

ACCOUNTANTS' REPORT TO THE DIRECTORS

I have examined, without carrying out an audit, the financial statements for the year ended 31 December 1996 set out on pages 3 to 7.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND REPORTING ACCOUNTANT

As described on the Balance Sheet, the company's directors are responsible for the preparation of financial statements, and they believe that the company is exempt from an audit. It is my responsibility to examine the financial statements and, based on my examination, report my opinion, as set out below, to the members.

BASIS OF OPINION

I conducted my examination in accordance with appropriate standards for reporting accountants issued by the Auditing Practices Board. This examination consisted of comparing the financial statements and accounting records kept by the company, and making such limited enquiries of the officers of the company as I considered necessary for the purpose of this report.

The examination was not an audit conducted in accordance with Auditing Standards. Accordingly I do not express an audit opinion on the financial statements. Therefore my examination does not provide any assurance that the accounting records and the financial statements are free from material misstatement.

OPINION

In our opinion:

- (a) the financial statements are in agreement with those accounting records kept by the company under Section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records, the financial statements have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Companies Act 1985;
- (c) having regard only to, and on the basis of, the information contained in those accounting records kept by the company under Section 221, the company satisfied the conditions for exemption from an audit of the financial statements for the year specified in Section 249A(4) of the Act and did not, at any time within that year fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1) of the Companies Act 1985.



Leslie Du Cane
Chartered Accountant
14 Lansdowne Road
London W11

10./06/1997



DIRECTORS' REPORT

The directors present their annual report with the financial statements of the company for the year ended 31 December 1996.

PRINCIPAL ACTIVITIES

The principal activity of the company was the provision of conference accommodation and services.

DIRECTORS AND THEIR INTERESTS

The directors in office in the year and their beneficial interests in the company at the balance sheet date and the beginning of the year (or on appointment if later) were as follows:

		Number of Shares	
		1996	1995
Guy Mayers		1	-
Thomas Mayers	Ordinary shares £1	1	1

Directors appointed since year end:

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 as at the end of the financial year 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 maintaining 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.

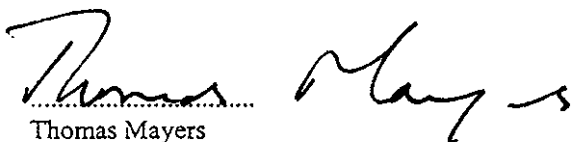
CLOSE COMPANY

The company is a close company, as defined by the Income and Corporation Taxes Act 1988.

SMALL COMPANY EXEMPTIONS

The directors have taken advantage of the exemptions conferred by Part II of Schedule 8 to the Companies Act 1985.

By order of the board:


Thomas Mayers
Secretary

Approved by the board: 10/06/1997

MAYFAIR PROPERTY PORTFOLIO LTD**BALANCE SHEET
AT 31 DECEMBER 1996**

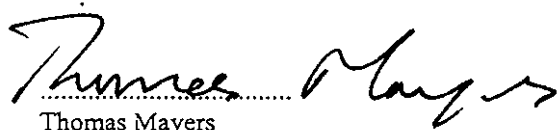
	Notes	1996	1995
		£	£
FIXED ASSETS			
Tangible assets	4	18,590	2,264
CURRENT ASSETS			
Debtors	5	19,071	34,951
Cash at bank and in hand		70,907	25
		<u>89,978</u>	<u>34,976</u>
CREDITORS: amounts falling due within one year	6	(112,583)	(47,254)
NET CURRENT LIABILITIES		<u>(22,605)</u>	<u>(12,278)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(4,015)</u>	<u>(10,014)</u>
CAPITAL AND RESERVES			
Called up share capital	7	2	2
Share premium account	8	7,998	7,998
Profit and loss account	9	(12,015)	(18,014)
TOTAL SHAREHOLDERS' FUNDS		<u>(4,015)</u>	<u>(10,014)</u>

The directors have taken advantage of the exemption conferred by section 249A(2) not to have these financial statements audited and confirm that no notice has been deposited under section 249B(2) of the Companies Act 1985. The directors acknowledge their responsibilities for ensuring that:

- i) The company keeps accounting records which comply with section 221 of the Companies Act 1985;
- ii) The financial statements give a true and fair view of the state of affairs of the company as at 31 December 1996 and of its profit or loss for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

The directors have taken advantage of special exemptions conferred by Part I of Schedule 8 to the Companies Act 1985, applicable to small companies in the preparation of the accounts and have done so on the grounds that, in their opinion, the company is entitled to those exemptions.

The financial statements were approved by the board of directors on 10/06/1997 and signed on its behalf by:


 Thomas Mayers
 Director

The notes on pages 5 to 7 form part of these financial statements.

Compiled without audit or independent verification - refer accountants' report.

MAYFAIR PROPERTY PORTFOLIO LTD

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1996**

	Notes	1996 £	1995 £
TURNOVER		253,503	23,166
Cost of sales		82,211	7,214
GROSS PROFIT		171,292	15,952
Distribution costs		8,185	205
Administrative expenses		157,505	33,760
OPERATING PROFIT	2	5,602	(18,013)
Investment income and interest receivable		398	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		6,000	(18,013)
PROFIT FOR THE FINANCIAL YEAR		6,000	(18,013)

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

Total recognised gains and losses

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

Historical cost

The difference between the results as disclosed in the profit and loss account before tax, and retained profit for the year, on an unmodified historical cost basis is not material.

The notes on pages 5 to 7 form part of these financial statements.

Compiled without audit or independent verification - refer accountants' report.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1996

1. STATEMENT OF ACCOUNTING POLICIES

The financial statements have been prepared on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the significant accounting policies adopted by the company in the preparation of the financial statements.

(a) Cash flow

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash flow statements".

(b) Turnover

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

(c) Depreciation of tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its useful life:

Plant & machinery	15% on cost
Equipment, fixtures and fittings	10% - 33.3% on cost

2. OPERATING SURPLUS

Operating profit is stated:	1996	1995
	£	£
After charging:		
Depreciation of fixed assets	7,530	205

3. STAFF COSTS

	1996	1995
	£	£
Directors' emoluments		
Remuneration for management services (including pension contributions)	15,207	-

Compiled without audit or independent verification - refer accountants' report.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1996

4. TANGIBLE FIXED ASSETS

	Plant and machinery etc. £
Cost:	
At 1 January 1996	2,469
Additions	23,856
At 31 December 1996	26,325
Depreciation:	
At 1 January 1996	205
Charge for year	7,530
At 31 December 1996	7,735
Net book value:	
At 31 December 1996	18,590
At 31 December 1995	2,264

5. DEBTORS

	1996 £	1995 £
Trade debtors	19,071	23,665
Other debtors	-	1,403
Prepayments and accrued income	-	9,883
	19,071	34,951

6. CREDITORS: amounts falling due within one year

	1996 £	1995 £
Bank loans and overdrafts	-	1,272
Trade creditors	97,837	44,384
Other taxes and social security costs	14,746	1,598
	112,583	47,254

'Other creditors' include £14,746 (1995 £1,598) in respect of taxation and social security.

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