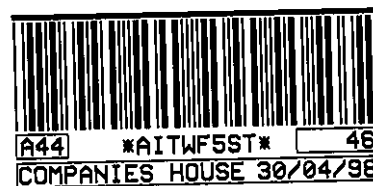


Company Registration No. 3130538

BASECROWN LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1997



13510-1997

Registered Office
Bell House
175 Regent Street
London W1R 7FB

BASECROWN LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 1997

The directors present their report and financial statements for the year ended 30 June 1997.

Principal Activities and Review of the Business

The principal activity of the company continued to be provision of consultancy services.

Results and Dividends

The results for the year are set out on page 4.

It is proposed that the retained loss of £ 5,922 is transferred to reserves.

Directors

The following directors have held office since the beginning of the year

M.W. Denton	(Resigned 20 August 1997)
F M Forrai	(Appointed 20 August 1997)
J Butterfield	(Appointed 20 August 1997)
J.D. Parker	(Appointed 20 August 1997)

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.

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



J.D. Parker

Date 29-4-98

BASECROWN LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF BASECROWN LIMITED

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1 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.

BASECROWN LIMITED

**AUDITORS' REPORT
TO THE SHAREHOLDERS OF BASECROWN LIMITED**

Qualified opinion arising from limitation in audit scope

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 30 June 1997 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

29-4-98

Clinch's House
Lord Street
Douglas
Isle of Man IM99 1RZ

BASECROWN LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 1997**

	Notes	1997 £	1996 £
Turnover	2	-	6,000
Administrative expenses		(5,922)	(6,004)
Loss on ordinary activities before taxation		<u>(5,922)</u>	<u>(4)</u>
Tax on loss on ordinary activities	4	-	(411)
Loss on ordinary activities after taxation	8	<u>(5,922)</u>	<u>(415)</u>

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.

BASECROWN LIMITED

**BALANCE SHEET
AS AT 30 JUNE 1997**

	Notes	1997 £	£	1996 £	£
Current Assets					
Debtors	5	4,000		4,776	
Cash at bank and in hand		11		1,994	
		<u>4,011</u>		<u>6,770</u>	
Creditors: amounts falling due within one year	6	<u>(9,348)</u>		<u>(6,185)</u>	
Total Assets Less Current Liabilities			<u>(5,337)</u>		<u>585</u>
Capital and Reserves					
Called up share capital	7		1,000		1,000
Profit and loss account	8		(6,337)		(415)
Shareholders' Funds - equity interests	9		<u>(5,337)</u>		<u>585</u>

The financial statements were approved by the Board on 29-6-98


J.D. Parker
Director

BASECROWN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1997

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 Compliance with accounting standards

The accounts have been prepared in accordance with applicable accounting standards.

1.3 Foreign currency translation

The company's accounting records are maintained in Pounds Sterling.

Transactions in other currencies are converted at the rate ruling at the date of the transaction. Current assets and liabilities are converted at the rate of exchange ruling at the balance sheet date. Any material gains or losses resulting from the conversion are taken to the profit and loss account.

1.4 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

3 Operating Loss

Operating loss is stated after charging:

Auditors' remuneration

1997	1996
£	£

450	450
-----	-----

4 Taxation

U.K. Current year taxation

U.K. Corporation tax at 32% (1996 - 33%)

1997	1996
£	£

-	411
---	-----

Due to the taxable losses incurred during the year no provision has been made for UK corporation tax.

5 Debtors

Trade debtors

Prepayments and accrued income

1997	1996
£	£

4,000	4,000
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-	776
---	-----

4,000	4,776
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BASECROWN LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1997**

6	Creditors: amounts falling due within one year	1997	1996
		£	£
	Corporation tax	411	411
	Shareholders loan	8,037	3,479
	Accruals and deferred income	900	2,295
		<u>9,348</u>	<u>6,185</u>

7 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 (1996 - 1000)

8 Statement of Movements on Profit and Loss Account

	Profit and loss account
	£
Balance at 1 July 1996	(415)
Retained loss for the year	(5,922)
Balance at 30 June 1997	<u>(6,337)</u>

9	Reconciliation of Movements in Shareholders' Funds	1997	1996
		£	£
	Loss for the financial year	(5,922)	(415)
	Opening shareholders' funds	585	1,000
	Closing shareholders' funds	<u>(5,337)</u>	<u>585</u>

10 Contingent liabilities

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

11 Capital Commitments

There were no major capital commitments as at the balance sheet date.

BASECROWN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1997**

12 Employees

Number of employees

There were no employees during the year apart from the director

Employment costs

	1997	1996
	£	£
Wages and salaries	3,012	2,675

13 Ultimate Controlling Party

The directors are not aware of the identity of the ultimate controlling party.
