

Company Registration No. 3204455

MAYLINE INVESTMENTS LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 1997

14563-PE-1997

Registered Office
Suite 205, Moghul House,
57 Grosvenor St.,
Mayfair, London.



MAYLINE INVESTMENTS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 1997

The directors present their report and financial statements for the period ended 30 September 1997.

Principal Activities and Review of the Business

The principal activity of the company is the provision of administrative services.

The company was incorporated in England and Wales on 28 May 1996 and commenced trading on 30 September 1996.

Results and Dividends

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

It is proposed that the retained loss of £ 591 is transferred to reserves.

Directors

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

J.D. Parker	(Appointed 28 May 1996)
A.J. Weir	(Appointed 16 July 1996 and resigned 29 April 1997)
J Butterfield	(Appointed 29 April 1997 and resigned 1 June 1998)
F M Forrai	(Appointed 29 April 1997 and resigned 1 June 1998)
A M Taylor	(Appointed 1 June 1998)
L R Taylor	(Appointed 1 June 1998)

The Directors had no interest in the issued share capital of the company.

Auditors

Matthew Edwards & Co. were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

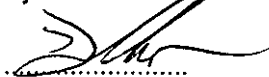
Directors' Responsibilities

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 22-6-98

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MAYLINE INVESTMENTS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF MAYLINE INVESTMENTS 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.

MAYLINE INVESTMENTS LIMITED

**AUDITORS' REPORT
TO THE SHAREHOLDERS OF MAYLINE INVESTMENTS 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 September 1997 and of its loss for the period 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.

Matthew Edwards & Co
Matthew Edwards & Co.

Chartered Accountants
Registered Auditor

22-6-98

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

MAYLINE INVESTMENTS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 30 SEPTEMBER 1997**

		Period ended 30 September 1997 £
	Notes	
Turnover	2	3,225
Administrative expenses		(3,677)
Operating loss	3	(452)
Other interest receivable and similar income	4	25
Loss on ordinary activities before taxation		(427)
Tax on loss on ordinary activities	5	(164)
Loss on ordinary activities after taxation	10	(591)

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.

MAYLINE INVESTMENTS LIMITED

**BALANCE SHEET
AS AT 30 SEPTEMBER 1997**

	Notes	1997 £	£
Fixed Assets			
Investments	6		5
Current Assets			
Debtors	7	1,096	
Cash at bank and in hand		6,401	
		<u>7,497</u>	
Creditors: amounts falling due within one year	8	<u>(3,093)</u>	
Net Current Assets			4,404
Total Assets Less Current Liabilities			<u>4,409</u>
Capital and Reserves			
Called up share capital	9		5,000
Profit and loss account	10		(591)
Shareholders' Funds - equity interests	11		<u>4,409</u>

The financial statements were approved by the Board on 22-6-98



J.D. Parker
Director

MAYLINE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 1997

1 Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

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

Turnover represents the company's share of income derived from its principal activity.

3 Operating Loss

1997

£

Operating loss is stated after charging:

Auditors' remuneration

500

4 Other Interest Receivable and Similar Income

1997

£

Bank interest

25

5 Taxation

1997

£

U.K. Current year taxation

U.K. Corporation tax at 33%

164

MAYLINE INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 1997****6 Fixed Asset Investments**

	Unlisted investments £
Cost	
At 28 May 1996	-
Additions	5
	<hr/>
At 30 September 1997	5
	<hr/>

The investment represents a 5% interest in the Mayba Group and is stated at cost.

7 Debtors

	1997 £
Trade debtors	370
Prepayments and accrued income	726
	<hr/>
	1,096
	<hr/>

8 Creditors: amounts falling due within one year

	1997 £
Corporation tax	164
Shareholders loan	1,667
Accruals and deferred income	1,262
	<hr/>
	3,093
	<hr/>

9 Share Capital

The authorised share capital of the Company comprises 5000 Ordinary shares of £1.00 each all of which have been issued and are fully paid up (1996 - 0)

10 Statement of Movements on Profit and Loss Account

	Profit and loss account £
Retained loss for the period	(591)
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Balance at 30 September 1997	(591)
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MAYLINE INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 1997**

11 Reconciliation of Movements in Shareholders' Funds

1997
£

Loss for the financial period	(591)
Proceeds from issue of shares	5,000
Net addition to shareholders' funds	4,409
Opening shareholders' funds	-
Closing shareholders' funds	4,409

12 Contingent liabilities

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

13 Capital Commitments

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

14 Employees

Number of employees

There were no employees during the period apart from the directors

15 Ultimate Controlling Party

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