

COMMERCE ANGLO-EUROPEAN (UK) LIMITED

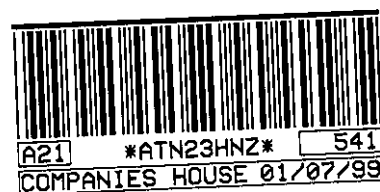
D I R E C T O R S ' R E P O R T

AND

A C C O U N T S

F O R T H E Y E A R E N D E D

31 D E C E M B E R , 1 9 9 8



COMMERCE ANGLO-EUROPEAN (UK) LIMITED**Directors**

Mr. E.D. Kayton
Mrs. S.E. Kayton

Secretary

Mrs. S.E. Kayton

Registered Office

16A, Little Chester Street,
London,
SW1X 7AP.

Bankers

National Westminster Bank PLC,
PO Box No.192,
116 Fenchurch Street,
LONDON.
EC3M 5AN.

Company Number

1 132 937

COMMERCE ANGLO-EUROPEAN (U.K.) LIMITED

The directors submit their report for the year ended 31 December, 1998.

Results and dividends

The trading profit for the year amounted to £12,383 compared with £12,031 in 1997. Corporation Tax absorbs £417 compared with NIL last year leaving £11,966 to be set against the adverse balance brought forward. The adverse balance at 31 DEcember, 1998 was £37,237 as against £49,203 in the preceding year.

The directors do not recommend the payment of a dividend on the ordinary share capital of the company.

Review of the Business

The pricipal activity of the company was renting out residential and office accommodation.

Share Capital

The company's share capital is made up as follows:-

Authorised, Issued, Called-up and Fully paid

	<u>1998</u>	<u>1997</u>
1,000 Ordinary Shares of £1 each	£1,000	£1,000
	=====	=====

Events since the end of the year

The directors continue to search for suitable opportunities to develop the company's business, but there have been no changes since the end of the financial year.

Directors and their interests

The directors at 31 December, 1998 and their interests in the share capital of the company were:-

E.D. KAYTON	670 Ordinary Shares
MRS. S.E. KAYTON	<u>330</u> " "
	1,000
	=====

There were no changes during the year.

MR. E.D. KAYTON retires by rotation and, being eligible, offers himself for re-election at the Annual General Meeting.

Close company

The company is a close company within the meaning of the Income and Corporation Taxes Act, 1988.

Audit

The directors have continued to take advantage of section 249(1) Companies' Act 1985 and no notice has been deposited under section 249(2). The provisions mentioned above mean that the company is able to dispense with an audit.

Small company

In preparing this report, the directors have taken advantage of the special exemptions applicable to small companies.

Signed on behalf of the Board of Directors

.....*S. Kayton*.....
S.E. KAYTON Secretary.

Approved by the Board on 3 June, 1999.

COMMERCE ANGLO-EUROPEAN (UK) LIMITEDStatement of 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 the affairs of the company and of the profit or loss of the company for that period. In preparing these financial state-ments, the directors are required to:-

- select suitable accounting policies and apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- comply with applicable accounting standards subject to any material departures disclosed and explained in the financial statements and
- prepare the financial standards 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.

COMMERCE ANGLO-EUROPEAN (UK) LIMITEDProfit and Loss Account for the year ended 31 December, 1998

	<u>Note</u>	<u>1998</u>	<u>1997</u>
		£	£
Turnover	2	16,076 =====	16,913 =====
Gross Profit		16,076	16,913
Administrative Expenses		<u>1,595</u>	<u>1,897</u>
Operating Profit	3	14,481	15,016
Bank and Other Interest Payable	5	<u>2,098</u>	<u>2,985</u>
Operating Profit on Ordinary Activities		12,383	12,031
Corporation Tax	6	<u>417</u>	<u>-</u>
Operating Profit after Taxation		11,966	12,031
Adverse Balance brought forward		<u>49,203</u>	<u>61,234</u>
Adverse Balance carried forward		£37,237 =====	£49,203 =====

COMMERCE ANGLO-EUROPEAN (UK) LIMITEDBalance Sheet at 31 December, 1998

	<u>Note</u>	<u>1998</u>		<u>1997</u>
		£	£	£
Fixed Assets - Office Equipment	7		260	306
Current Assets				
Debtors and Prepayments	8	4,862		2,714
Cash at Bank		<u>80</u>		<u>289</u>
		4,942		3,003
Creditors: amounts falling due within one year	9	<u>41,439</u>		<u>51,512</u>
Net Current Liabilities			(36,497)	(48,509)
Total Liabilities less Total Assets			(36,237)	(48,203)
		=====		=====
Capital and Reserves				
Called-up Share Capital			1,000	1,000
Profit and Loss Account Adverse Balance			(37,237)	(49,203)
			(36,237)	(48,203)
			=====	=====

The notes on pages 8 to 10 form part of these accounts.

