

2624605.

HAL Investments (UK) Limited

Report and Accounts for the year ended 30 November 1994

	Page
Report of the directors	1
Report of the auditors	3
Profit and loss account	4
Balance sheet	5
Cash flow statement	6
Notes to the financial statements	7



Report of the directors

The directors present their report and the audited financial statements for the year ended 30 November 1994.

Principal activity and business review

The principal activity of the company is that of an investment holding company.

Results and dividends

The loss for the year after taxation amounted to £6,526 (1993 loss : £151,634) and the directors do not recommend the payment of a dividend.

Directors

The following served as directors of the company during the year:

P M Manheim
M Van der Vorm

The directors have no interest in the shares of the company.

Statement of directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss and cash flows of the company for that period. In preparing those financial statements, the directors are required to:

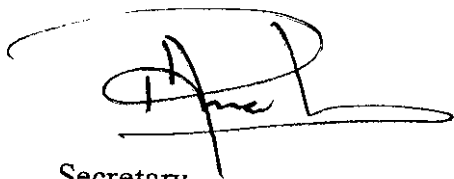
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare 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, for safeguarding the assets of the company and for taking reasonable steps to prevent and detect fraud and other irregularities.

Auditors

A resolution to reappoint the auditors, Coopers & Lybrand will be proposed at the annual general meeting.

By order of the board

A handwritten signature in black ink, appearing to be 'J. MacL', written over a horizontal line.

Secretary

**Report of the auditors to the members of
HAL Investments (UK) Limited**

We have audited the financial statements on pages 4 to 11.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of 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 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 November 1994 and of the loss and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand
Coopers & Lybrand
Chartered Accountants and Registered Auditors
London

October 2, 1995

**Profit and loss account
for the year ended 30 November 1994**

	Notes	1994 £	1993 £
Investment income	2	725	257,173
Administrative expenses	3	(6,756)	(51,415)
Amounts written off the cost of investments	6	(456)	-
		<hr/>	<hr/>
(Loss)/profit before interest paid		(6,487)	205,758
Interest paid	4	(39)	(357,392)
		<hr/>	<hr/>
Loss before taxation		(6,526)	(151,634)
Taxation	5	-	-
		<hr/>	<hr/>
Loss for the financial period	10	£(6,526)	£(151,634)
		<hr/> <hr/>	<hr/> <hr/>

The profit and loss account relates solely to continuing operations, as defined in Financial Reporting Standard No. 3.

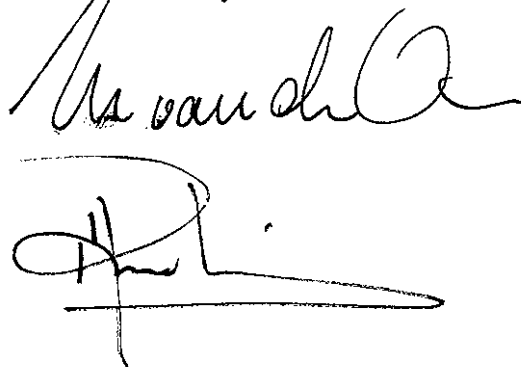
There are no recognised gains or losses in 1994 or 1993 other than the result for those periods as shown above, and accordingly, a statement of total recognised gains and losses is not presented.

Balance sheet
at 30 November 1994

	Notes	1994 £	1993 £
Fixed assets			
Investments	6	<u>10,000</u>	<u>10,456</u>
Current assets			
Debtors	7	<u>950,385</u>	<u>956,629</u>
Cash at bank and in hand		<u>476</u>	<u>2</u>
		<u>950,861</u>	<u>956,631</u>
Creditors: amounts falling due within one year	8	<u>7,900</u>	<u>7,600</u>
Net current assets		<u>942,961</u>	<u>949,031</u>
Total assets less current liabilities		<u>952,961</u>	<u>959,487</u>
Creditors: amounts falling due after more than one year	8	<u>3,000,000</u>	<u>3,000,000</u>
Net liabilities		<u>£(2,047,039)</u>	<u>£(2,040,513)</u>
Capital and reserves			
Called up share capital	9	<u>100</u>	<u>100</u>
Profit and loss account	10	<u>(2,047,139)</u>	<u>(2,040,613)</u>
Equity shareholders' deficit		<u>£(2,047,039)</u>	<u>£(2,040,513)</u>

The financial statements on pages 4 to 11 were approved by the board of directors on 27 September 1995 and were signed on its behalf by:

)
) Directors
)



**Cash flow statement
for the year ended 30 November 1994**

	Notes	1994 £	1993 £
Operating activities			
Cash received from dividends		-	194,124
Interest received		544	3,920
Cash payments			
- expenses		(4,388)	(46,815)
- increase in other debtors		-	(2,068)
- decrease/(increase) in amount due from ultimate holding company		4,357	(534,060)
Net cash inflow/(outflow) from operating activities	12	513	(384,899)
Returns on investments and servicing of finance			
Interest paid		(39)	(357,392)
Taxation			
Tax received		-	35,701
Investing activities			
Disposal of investment		-	7,028,621
Purchase of investment		-	(10,456)
Net cash inflow/(outflow) before financing		474	6,311,575
Financing			
Receipt of loan from ultimate holding company		-	3,000,000
Repayment of bank loan		-	(9,301,444)
Net cash (outflow)/inflow from financing		-	(6,301,444)
Increase in cash and cash equivalents	13	£474	£10,131

**Notes to the financial statements
for the year ended 30 November 1994**

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom.

