMITED

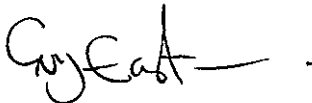
STATEMENT OF DIRECTORS ' RESPONSIBILITIES

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 for that year. In preparing these 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 a going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy 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.

ON BEHALF OF THE BOARD



H G Eastman
Director

Mint House
77 Mansell Street
London
E1 8AF

31 January 1997

GRANVILLE PRIVATE EQUITY (GENERAL PARTNER) LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF GRANVILLE PRIVATE EQUITY (GENERAL PARTNER) LIMITED

We have audited the financial statements on pages 4 to 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion 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 31 March 1996 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit plc
Chartered Accountants
Registered Auditors
8 Salisbury Square
London EC4Y 8BB

31 January 1997

GRANVILLE PRIVATE EQUITY (GENERAL PARTNER) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 1996

	Notes	1996.£	1995. £
Turnover	1	369,189	292,419
Administrative expenses	2	(369,189)	(292,419)
Operating profit on ordinary activities before taxation	2	<u>0</u>	<u>0</u>
Retained profit carried forward		<u>£ 0</u>	<u>£ 0</u>

There are no recognised gains or losses other than those included in the profit and loss account above, therefore, no statement of recognised gains or losses has been prepared.

There is no difference between the reported profit and historical cost profit.

All items dealt with in arriving at profit on ordinary activities before taxation for the year ended 31 March 1996 relate to continuing operations.

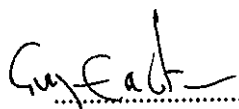
The notes on pages 6 to 7 form part of the financial statements.

GRANVILLE PRIVATE EQUITY (GENERAL PARTNER) LIMITED

BALANCE SHEET AS AT 31 MARCH 1996

	Notes	1996. £	1995. £
CURRENT ASSETS			
Debtors and prepayments	3	1	98,581
CREDITORS: Amounts falling due within one year	4	-	(98,580)
NET CURRENT ASSETS		<u>1</u>	<u>1</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1</u>	<u>1</u>
		<u>£ 1</u>	<u>£ 1</u>
CAPITAL AND RESERVES			
Called up share capital	5	1	1
Profit and loss account		0	0
SHAREHOLDERS' FUNDS		<u>£ 1</u>	<u>£ 1</u>

SIGNED ON BEHALF OF THE BOARD

.....Director
H G Eastman

31 January 1997

The notes on pages 6 to 7 form part of the financial statements.

GRANVILLE PRIVATE EQUITY (GENERAL PARTNER) LIMITED

NOTES TO THE ACCOUNTS : 31 MARCH 1996

1 ACCOUNTING POLICIES

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, is set out below.

- a) *Basis of preparation* - The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards. Under FRS1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking and a consolidated cash flow statement is prepared in the parent entity.
- b) *Turnover* - Turnover comprises the value of sales of services in the normal course of business (excluding VAT).
- c) *Taxation* - The charge for taxation is based on the profit for the year. Deferred taxation has been calculated on the liability method. Deferred taxation is provided on timing differences which will probably reverse, at the rates of tax likely to be in force at the time of reversal. Deferred tax is not provided on timing differences which, in the opinion of the Directors, will probably not reverse.

2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is stated after charging:

	1996 . £	1996 . £
Management charge from parent company	£ 369,189	£ 292,419

3 DEBTORS

Amount due for unpaid share capital
Amounts due from parent company

	1996 . £	1996 . £
Amount due for unpaid share capital	1	1
Amounts due from parent company	-	98,580
	<hr/>	<hr/>
	£ 1	£ 98,581
	<hr/>	<hr/>

GRANVILLE PRIVATE EQUITY (GENERAL PARTNER) LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

	1996 . £	1995 . £
4 CREDITORS - amounts falling within one year		
Amounts due to parent company	£ -	£ 98,580
	<u> </u>	<u> </u>

	1996 . £	1995 . £
5 CALLED UP SHARE CAPITAL		
Authorised:		
100 Ordinary shares of £1 each	£ 100	£ 100
	<u> </u>	<u> </u>
Allotted and called up:		
1 Ordinary share of £1 each	£ 1	£ 1
	<u> </u>	<u> </u>

6 PARENT AND ULTIMATE UNDERTAKING

The company's ultimate parent company is Granville Holdings plc, incorporated in Great Britain and registered in England and Wales. The largest group in which the results of the company are consolidated is that headed by Granville Holdings plc. The smallest group in which they are consolidated is that headed by Granville Private Equity Limited. The consolidated accounts of both these companies may be obtained from Mint House, 77 Mansell Street, London E1 8AF.