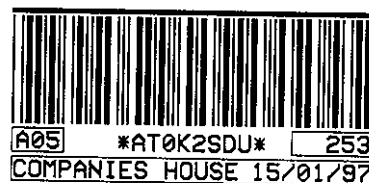


FAHSTONE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1996



FAHSTONE LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 1996

The Directors present their annual report with the accounts of the Company for the period ended 31 March 1996.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires 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
- prepare the financial statements on a 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.

PRINCIPAL ACTIVITY

The principal activity of the Company in the period under review was the management of an import and export business. It also commenced the manufacture and sale of fitted furniture.

REVIEW OF BUSINESS

A summary of the results for the Period is given on page 3 of the accounts.

The directors consider the state of affairs to be satisfactory.

DIVIDENDS

The directors do not recommend a dividend, which leaves a Profit of £14,372 to be added to retained earnings.

DIRECTORS

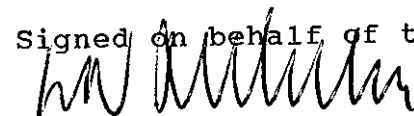
The Directors in office in the period and their beneficial interests in the Company's issued ordinary share capital were as follows:

	Ordinary Shares of £1 each	
	1996	1995
Mr. W. Aldersley	2	1
Mr. T. Wint (deceased 17 June 1995)	-	1
Mrs. C. Aldersley	-	-

SMALL COMPANY

This report has been prepared taking advantage of the exemptions conferred by Part 2 of Schedule 8 of the Companies Act 1985, on the grounds that in the opinion of the directors the company is entitled to these exemptions as a small company.

Signed on behalf of the Board of Directors



W. Aldersley

Secretary

FAHSTONE LIMITED
FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 1996

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Profit and Loss Account	3
Balance Sheet	4
Notes to the Accounts	5-8
 The following pages does not form part of the Statutory Accounts:	
Trading and Profit and Loss Account	9

FAHSTONE LIMITED

Accountants' Report to the Shareholders of Fahstone Limited

We have examined without carrying out an audit, the accounts for the year ended 31st March 1996 set out on pages 3 to 5.

Respective responsibilities of directors and reporting accountants
As described on page 1 the company's directors are responsible for the preparation of the accounts, and they believe that the company is exempt from an audit. It is our responsibility to examine the accounts and based on our examination to report our opinion, as set out below, to the shareholders.

Basis of opinion

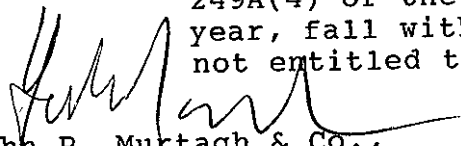
We conducted our examination in accordance with the appropriate standards for reporting accountants issued by the Auditing Practices Board. This examination consisted of comparing the accounts with the accounting records kept by the company and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report.

The examination was not an audit conducted in accordance with Auditing Standards. Accordingly we do not express an audit opinion on the accounts. Therefore our examination does not provide any assurance that the accounting records and the accounts are free from material misstatement.

Opinion

In our opinion:

- (a) the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records;
 - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of the companies not entitled to the exemption specified in section 249B(1).


John P. Murtagh & Co.,
Certified Accountants,
Baranald Cottage,
Oldwich Lane East,
Fen End,
Nr. Kenilworth,
Warwickshire.
CV8 1NR

30th May 1996.

FAHSTONE LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1996

	<u>Notes</u>	<u>1996</u> £	<u>1995</u> £
TURNOVER	1.2	128,424	35,512
Cost of Sales		(48,031)	(3,214)
GROSS PROFIT		80,393	32,298
Administration Expenses		(60,782)	(32,785)
OPERATING PROFIT/(LOSS)	2	19,611	(487)
Income from Investments	9	54	581
		19,665	94
Interest Payable		-	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		19,665	94
Tax on Ordinary Activities	3	(5,293)	(804)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		£14,372	£(710)
		=====	=====
<u>STATEMENT OF RETAINED EARNINGS</u>			
Retained Profit brought forward		16,596	17,306
Retained Profit/(Loss) for the year		14,372	(710)
RETAINED PROFIT CARRIED FORWARD		£30,968	£16,596
		=====	=====

STATEMENT OF RECOGNISED GAINS AND LOSSES

The only gains and losses arising during the year are those identified in the above profit and loss account.

