

COMMERCE ANGLO-EUROPEAN (UK) LIMITED

DIRECTORS' REPORT

AND

ACCOUNTS

FOR THE YEAR ENDED

31 DECEMBER, 1996



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

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

Secretary

Mrs. S.E. Kayton

Registered Office

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

Bankers

National Westminster Bank PLC,
7, Mincing Lane,
London EC3M 3JH.

Company Number

1 132 937

Statement of Director's 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 statements, 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 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.

COMMERCE ANGLO-EUROPEAN (U.K.) LIMITED

The directors submit their report for the year ended 31 December, 1996.

Results and dividends

The trading profit for the year amounted to £5,990 compared with a loss of £3,632 in 1995. This has been deducted from the adverse balance on the Profit and Loss Account which at the end of the financial year came to £61,234, an improvement on the previous year when the adverse balance was £67,224.

The directors do not recommend the payment of a dividend.

Review of the Business

The company's principal activity during the year was the letting out of office and residential accommodation.

Share Capital

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

	<u>Authorised</u>		<u>Issued, Called-up and fully paid</u>	
	<u>1996</u>	<u>1995</u>	<u>1996</u>	<u>1995</u>
1,000 Ordinary Shares of £1 each	£1,000	£1,000	£1,000	£1,000
	=====	=====	=====	=====

Events since the end of the year

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

Directors and their interests

The directors at 31 December, 1996, and their interests in the share capital of the company were as follows:-

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

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

Close company

The company is a close company within the provisions of the Income and Corporation Taxes Act, 1970.

Auditor

As last year, the directors have decided to take advantage of section 249(1) Companies' Act 1995 and notice has been deposited under section 249(2).

The provisions mentioned above mean that the company can dispense with the need for an audit and the directors have decided to follow this course.

Small company

In preparing the above 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 9 July, 1997.

COMMERCE ANGLO-EUROPEAN (UK) LIMITEDProfit and Loss Account for the year ended 31 December, 1996

	<u>Note</u>	<u>1996</u>	<u>1995</u>
		£	£
Turnover	2	13,181 =====	7,187 =====
Gross Profit		13,181	7,187
Administrative Expenses		<u>2,828</u>	<u>7,550</u>
Operating Profit (1995 Loss)	3	10,353	(363)
Bank and Other Interest Payable	5	4,363	(3,919)
		<u>5,990</u>	<u>(4,282)</u>
Reserves made in earlier years and no longer required		-	650
Operating Profit (1995 Loss) on Ordinary Activities		5,990	(3,632)
Adverse Balance brought forward		<u>(67,224)</u>	<u>(63,592)</u>
Adverse Balance carried forward		£(61,234) =====	£(67,224) =====

COMMERCE ANGLO-EUROPEAN (UK) LIMITEDBalance Sheet at 31 December, 1996

	<u>Note</u>	<u>1996</u>	<u>1995</u>
Fixed Assets - Office Equipment		360	423
Current Assets			
Debtors and Prepayments	3,293		5,238
Cash at Bank	<u>16</u>	<u>-</u>	<u>-</u>
	3,309		5,238
Creditors: amounts falling due within one year	<u>63,903</u>	<u>71,885</u>	
Net Current Liabilities		<u>60,594</u>	<u>66,647</u>
Total Liabilities less Total Assets		<u>£60,234</u> =====	<u>£66,224</u> =====
Capital and Reserves			
Called-up Share Capital		1,000	1,000
Profit and Loss Account Adverse Balance		(<u>61,234</u>)	<u>67,224</u>
		<u>£60,234</u> =====	<u>£66,224</u> =====

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

Approved by the Board on
9 July, 1997.

.....
E.D. KAYTON
Director

COMMERCE ANGLO-EUROPEAN (UK) LIMITEDBalance Sheet at 31 December, 1996 (Cont'd)Statement by the Directors

For the financial year ended 31 December, 1996, 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.
Director

Approved by the Board on 9 July, 1997.

COMMERCE ANGLO-EUROPEAN (UK) LIMITEDNotes to the accounts for the year ended 31 December, 19961. Accounting policiesAccounting convention

The accounts are prepared under the historical cost convention.

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.

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/Loss 1996 1995

(a) This is stated after charging:-

Directors' remuneration	None	None
Entertaining Expenses	-	53
Depreciation	63	75

4. Staff

The average number of employees including directors was 2 in each year. No remuneration was paid to the directors or the secretary.

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

5. <u>Interest payable</u>	<u>1996</u> £	<u>1995</u> £
Bank Loans and overdrafts	£4,363 =====	£3,919 =====
6. <u>Tangible Fixed Assets - Office Equipment</u>		
Total cost at beginning of year	£2,507 =====	£2,507 =====
Depreciation		
At beginning of year	2,084	2,009
Provided during the year	<u>63</u>	<u>75</u>
	£ 2,147 =====	£2,084 =====
Book Value at end of year	£ 360 ===	£ 423 ===
7. <u>Debtors</u>		
Trade Debtors	2,730	4,661
Pre-payments	<u>563</u>	<u>577</u>
	£3,293 =====	£5,238 =====
8. <u>Creditors: amounts falling due within one year.</u>		
Bank Loan	29,231	-
Bank Overdraft	-	30,879
Trade Creditors	1,477	18,379
Accruals	500	500
Directors' Loans	12,814	10,865
Loan	<u>19,881</u>	<u>11,262</u>
	£63,903 =====	£71,885 =====

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

9. <u>Share Capital</u>	<u>1996</u>	<u>1995</u>
	£	£
Authorised: Ordinary Shares of £1 each	1,000 =====	1,000 =====
Allotted, Called-up and fully paid	1,000 =====	1,000 =====

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

10. Capital Commitments

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

11. Contingent Liabilities

There were no contingent liabilities in either year.

12. Taxation

Losses sustained in earlier years are more than sufficient to absorb the profit in 1996 and there are substantial losses available to set off against future profits.