

POTEL HOLDINGS LIMITED
DIRECTORS REPORT AND FINANCIAL STATEMENTS
31 MARCH 1997



COMPANY NO: 1097660

POTEL HOLDINGS LIMITED

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POTEL HOLDINGS LIMITED

REPORT OF THE DIRECTOR

The Director presents his annual report and financial statements of the Company for the year ended 31 March 1997.

Directors

The Director and his interest in the Share Capital of the Company throughout the year was as follows:

Number of Shares

31.3.97
and
31.3.96

S A Potel

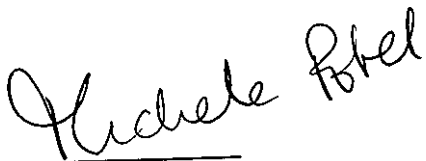
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Principal Activities

The Company's principal activity was investing in properties and providing management services.

In the preparation of the Directors Report advantage has been taken of the special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

This report was approved by the Board on



Secretary

POTEL HOLDINGS LIMITED

Accountants' Report to the shareholders on the unaudited financial statements of Potel Holdings Limited

We have prepared, on the basis of the information contained in the company's accounting records and provided by the company's directors, and without carrying out an audit or examination, the financial statements for the year ended 31 March 1997 set out on pages 3 to 7. The financial statements have been prepared in accordance with the applicable requirements of the Companies Act 1985.

As described on page 4, the company's directors are responsible for the preparation of the financial statements, and they consider that the company is exempt from an audit.

Howard Frank & Co

Date:

**Chartered Accountants
Reporting Accountants**

7 Granard Business Centre
Bunns Lane
Mill Hill
London NW7 2DQ

POTEL HOLDINGS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1997

	Note	1997 £	1996 £
Management Charge		-	10,750
Overheads		3,544	4,452
		—	—
Operating (Loss)/Profit	8	(3,544)	6,298
Interest Payable	9	(1,742)	4,318
		—	—
(Loss)/Profit on Ordinary Activities		(5,286)	1,980
Profit and Loss Account:			
Brought forward		(10,738)	(12,718)
		—	—
Profit and Loss Account:			
Carried forward		(16,024)	(10,738)
		=====	=====

There were no recognised gains or losses other than those included in the profit and loss account.

The notes on pages 5 to 6 form part of these financial statements.

POTEL HOLDINGS LIMITED
BALANCE SHEET AS AT 31 MARCH 1997

	Note	1997 £	1996 £
Fixed Assets			
Tangible Assets	2	-	2,840
Investments	3	100	100
		<hr/>	<hr/>
		100	2,940
Current Assets		<hr/>	<hr/>
Debtors	4	-	39,184
Creditors: Amounts falling due within one year	5	9,357	36,762
		<hr/>	<hr/>
		(9,357)	2,422
		<hr/>	<hr/>
Total Assets less Current Liabilities		(9,257)	5,362
Non Current Liabilities			
Bank Loan		(6,667)	(16,000)
		<hr/>	<hr/>
		(15,924)	(10,638)
		<hr/>	<hr/>
Capital and Reserves			
Called Up Share Capital	6	100	100
Profit and Loss Account		(16,024)	(10,738)
		<hr/>	<hr/>
Shareholders' Funds	7	(15,924)	(10,638)
		<hr/>	<hr/>

The directors have taken advantage of the exemptions conferred by Section 249(1) not to have these financial statements audited and confirm that no notice has been deposited under Section 249(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, and
- (ii) the financial statements give a true and fair view of the state of affairs of the company as at 31 March 1997 and of its result for the financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable by the company.

The financial statements were approved by the Board in


 Director

The notes on pages 5 to 6 form part of these accounts.

POTEL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1997

1. ACCOUNTING POLICIES

1.1. Basis of accounting

The financial statements have been prepared under the historical cost convention and include the results of the company's operations as indicated in the director's report, all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

2. TANGIBLE ASSETS

Cost at 1 April 1996	675	25,200	25,875
Disposals	675	25,200	25,875
	<hr/>	<hr/>	<hr/>
Cost at 31 March 1997	-	-	-
	<hr/>	<hr/>	<hr/>
Depreciation on 1 April 1996	355	22,680	23,035
Provision written back	355	22,680	23,035
	<hr/>	<hr/>	<hr/>
Depreciation at 31 March 1997	-	-	-
	<hr/>	<hr/>	<hr/>
Net Book Value at 31 March 1997	-	-	-
	<hr/>	<hr/>	<hr/>
Net Book Value at 31 March 1996	320	2,520	2,840
	<hr/>	<hr/>	<hr/>

3. INVESTMENTS

	1997 & 1996
The company has invested in unquoted companies and this are included in the Balance Sheet at cost:	
Segar Properties (Hyde Park) Ltd (50%)	100
	<hr/>

POTEL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1997

	1997	1996
4. DEBTORS	-	39,184
	<u> </u>	<u> </u>
5. CREDITORS: Amounts falling due within one year:-		
Bank Overdraft	12	12
Other Creditors	4,845	32,250
Bank Loan	4,000	4,000
Accruals	500	500
	<u> </u>	<u> </u>
	9,357	36,762
	<u> </u>	<u> </u>
6. CALLED UP SHARE CAPITAL		
Authorised: 1,000 ordinary shares of £1 each	1,000	1,000
	<u> </u>	<u> </u>
Issued and fully paid: 100 ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>
7. SHAREHOLDERS' FUNDS		
(Loss)/Profit for the year	(5,286)	1,980
Shareholders fund at 1 April 1996	(10,638)	(12,618)
	<u> </u>	<u> </u>
Shareholders fund at 31 March 1997	(15,924)	(10,638)
	<u> </u>	<u> </u>
8. OPERATING LOSS		
The operating loss is stated after charging:-		
Depreciation	-	945
	<u> </u>	<u> </u>
9. INTEREST PAYABLE		
Bank Loan	1,742	4,318
	<u> </u>	<u> </u>