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EARLS COURT INVESTMENTS LIMITED

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Report by Management

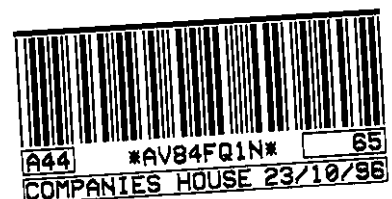
**To the Shareholders and Board of Directors
of Earls Court Investments Limited, Bermuda.**

The December 31, 1995 unaudited financial statements of Earls Court Investments Limited, Bermuda including notes thereto, presented in this report have been prepared by the Company in accordance with generally accepted accounting principles.

All assets are properly safeguarded and all transactions have been executed and recorded in accordance with the shareholders' established policies and procedures and the accounting records are adequate for preparation of financial statements and other financial information.


Brian Leslie
General Manager

August 23, 1996



EARLS COURT INVESTMENTS LIMITED, BERMUDA
BALANCE SHEET
as at DECEMBER 31, 1995

EXPRESSED IN U.K. STERLING

<u>ASSETS & CURRENT LIABILITIES</u>	<u>Notes</u>	<u>12.31.95</u>	<u>12.31.94</u>
<u>Fixed Assets</u>			
Fixed Assets Net of Depreciation	1	1,348,047	1,318,417
Total Fixed Assets		<u>1,348,047</u>	<u>1,318,417</u>
<u>Current Assets</u>			
Cash		11,135	14,307
Deposit		17,165	17,165
Accounts Receivable		5,384	125,581
Valuation and Stock		202,730	122,367
Total Current Assets		<u>236,414</u>	<u>279,420</u>
<u>Current Liabilities</u>			
Accounts Payable		27,805	16,149
Total Current Liabilities		<u>27,805</u>	<u>16,149</u>
Net Current Assets/(Liabilities)		<u>208,609</u>	<u>263,271</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<u>GBP 1,556,656</u>	<u>1,581,688</u>
<u>ADVANCES PAYABLE & SHAREHOLDERS' EQUITY</u>			
<u>Advances Payable</u>			
Advance Payable		48,168	430,340
Shareholder Advances Payable		2,263,710	1,949,830
Total Advances Payable		<u>2,311,878</u>	<u>2,380,170</u>
<u>Shareholders' Equity</u>			
Share Capital - 300 Shares of Par Value SF 100.00 Each		12,156	12,156
Deficit - Opening Balance		(810,638)	(793,588)
Net Profit/(Loss) for Year		43,260	(17,050)
Deficit - Closing Balance		<u>(767,378)</u>	<u>(810,638)</u>
Total Shareholders' Equity		<u>(755,222)</u>	<u>(798,482)</u>
<u>TOTAL ADVANCES PAYABLE & SHAREHOLDERS' EQUITY</u>		<u>GBP 1,556,656</u>	<u>1,581,688</u>


DIRECTOR

EARLS COURT INVESTMENTS LIMITED, BERMUDA
STATEMENT OF PROFIT AND LOSS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1995

EXPRESSED IN U.K. STERLING

	<u>1995</u>	<u>1994</u>
Turnover	340,531	155,659
Operating Costs	<u>(297,718)</u>	<u>(174,746)</u>
Profit/(Loss) on Trading Activities	<u>42,813</u>	<u>(19,087)</u>
Interest Received	728	477
Exchange Gain/(Loss)	<u>(281)</u>	<u>1,560</u>
NET PROFIT/(LOSS)	GBP <u><u>43,260</u></u>	<u><u>(17,050)</u></u>

EARLS COURT INVESTMENTS LIMITED, BERMUDA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1995

EXPRESSED IN U.K. STERLING

1. FIXED ASSETS

<u>Cost</u>		<u>Freehold Land & Buildings</u>	<u>Improvements</u>	<u>Plant & Equipment</u>	<u>Total</u>
Cost as at January 1, 1995	GBP	699,237	567,036	179,401	1,445,674
Additions		-	-	86,215	86,215
Disposals		-	-	(36,140)	(36,140)
As at December 31, 1995	GBP	<u>699,237</u>	<u>567,036</u>	<u>229,476</u>	<u>1,495,749</u>
<u>Accumulated Depreciation</u>					
To January 1, 1995		-	-	127,257	127,257
Disposals		-	-	-	0
For the Year		-	-	20,445	20,445
At December 31, 1995	GBP	<u>0</u>	<u>0</u>	<u>147,702</u>	<u>147,702</u>
<u>Net Book Value</u>					
At December 31, 1994	GBP	<u>699,237</u>	<u>567,036</u>	<u>52,144</u>	<u>1,318,417</u>
At December 31, 1995	GBP	<u>699,237</u>	<u>567,036</u>	<u>81,774</u>	<u>1,348,047</u>