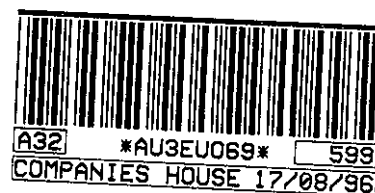


2026708

Eltongold Limited

Report and Financial Statements

Year Ended
30 April 1996



ELTONGOLD LIMITED

Annual report and financial statements for the year ended 30 April 1996

Contents

Directors

Page:

1	Report of the directors
3	Consolidated profit and loss account
4	Consolidated balance sheet
5	Company balance sheet
6	Notes forming part of the financial statements
8	Report of the auditors

Directors

P J Scott
J M T Scott

Secretary and registered office

P J Scott, 8 Baker Street, London, W1M 1DA.

Company number

02026708

Auditors

BDO Stoy Hayward, 8 Baker Street, London W1M 1DA

ELTONGOLD LIMITED

Report of the directors for the year ended 30 April 1996

The directors present their report together with the audited financial statements for the year ended 30 April 1996.

Results and dividends

The profit and loss account is set out on page 3 and shows the result for the year.

The directors do not recommend the payment of a dividend.

Principal activities, trading review and future developments

The principal activity of the group is the holding of investments.

The directors consider the result for the year to be satisfactory.

Directors

The directors of the company during the year and their interests in the ordinary share capital of the company were:

	Ordinary shares of £1 each	
	1996	1995
P J Scott	1	1
J M T Scott	-	-

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

ELTONGOLD LIMITED

Report of the directors for the year ended 30 April 1996 (*Continued*)

Auditors

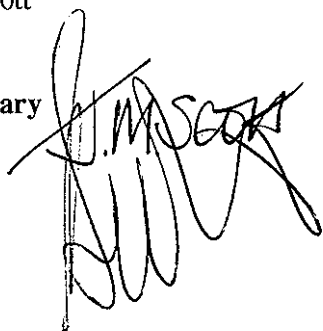
BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.

By order of the Board

P J Scott

Secretary

Date:

A large, stylized handwritten signature in black ink, appearing to read 'P.J. Scott', is written over the 'Secretary' and 'Date:' labels.

31 July 1996

ELTONGOLD LIMITED AND SUBSIDIARY

Consolidated profit and loss account for the year ended 30 April 1996

	Note	1996 £	1995 £
Administrative expenses		1,036	1,036
Loss for the year	2	(1,036)	(1,036)
Accumulated loss brought forward		(80,542)	(79,506)
Accumulated loss carried forward		(81,578)	(80,542)

The loss for the year represents a decrease in shareholders' funds

All amounts relate to continuing activities

All recognised gains and losses are included in the profit and loss account

The notes on pages 6 to 7 form part of these financial statements

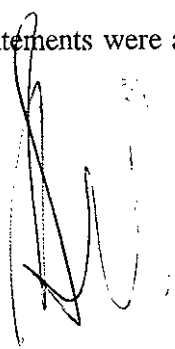
ELTONGOLD LIMITED

Consolidated balance sheet at 30 April 1996

	Note	1996	1995
		£	£
Current assets			
Debtors	6	1,000	1,000
Creditors: amounts falling due within one year	7	(81,578)	(80,542)
Net current liabilities		(80,578)	(79,542)
Total assets less current liabilities		(80,578)	(79,542)
Capital and reserves - equity			
Called up share capital	8	1,000	1,000
Profit and loss account		(81,578)	(80,542)
		(80,578)	(79,542)

These financial statements were approved by the Board on 31 July 1996

P J Scott
Director



The notes on pages 6 to 7 form part of these financial statements

ELTONGOLD LIMITED

Balance sheet at 30 April 1996

	Note	£	1996	£	£	1995	£
Fixed assets							
Investment in subsidiary	5			2			2
Current assets							
Debtors	6	1,000			1,000		
Creditors: amounts falling due within one year	7	(80,516)			(79,648)		
Net current liabilities				(79,516)			(78,648)
Total assets less current liabilities				(79,514)			(78,646)
Capital and reserves - equity							
Called up share capital	8			1,000			1,000
Profit and loss account				(80,514)			(79,646)
				(79,514)			(78,646)

These financial statements were approved by the Board on 31 July 1996

P J Scott

)

)

) Directors

)

J M T Scott

)

)

)

)

)

)

)

)

)

)

)

)

)

)

)

The notes on pages 6 to 7 form part of these financial statements

ELTONGOLD LIMITED

Notes forming part of the financial statements for the year ended 30 April 1996

1 Accounting policies

There have been no changes in accounting policies during the year.

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of Eltongold Limited and its subsidiary Glenhart Properties Limited made up to 31 March 1996.

The acquisition method of accounting is used to consolidate the results.

2	Loss for the year	1996 £	1995 £
	This is arrived at after charging:		
	Auditors' remuneration	850	850

3 Taxation on profits from ordinary activities

No provision has been made for U.K. corporation tax due to the loss for the year.

4	Loss for the year attributable to members of Eltongold Limited	1996 £	1995 £
	Dealt with in financial statements of parent company	868	868

The company has taken advantage of the exemption from presenting its own profit and loss account.

5	Fixed asset investments	1996 £	1995 £
	Glenhart Properties Limited	2	2

Glenhart Properties Limited is incorporated in England and deals in property and estates and other financial services. It did not trade during the year.

6	Debtors	1996		1995	
		Group £	Company £	Group £	Company £
	Other debtors	1,000	1,000	1,000	1,000

All amounts shown under debtors fall due for payment within one year.

ELTONGOLD LIMITEDNotes forming part of the financial statements for the year ended 30 April 1996 (*Continued*)**7 Creditors: amounts falling due within one year**

	1996		1995	
	Group £	Company £	Group £	Company £
Amount due to subsidiary undertaking	-	2	-	2
Amount due to Peter Scott Settlement No 2	72,670	72,670	72,670	72,670
Other creditors	8,908	7,844	7,872	6,976
	<u>81,578</u>	<u>80,516</u>	<u>80,542</u>	<u>79,648</u>

8 Share capital

	Authorised		Issued	
	1996 £	1995 £	1996 £	1995 £
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

9 Transactions concerning directors

On 1 February 1990, the group acquired a property for FFr 10,220,000 financed by a long term loan of FFr 10,220,000. On 15 December 1995 an additional long term bank loan for £425,000 was agreed by the group as nominee for the Peter Scott Settlement No. 2. This loan is secured by a legal charge over the property. These transactions are not disclosed in the consolidated group's accounts as the property was acquired as nominee for The Peter Scott Settlement No. 2. The ultimate beneficiaries of the trust are the directors' children.

The group does not have any beneficiary title to the property under English law nor does it have any liability in connection with the above loans.

10 Going concern assumption

The group's liabilities exceed its assets by £80,578 and continuation of its activities is dependent upon the continued support of The Peter Scott Settlement Number 2. The financial statements have been drawn up on a going concern basis which assumes that this support will be provided for the foreseeable future.

DRAFT

To the shareholders of Eltongold Limited

We have audited the financial statements on pages 3 to 7 which have been prepared under 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 the 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. An audit includes an 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. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Fundamental uncertainties

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the group's ability to continue as a going concern. This is dependent on the continued support of The Peter Scott Settlement Number 2. Details of this fundamental uncertainty are described in note 10 to the financial statements and no adjustments have been made in respect of it. Our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 30 April 1996 and of the group's result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO STOY HAYWARD
*Chartered Accountants
and Registered Auditors*
London

Date: 31 July 1996.