

CORNEL INTERNATIONAL LIMITED
ACCOUNTS FOR THE YEAR ENDED
31st DECEMBER 1996

<u>CONTENTS</u>	<u>PAGE</u>
DIRECTORS AND OFFICERS	
DIRECTORS' REPORT	1
PROFIT AND LOSS ACCOUNT	2
BALANCE SHEET	3
NOTES TO THE ACCOUNTS	4 - 6
MANAGEMENT PROFIT AND LOSS ACCOUNTS	7
ACCOUNTANTS REPORT	8



CORNEL INTERNATIONAL LIMITED
YEAR ENDED 31st DECEMBER 1996

COMPANY NUMBER: 2777843

DIRECTORS: U F Meyer
S R Soolia

SECRETARY: S R Soolia

ACCOUNTANTS: Arnold Miller & Co
7 Chelverton Road
Putney
SW15 1RN

REGISTERED OFFICE: 239 Liverpool Road
London
N1

CORNEL INTERNATIONAL LIMITED
REPORT OF THE DIRECTORS TO THE MEMBERS
FOR THE YEAR ENDED 31st DECEMBER 1996

The Directors present their annual report on the affairs of the Company together with the Accounts for the above year.

PRINCIPAL ACTIVITIES

The Company's principal activity during the year of Agents had commenced.

DIRECTORS

The Directors of the Company during the year and their beneficial interests in the issued share capital of the Company at the beginning and the end of the year were:

	<u>ORDINARY SHARES OF £1 EACH</u>	
	<u>BEGINNING OF YEAR</u>	<u>END OF YEAR</u>
S R Soolia	500	500
U F Meyer	500	500

In preparing the above report, the Directors have taken advantage of special exemptions applicable to small Companies.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS



DIRECTOR - S R Soolia

APPROVED BY THE BOARD ON THE 29th MAY 1997

CORNEL INTERNATIONAL LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31st DECEMBER 1996

	<u>Notes</u>	<u>1996</u>	<u>1995</u>
TURNOVER	2	4640	NIL
Cost of Sales		<u>4174</u>	<u>-</u>
<u>GROSS PROFIT</u>		466	-
Administration Expenses		<u>678</u>	<u>218</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		212	218
TAXATION		<u>-</u>	<u>-</u>
LOSS AFTER TAXATION		212	218
ACCUMULATED LOSSES BROUGHT FORWARD		<u>1115</u>	<u>897</u>
ACCUMULATED LOSSES CARRIED FORWARD		1327	1115
		<u> </u>	<u> </u>

CONTINUING OPERATIONS

None of the Company's activities were acquired or discontinued during the above two financial years.

TOTAL RECOGNISED GAINS AND LOSSES

The Company has no recognised gains or losses other than the profit or loss for the above two financial years.

CORNEL INTERNATIONAL LIMITEDBALANCE SHEET AS AT 31st DECEMBER 1996

	<u>Notes</u>	<u>1996</u>	<u>1995</u>
<u>FIXED ASSETS</u>			
Tangible Assets	4	1300	1560
<u>CURRENT ASSETS</u>			
Stocks	5	2073	-
Debtors		<u>515</u>	<u>140</u>
		2588	140
<u>CREDITORS</u>			
Amounts Falling Due Within One Year	6	<u>4215</u>	<u>1815</u>
<u>NET CURRENT LIABILITIES</u>		<u>1627</u>	<u>1675</u>
<u>CURRENT LIABILITIES LESS TOTAL ASSETS</u>		<u>327</u>	<u>115</u>
		<u>=====</u>	<u>=====</u>
<u>CAPITAL AND RESERVES</u>			
Share Capital	7	1000	1000
Profit and Loss Account Deficit		<u>1327</u>	<u>1115</u>
<u>SHAREHOLDERS' FUNDS</u>	8	<u>327</u>	<u>115</u>
		<u>=====</u>	<u>=====</u>

The Directors have taken advantage of the exemption conferred by Section 249A (1) not to have these accounts audited and confirm that no notice has been deposited under s249B (2) of the Companies Act 1985.

The Directors acknowledge their responsibilities for ensuring that:

- i) The Company keeps accounting records which comply with section 221 of the Companies Act 1985, and
- ii) The accounts give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its Loss for the year then ended in accordance with the requirements of s226, and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the Company.

The Directors have taken advantage of special exemptions conferred by Schedule 8 to 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 is entitled to those exemptions.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS


.....
Director - S R Soolia

APPROVED BY THE BOARD ON THE 29th MAY 1997

CORNEL INTERNATIONAL LIMITEDNOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31st DECEMBER 19961) ACCOUNTING POLICIESBasis of Accounting

The accounts have been prepared under the historical cost convention.

Cash Flow

The accounts do not include a cash flow statement because the Company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash Flow Statements".

Turnover

Turnover represents the net amount of invoices to third parties, excluding VAT.

Tangible Fixed Assets

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

Freehold Buildings	-	2% On Cost
Plant and Machinery	-	15% On Written Down Value
Fixtures and Fittings	-	10% On Written Down Value
Motor Vehicles	-	25% On Written Down Value

Stocks

Stocks and Work in Progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred Taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the Directors, there is reasonable probability that the liability will not arise in the foreseeable future. Deferred taxation not provided in the accounts amount to £180. (1995-£NIL).

Research and Development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign Currencies

Assets and Liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Pension Costs

Contributions in respect of the Company's defined contribution pension scheme are charged to the Profit and Loss account for the year in which they are payable to the scheme.

CORNEL INTERNATIONAL LIMITEDNOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31st DECEMBER 19962) TURNOVER

The Company sales in the year were all within the UK.

	<u>1996</u>	<u>1995</u>
3) <u>OPERATING PROFIT</u>		
The operating profit is stated after charging:		

Depreciation	260	-
--------------	-----	---

4) TANGIBLE FIXED ASSETS

<u>PLANT & EQUIPMENT</u>	<u>TOTAL</u>
----------------------------------	--------------

COST

At the Beginning of Year	1560	1560
--------------------------	------	------

Additions in Year	-	-
-------------------	---	---

Disposals in Year	-	-
-------------------	---	---

1560	1560
------	------

DEPRECIATION

At the Beginning of the Year	-	-
------------------------------	---	---

Disposals in Year	-	-
-------------------	---	---

Charge for Year	260	-
-----------------	-----	---

260	-
-----	---

NET BOOK VALUE

As at the 31st December 1996	1300	1560
------------------------------	------	------

As at the 31st December 1995	1560	1560
------------------------------	------	------

5) DEBTORS

Value Added Tax	515	140
-----------------	-----	-----

515	140
-----	-----

CORNEL INTERNATIONAL LIMITEDNOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31st DECEMBER 1996

	<u>1996</u>	<u>1995</u>
6) <u>CREDITORS</u>		
Amounts Falling Due Within One Year		
Creditors	2392	174
Accruals	400	200
Directors' Current Account	<u>1423</u>	<u>1441</u>
	<u>4215</u>	<u>1815</u>
7) <u>SHARE CAPITAL</u>		
<u>Authorised</u>		
1000000 Ordinary Shares of £1 each	<u>1000000</u>	<u>1000000</u>
<u>Issued and Fully Paid</u>		
1000 Ordinary Shares of £1 each	<u>1000</u>	<u>1000</u>
8) <u>MOVEMENTS ON SHAREHOLDERS' FUNDS</u>		
Deficit at Beginning of Year	115	(103)
Loss for the Year	<u>212</u>	<u>218</u>
	<u>327</u>	<u>115</u>
9) <u>RELATED PARTIES</u>		
This Company is in the control of the Directors'.		