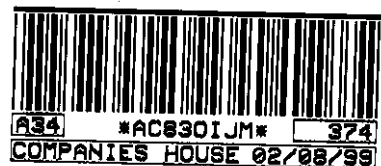


Financial Statements of
Hanover Investments Corporation Limited
For the Year Ended 31st October 1998
Company Registration Number 3269325



HANOVER INVESTMENTS CORPORATION LIMITED
BALANCE SHEET as at 31st October 1998

	NOTE	1998 £	1997 £
FIXED ASSETS	4	4260	0
CURRENT ASSETS			
Cash		2	2
		<u>2</u>	<u>2</u>
CREDITORS			
Due within one year			
Accruals		118	0
Director's Loan		0	0
Corporation Tax		0	0
		<u>118</u>	<u>0</u>
NET CURRENT ASSETS/LIABILITIES		-116	2
TOTAL ASSETS LESS CURRENT LIABILITIES		4144	2
CREDITORS			
Due after more than one year			
Loan		0	0
		<u>0</u>	<u>0</u>
NET ASSETS		<u>4144</u>	<u>2</u>
CAPITAL AND RESERVES			
Called up Share Capital	5	2	2
Shareholders Loan		4260	0
Retained Profit	6	-118	0
		<u>4144</u>	<u>2</u>

These accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities

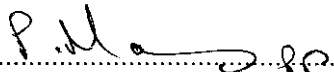
HANOVER INVESTMENTS CORPORATION LIMITED
BALANCE SHEET as at 31st October 1998 - Continued

The director has:

- a) taken advantage of the companies Act 1985 in not having these accounts audited under Section 249A(1) (total exemption)
- b) confirmed that no notice has been deposited under Section 249B(2) of the Companies Act 1985
- c) acknowledged his responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985.
- d) Acknowledged his responsibility for preparing accounts which give a true and fair view of the company and of its profit or loss (whichever is applicable) for the year then ended in accordance with the requirements of section 226 of the Companies Act and which otherwise comply with requirements of this Act relating to accounts, so far as applicable to this company.
- e) (i) taken advantage of the exemptions conferred by Part III of Schedule 8 of the Companies Act 1985

and

(ii) in his opinion the company is entitled to those exemptions on the basis that it qualifies as a small company.


.....
AXHOLME DIRECTORS LIMITED
Approved by the board on the 30th July 1999

HANOVER INVESTMENTS CORPORATION LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st OCTOBER 1998

1 Accounting policies

a Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standards for Smaller entities

b Turnover

Turnover represents the net amount charged to customers, excluding value added tax.

c Stock and work in progress

Stock and work in progress are valued on bases which are consistent from one period to another. Work in progress is valued on a basis which includes an appropriate proportion of overhead expenses. Where any contracts are expected to be unprofitable, full provision is made for anticipated losses.

Cash received on account is deducted from work in progress.

d Deferred taxation

Provision is made for deferred taxation of the liability method at the current rate of Corporation Tax on the excess of the book value of those fixed assets qualifying for taxation allowances over their written down value for tax purposes, except when the tax benefit can be expected with reasonable probability to be retained for the foreseeable future.

e Depreciation

Depreciation is calculated on a straight line basis at the following rates:

Plant & Machinery	20% per annum
Motor Vehicles	25% per annum

2 Turnover

The turnover is attributable to the principal activity which was that of property owning.

HANOVER INVESTMENTS CORPORATION LIMITED

3 Net profit

	1998	1997
This is stated after charging		
Depreciation of owned assets	0	0
Depreciation of assets on hire purchase	0	0
Directors remuneration	0	0

4 Tangible Fixed Assets

	Land & Buildings	Plant & Equipment	Motor Vehicles	Total
COSTS				
Opening Balance	0	0		0
Additions	4260	0	0	4260
Sales	0	0	0	0
	<u>4260</u>	<u>0</u>	<u>0</u>	<u>4260</u>
DEPRECIATION				
Opening Balance	0	0	0	0
Sales	0	0	0	0
Charge for period	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET BOOK VALUE 31.10.1998	4260	0	0	4260
NET BOOK VALUE 31.10.1997	0	0	0	0

5 Share Capital

	1998	1997
Authorised		
Ordinary shares of £1 each	10000	10000
Allotted called up and fully paid		
Ordinary shares of £1 each	2	2

6 Profit and loss account

	1998	1997
At beginning of year.	0	0
Retained Profit	-118	0
At end of year	-118	0

HANOVER INVESTMENTS CORPORATION LIMITED

I hereby approve the accounts for the year ended 31st October 1998 for their submission to the Inspector of Taxes.

I confirm that I have made available all the records and information necessary for their production.

ON BEHALF OF THE BOARD


.....
AXHOLME DIRECTORS LIMITED

ACCOUNTANT'S CERTIFICATE

I have prepared the accounts for the year ended 31st October 1998 from the books, records and explanations of the above client and confirm they are in accordance therewith.

Howley & Co.