

**CITYLEND LIMITED**

Registered No: 2911534

**ACCOUNTS FOR THE PERIOD ENDED 31ST AUGUST 1996**



Citylend Limited

Accounts

For the Period Ended 31st August 1996

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CITYLEND LIMITEDREPORT OF THE DIRECTORSFOR THE PERIOD ENDED 31ST AUGUST 1996

The Directors submit their Annual Report and Accounts for the twelve months ended 31st August 1996.

Principal Activity

The activity of the Company is that of an investment holding company in both Russia and the United Kingdom.

Business Review

The results of the Company are considered to be satisfactory in view of prevailing conditions in the former Soviet States.

The Directors do not recommend the payment of a dividend.

Post Balance Sheet Events

There have been no events since the end of the Company's financial period which affected the state of affairs at 31st August, 1996

Directors

The Directors during the period under review and the shares in the Company in which they were beneficially interested at the beginning and end of the period were:

	<u>Ordinary Shares of £1 each</u>	
	<u>31 August 1995</u>	<u>31 August 1996</u>
V Essin	2,001	2,001
O Solomatina	1,001	1,001
P Stanley	2,001	2,001
N Harvey	1,000	1,000

CITYLEND LIMITED

REPORT OF THE DIRECTORS (CONT)

FOR THE PERIOD ENDED 31ST AUGUST 1996

**Directors' Responsibilities**

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of its income and expenditure for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgments and estimates have been made in the preparation of the financial statements for the period ended 31 August 1996. The directors also are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.


**Auditors**

The directors have taken advantage of recent legislation such that companies of this size are no longer required to appoint auditors. This action has been ratified by the company's shareholders.

In particular, the directors confirm that:

- (a) for the period ended 31st August 1996 the company was entitled to exemption under subsection (1) of Section 249A of the Companies Act 1985; and
- (b) no notice has been deposited under subsection (2) of Section 249B,

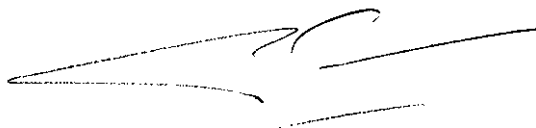
BY ORDER OF THE BOARD



P STANLEY  
Director

CITYLEND LIMITEDPROFIT AND LOSS ACCOUNTFOR THE PERIOD ENDED 31ST AUGUST 1996

	Notes	1996 £	1995 £
Net Profit (loss) for the year		(1,458)	(3,557)
Interest payable and similar charges			(455)
Loss on ordinary activities before taxation		(1,458)	(4,012)
Tax on loss on ordinary activities	5	-	-
Net Loss for the year		(1,458)	(4,012)
Losses brought forward		(4,012)	
Losses carried forward		(5,470)	(4,012)



**CITYLEND LIMITED**  
**BALANCE SHEET AS AT 31ST AUGUST 1996**

	Notes	1996 £	1995 £
<b>Fixed assets</b>			
Tangible assets	1		4,750
Less: depreciation			(1,187)
			<u>3,563</u>
Investments	2	5,000	<u>5,000</u>
			<u>8,563</u>
<b>Current assets</b>			
Debtors	6		440
Cash at bank and in hand		50	<u>204</u>
			644
<b>Creditors: amounts falling due within one year</b>	7	(4,518)	(7,217)
<b>Net current assets</b>		<u>(4468)</u>	<u>(6,573)</u>
<b>Total assets less current liabilities</b>		<u>532</u>	<u>1,990</u>
<b>Share capital and reserves</b>			
Share capital	8	6,002	6,002
Profit and loss account		<u>(5,470)</u>	<u>(4,012)</u>
<b>Equity shareholders' funds</b>		<u>532</u>	<u>1,990</u>

The Directors have:

- (a) taken advantage of the Companies Act 1985 in not having these accounts audited;
- (b) have confirmed that no notice has been deposited under s249B(2) of the Companies Act 1985;
- (c) acknowledged their responsibilities for ensuring that the company keeps accounting records which comply with s221 of the Companies Act 1985;
- (d) acknowledged their responsibilities for preparing accounts which give a true and fair view of the company and of its profit for the year then ended in accordance with the requirements of s226, and which otherwise comply with the requirement of this Act relating to accounts, so far as applicable to this company.
- (e) taken advantage of sections 246 and 247 and schedule 8, Companies Act 1985 (as inserted by section 13 and schedule 6, Companies Act 1989) in relation to the provision of information for small and medium sized enterprises.

The accounts on pages 3 and 6 were approved by the board of directors on the 30th April 1997 and signed on its behalf by:

P Stanley  
 Director

CITYLEND LIMITED

NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 31ST AUGUST 1996

**1. Principal Accounting Policies**

The accounts have been prepared in accordance with applicable Accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

**(a) Account convention**

The accounts have been prepared in accordance with the historical cost convention.

**(b) Fixed Assets and Depreciation**

The tangible assets represented by motor vehicles were disposed of during the year. These were previously depreciated at 25% per annum.

**2. Investments**

Investments are stated at cost and represent an investment in a private limited company, Justderive Limited, of 50,000 shares of £1 each.

**3. Employees and Directors**

The company has no employees. The directors receive no remuneration or other emoluments from the company.

**4. Auditors**

No auditors have been appointed for the period ended 31st August 1996

**5. Taxation**

No corporation tax is payable for the current period.

**6. Debtors**

There were no sundry debtors or prepayments at the year end (1995 - £440)

CITYLEND LIMITEDNOTES TO THE ACCOUNTSFOR THE PERIOD ENDED 31ST AUGUST 1996**7. Creditors: amounts falling due within one year**

	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Directors loan accounts	4,518	4,518
Sums due under lease purchase arrangements	NIL	2,699
	<u>4,518</u>	<u>7,217</u>

**8. Share capital**

	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Authorised		
100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Issued, called up and fully paid		
6,002 ordinary shares of £1 each	<u>6,002</u>	<u>6,002</u>