A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Going concern

The financial statements have been prepared on a going concern basis which assumes the continued financial support of the ultimate holding company.

HAL Holding N.V. have confirmed in a letter dated 31 July 1995 that they will, until further notice, continue to provide the company with sufficient funds to meet all of its obligations as and when they fall due.

If the financial statements were not prepared on a going concern basis it is unlikely that this would result in any material adjustments.

Investment income

Dividend and interest income is included, together with the related tax credit, in the profit and loss account on a received basis.

Fixed asset investments

Fixed asset investments are carried at original cost, less any provision for permanent impairment in value.

Foreign currencies

Balances in foreign currencies are translated into sterling at rates prevailing at the balance sheet date.

Revenue and expense items are translated at the rates at the time of the transaction.

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

2 Investment income

	1994 £	1993 £
Dividends	-	253,253
Interest:		
- bank	-	3,910
- treasury stock	725	10
	<u>£725</u>	<u>£257,173</u>

3 Administrative expenses

Administrative expenses include the following remuneration paid to the auditors:

	1994 £	1993 £
For audit services	1,500	1,500
For other services	2,800	8,662
	<u>£4,300</u>	<u>£10,162</u>

The company has no employees and no remuneration was paid to the directors.

4 Interest paid

	1994	1993
On bank loans, overdrafts and other loans:		
Repayable within 5 years, not by instalments	£39	£357,392
	<u>£39</u>	<u>£357,392</u>

5 Taxation

	1994 £	1993 £
Tax attributable to franked investment income	181	59,129
Advance corporation tax recoverable	(181)	(59,129)
	<u>£ -</u>	<u>£ -</u>

6 Fixed asset investments

	1994 £	1993 £
Cost at 1 December	10,456	10,456
Amounts written off during year	(456)	-
	<u>£10,000</u>	<u>£10,456</u>

Investments comprise of £10,000 7¼% Treasury 1992/98 stock.

7 Debtors

	1994 £	1993 £
Amounts falling due within one year:		
Due from ultimate holding company	891,075	895,432
Advance corporation tax recoverable	59,310	59,129
Other debtors	-	2,068
	<u>£950,385</u>	<u>£956,629</u>

8 Creditors

	1994	1993
Amounts falling due within one year:		
Accruals	<u>£7,900</u>	<u>£7,600</u>
Amounts falling due after more than one year:		
Loan from ultimate holding company	<u>£3,000,000</u>	<u>£3,000,000</u>

9 Called up share capital

	1994	1993
Authorised		
100 ordinary shares of £1 each	£100	£100
	<u> </u>	<u> </u>
Allotted, called up and full paid		
100 ordinary shares of £1 each	£100	£100
	<u> </u>	<u> </u>

10 Profit and loss account

	Accumulated deficit £
At 1 December 1993	2,040,613
Loss for the financial period	6,526
	<u> </u>
At 30 November 1994	£2,047,139
	<u> </u>

11 Reconciliation of movements in equity shareholders' deficit

	1994 £	1993 £
Opening shareholders' funds	(2,040,513)	(1,888,879)
Loss for the financial period	(6,526)	(151,634)
	<u> </u>	<u> </u>
Closing shareholders' funds	£(2,047,039)	£(2,040,513)
	<u> </u>	<u> </u>

12 Reconciliation of (loss)/profit before interest paid to net cash inflow/(outflow) from operating activities

	1994 £	1993 £
(Loss)/profit before interest paid	(6,487)	205,758
Amounts written off investments	456	-
Decrease/(increase) in amount due from ultimate holding company	4,357	(534,060)
(Decrease)/increase in other debtors	2,068	(2,068)
Increase in expense accruals	300	4,600
Tax attributable to franked investment income	(181)	(59,129)
	<u> </u>	<u> </u>
Net cash inflow/(outflow) from operating activities	£ 513	£(384,899)
	<u> </u>	<u> </u>

13 Cash and cash equivalents

	1994 £	1993 £
Changes during the period		
At 1 December	2	(10,129)
Net cash inflow	474	10,131
	<u>£ 476</u>	<u>£ 2</u>

Analysis of balances in the balance sheet

	1994 £	1993 £	Change in year £
Cash at bank and in hand	<u>£476</u>	<u>£2</u>	<u>£474</u>

14 Ultimate holding company

The ultimate holding company is HAL Holding NV, a company incorporated in the Netherlands Antilles.