

CORNEL INTERNATIONAL LIMITED  
YEAR ENDED 31st DECEMBER 1997

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 1997

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 was that of Agents.

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

DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare accounts 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 accounts, the Directors are required to:

- \* select suitable accounting policies and then apply them consistently;
- \* make judgements and estimates that are reasonable and prudent;
- \* follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- \* prepare the accounts 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 accounts 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.

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 22nd JULY 1998

CORNEL INTERNATIONAL LIMITED  
PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31st DECEMBER 1997

	<u>Notes</u>	<u>1997</u>	<u>1996</u>
TURNOVER	2	1240	4640
Cost of Sales		<u>450</u>	<u>4174</u>
<u>GROSS PROFIT</u>		790	466
Administration Expenses		<u>1463</u>	<u>678</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		673	212
TAXATION		<u>-</u>	<u>-</u>
LOSS AFTER TAXATION		673	212
ACCUMULATED LOSSES BROUGHT FORWARD		<u>1327</u>	<u>1115</u>
ACCUMULATED LOSSES CARRIED FORWARD		2000	1327
		<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 1997

	<u>Notes</u>	<u>1997</u>	<u>1996</u>
<u>FIXED ASSETS</u>			
Tangible Assets	4	1100	1300
<u>CURRENT ASSETS</u>			
Stocks	5	1900	2073
Debtors		507	515
Cash at Bank		<u>49</u>	<u>-</u>
		2456	2588
<u>CREDITORS</u>			
Amounts Falling Due Within			
One Year	6	<u>4556</u>	<u>4215</u>
<u>NET CURRENT LIABILITIES</u>		<u>2100</u>	<u>1627</u>
<u>CURRENT LIABILITIES LESS TOTAL ASSETS</u>		<u>1000</u>	<u>327</u>
		=====	=====
<u>CAPITAL AND RESERVES</u>			
Share Capital	7	1000	1000
Profit and Loss Account Deficit		<u>2000</u>	<u>1327</u>
<u>SHAREHOLDERS' FUNDS</u>	8	<u>1000</u>	<u>327</u>
		=====	=====

For the financial year ended 31st December 1997 the Company was entitled to exemption from audit under section 249A (1) Companies Act 1985 and no notice has been deposited under section 249B (2). The Directors acknowledge their responsibilities for ensuring that the Company keeps accounting records which comply with section 221 and preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the year and of its Profit 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.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

  
 .....  
 Director - S R Soolia

APPROVED BY THE BOARD ON 22nd JULY 1998

CORNEL INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st DECEMBER 1997

1) ACCOUNTING POLICIES

Basis of Accounting

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

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 £100. (1996-£180).

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.

CORNEL INTERNATIONAL LIMITEDNOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31st DECEMBER 19972) TURNOVER

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

	<u>1997</u>	<u>1996</u>
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3) OPERATING PROFIT

The operating profit is stated after charging:

Depreciation	200	260
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4) TANGIBLE FIXED ASSETS

	<u>PLANT &amp; EQUIPMENT</u>	<u>TOTAL</u>
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COST

At the Beginning of Year	1560	1560
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Additions in Year	-	-
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Disposals in Year	-	-
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	<u>1560</u>	<u>1560</u>
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DEPRECIATION

At the Beginning of the Year	260	260
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Disposals in Year	-	-
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Charge for Year	<u>200</u>	<u>200</u>
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	<u>460</u>	<u>460</u>
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NET BOOK VALUE

As at the 31st December 1997		<u>1100</u>
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As at the 31st December 1996		<u>1300</u>
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5) DEBTORS

Value Added Tax	<u>507</u>	<u>515</u>
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	<u>507</u>	<u>515</u>
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CORNEL INTERNATIONAL LIMITEDNOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31st DECEMBER 1997

	<u>1997</u>	<u>1996</u>
6) <u>CREDITORS</u>		
Amounts Falling Due Within One Year		
Creditors	2633	2392
Accruals	400	400
Directors' Current Account	<u>1523</u>	<u>1423</u>
	4556	4215
	<u>      </u>	<u>      </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	327	115
Loss for the Year	<u>673</u>	<u>212</u>
	1000	327
	<u>      </u>	<u>      </u>
9) <u>RELATED PARTIES</u>		
This Company is in the control of the Directors'.		