Approved by the Board on
3 June, 1999.

.....
E.D. KAYTON
Director

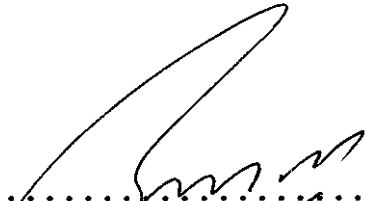
COMMERCE ANGLO-EUROPEAN (UK) LIMITEDBalance Sheet at 31 December, 1998 (Cont'd)Statement by the Directors

For the financial year ended 31 December, 1998, the company was entitled to exemption from audit under section 249A(1) Companies Act 1995, and no notice has been deposited under section 249B(2).

The directors acknowledge their responsibility for ensuring that the company keeps records which comply with section 221 of the Act and of preparing accounts which give a true and fair view of the state of affairs of the company at the end of the year and of its profit or loss for the financial year in accordance with the requirements of section 226 and which otherwise comply with the requirements of the Companies' Act, 1985 so far as applicable to the company.

The directors have taken advantage of special exemption conferred by Schedule 8 of the Companies' Act 1985 applicable to small companies in the preparation of the accounts and have done so on the grounds that, in their opinion, the company was entitled to those exemptions.

Signed on behalf of the Board of Directors


 E.D. KAYTON

Approved by the Board on 3 June, 1999.

COMMERCE ANGLO-EUROPEAN (UK) LIMITEDNotes to the accounts for the year ended 31 December, 19981. Accounting policies(a) Accounting convention

The accounts are prepared under the historical cost convention.

(b) Depreciation

Depreciation is provided for on Office Equipment which is the company's only fixed asset at 15% per annum on the reduced balance method.

(c) Foreign Currency

All transactions are made in sterling and no foreign currency is involved.

2. Turnover

Turnover represents the invoiced amount of services provided (stated net of value added tax).

3. Operating Profit

This is stated after charging:-

	<u>1998</u>	<u>1997</u>
Directors' remuneration	None	None
Depreciation	46	54

4. Staff

The total number of employees including directors is 2 in each year. No remuneration is payable to either director or the secretary.

NOTES TO THE ACCOUNTS (Cont'd)

5. Interest payable

	<u>1998</u>	<u>1997</u>
	£	£
Bank Loans and overdrafts	2,098	2,985
	=====	=====

6. Taxation

Taxation is based on the profits for the year after allowing for losses brought forward and has been charged at the rate applicable to small companies.

7. Tangible Fixed Assets - Office Equipment

Original Cost at beginning of year	£2,507	£2,507
	=====	=====
Depreciation		
At beginning of year	2,201	2,147
Provided during the year	<u>46</u>	<u>54</u>
	2,247	2,201
	=====	=====
Book Value at end of year	260	306
	===	===

8. Debtors

Trade Debtors	3,172	541
Pre-payments	<u>1,690</u>	<u>2,173</u>
	4,862	2,714
	=====	=====

9. Creditors: amounts falling due within one year.

Trade Accounts	952	1,453
Corporation Tax	417	
Loan from Director	18,159	13,771
Loan	11,726	15,651
Bank Loan	10,185	20,137
Accruals		<u>500</u>
	41,439	51,512
	=====	=====

COMMERCE ANGLO-EUROPEAN (UK) LIMITEDNOTES TO THE ACCOUNTS (Cont'd)

<u>10. Share Capital</u>	<u>1998</u>	<u>1997</u>
	£	£
Authorised: Ordinary Shares of £1 each	1,000 =====	1,000 =====
Allotted, Called-up and fully paid	1,000 =====	1,000 =====

No changes took place in the company's share capital in either year.

11. Capital Commitments

No capital commitments contracted or authorised by the directors were outstanding in either year.

12. Contingent Liabilities

There were no contingent liabilities in either year.

13. Future taxation

The losses brought forward from earlier years have now been entirely absorbed and future taxes will be chargeable on the adjusted profits for the year (if any).