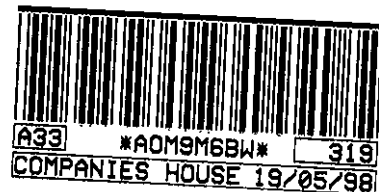


PENFRIENDS & COMPANY LIMITED
DIRECTOR'S REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST JULY 1997



Company No. 3086248 (England and Wales)

PENFRIENDS & COMPANY LIMITED

COMPANY INFORMATION

Director	Mr A Baker
Company Number	3086248
Registered Office	Grayford, Nicol End Chalfont St. Peter Bucks SL9 9LU

PENFRIENDS & COMPANY LIMITED

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PENFRIENDS & COMPANY LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31ST JULY 1997

The director presents his report together with the accounts for the year ended 31st July 1997.

Principal Activities

The company's principal activity is a dormant company as the company has not traded.

Director

The director who served during the year and his beneficial interest in the company's issued share capital was:

Mr A Baker	Ordinary shares of £1 each	
	1997	1996
	2	2

Director's Responsibilities

Company law requires the director to prepare accounts for each financial year which give a true and fair view of the state of the company's affairs and of the profit or loss for that year. In preparing these accounts the director is 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 accounts;

Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and enable him to ensure that the accounts comply with the Companies Act 1985. He is 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.

The report of the Director has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 and was approved on 5th May 1998, and signed.



Grayford Professional Services Limited, Secretary
5th May 1998

PENFRIENDS & COMPANY LIMITED

BALANCE SHEET

AS AT 31ST JULY 1997

	Notes	1997	1996
		£	£
Current Assets			
Debtors	2	2	2
Net Current Assets		2	2
Total Assets Less Current Liabilities		2	2
Capital and Reserves			
Share Capital - Equity	3	2	2
Shareholders' Funds	4	2	2

The director is of the opinion that the company is entitled to exemption from audit conferred by Subsection 1 of Section 249A of the Companies Act 1985 for the year ended 31st July 1997.

The director confirms that no member or members have requested an audit pursuant to Subsection 2 of Section 249B of the Companies Act 1985.

The director confirms that he is responsible for:

ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985,

and preparing accounts which give a true and fair view of the state of the affairs of the company as at the end of the financial year and of its results for the financial year in accordance with the requirements of Section 226 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These accounts were approved by the board on 5th May 1998 and signed on its behalf.


Mr A Baker
Director

PENFRIENDS & COMPANY LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST JULY 1997

1 Accounting Policies

Basis of Accounting

The Accounts have been prepared under the historical cost convention.

The company has taken advantage of the exemptions 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 Debtors

Other debtors

1997	1996
£	£
2	2

3 Share Capital

Authorised

Equity Shares

1,000 Ordinary shares of £1.00 each

1997	1996
£	£
1,000	1,000
1,000	1,000

Allotted

Equity Shares

2 Allotted, called up and fully paid ordinary shares of £1.00 each

2	2
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4 Reconciliation of Shareholders' Funds

Issue of share capital

Increase in the shareholders' funds

Opening shareholders' funds

Closing shareholders' funds

1997	1996
£	£
-	2
-	2
2	-
2	2