FAHSTONE LIMITED

BALANCE SHEET AS AT 31ST MARCH 1996

	<u>Notes</u>	<u>£</u>	<u>1996</u>	<u>£</u>	<u>£</u>	<u>1995</u>	<u>£</u>
Fixed assets							
Tangible assets	4			24,353			2,073
Current assets							
Stocks and Work in Progress	5		7,500		-		
Debtors			25,128		2,037		
Cash at Bank and in Hand			15,237		15,061		
			<u>47,901</u>		<u>17,098</u>		
Creditors: amounts falling due within one year	6		<u>(41,284)</u>		<u>(2,573)</u>		
Net current assets				<u>6,617</u>			<u>14,525</u>
Total assets less current liabilities				<u>£30,970</u>			<u>£16,598</u>
				=====			=====
Capital and reserves							
Share capital	7			2			2
Profit and loss account				30,968			16,596
				<u>£30,970</u>			<u>£16,598</u>
				=====			=====

The directors consider that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(2) of the Companies Act 1985. Shareholders holding 10% or more of the nominal value of the Company's issued share capital have not issued a notice requiring an audit. The directors acknowledge their responsibilities for ensuring that the Company keeps accounting records which comply with section 221 of the Companies Act 1985 and for preparing accounts which give a true and fair view of the state of affairs of the Company as at 31 March 1996 and of its profit for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to the accounts so far as applicable to the Company.

The accounts were approved by the board on the 29th May 1996 and signed on its behalf.



W. Aldersley
Director

The notes on pages 5 to 8 form part of these accounts.

FAHSTONE LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 1996

1. ACCOUNTING POLICIES

1.1 Basis of accounting

The accounts have been prepared in accordance with applicable accounting standards and under the historical accounting convention, modified to incorporate the revaluation of certain fixed assets.

1.2 Turnover

Turnover represents the net invoiced sale of goods, excluding V.A.T.

1.3 Tangible Fixed Assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Plant and Equipment	15% on cost
---------------------	-------------

1.4 Cash Flow Statement

The company has taken advantage of the exemption provided by Financial Reporting Standard No. 1 and has not prepared a Cash Flow Statement for the Period.

2. OPERATING PROFIT

The Operating Profit/(Loss) is stated after charging:

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Amount written off Tangible Fixed Assets	4,370	366
	=====	===

FAHSTONE LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 1996

3. TAXATION

The tax charge on the profit on ordinary activities was as follows:

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Corporation Tax	5,293	804
	=====	===

Corporation tax has been charged on the profit at 25% (1995 25%).

4. TANGIBLE FIXED ASSETS

	<u>Plant & Equipment</u>	<u>Fixtures & Fittings</u>	<u>TOTAL</u>
	<u>£</u>	<u>£</u>	<u>£</u>
COST OR VALUATION			
At 1st April 1995	2,483	-	2,483
Additions in Period	24,140	2,510	26,650
	-----	-----	-----
At 31 March 1996	26,623	2,510	29,133
	-----	-----	-----
DEPRECIATION			
At 1st April 1995	410	-	410
Charge for Period	3,993	377	4,370
	-----	-----	-----
At 31 March 1996	4,403	377	4,780
	-----	-----	-----
NET BOOK VALUE			
At 31 March 1996	22,220	2,133	24,353
	=====	=====	=====
At 31 March 1995	2,073	-	2,073
	=====	=====	=====

FAHSTONE LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1996

5. DEBTORS

	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
Amounts due within one year:		
Trade debtors	25,128	2,016
Other debtors	-	17
	<hr/> 25,128	<hr/> 2,033
	=====	=====

6. CREDITORS

Amounts falling due within one year:	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
Trade creditors	12,687	-
Other creditors	5,293	795
Corporation tax	10,643	512
Social Security and other Taxes	3,185	75
Directors loan account	2,620	1,191
Accruals	6,856	-
Deposits received in advance		
	<hr/> 41,284	<hr/> 2,573
	=====	=====

7. SHARE CAPITAL

	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
Authorised	100	100
	===	===
Allotted, Issued and Fully Paid	2	2
	===	===

8. SHAREHOLDERS FUNDS

Brought forward	16,598	17,308
Retained Profit/(Loss)	14,372	(710)
	<hr/>	<hr/>
Carried forward at 31 March	30,970	16,598
	<hr/>	<hr/>

FAHSTONE LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1996

9. INCOME FROM INVESTMENTS	1996	1995
	<u>£</u>	<u>£</u>
Income from Investments		
Bank interest received	581	54
	<u> </u>	<u> </u>