

Company Registration No. 2954699

STELIA INTERNATIONAL LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2001

9502-A-2001

Registered Office
5 Bourlet Close
London



STELIA INTERNATIONAL LIMITED

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2001**

The director presents his report and financial statements for the year ended 30 September 2001.

Principal activities and review of the business

The principal activity of the company continued to be that of an investment company.

Results and dividends

The results for the year are set out on page 4.

Director

The following director has held office since 1 October 2000:

J. Trachsel

The director has no interest in the issued share capital of the company.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Matthew Edwards & Co. be reappointed as auditors of the company will be put to the Annual General Meeting.

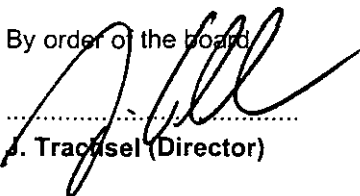
Director's responsibilities

Company law requires the director 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 director is 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 the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

By order of the board



J. Trachsel (Director)

Date : 13.9.02

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF STELIA INTERNATIONAL LIMITED**

We have audited the financial statements of Stelia International Limited on pages 4 to 10 for the year ended 30 September 2001. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the director and auditors

As described in the statement of director's responsibilities on page 1 the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the director's report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and transactions with the company is not disclosed.

We read the director's report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Going Concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the financial statements. The financial statements have been prepared on a going concern basis, the validity of which depends upon the continued support of the ultimate beneficial shareholder. The financial statements do not include any adjustments that would result from a change to that basis. Our opinion is not qualified in this respect.

INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE SHAREHOLDERS OF STELIA INTERNATIONAL LIMITED

Qualified opinion arising from limitation in audit scope

Except for any adjustments or additional disclosures that may have been found to be necessary with regard to compliance with FRS 8, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our audit work relating to the above, we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

In all other respects, we have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

Matthew Edwards & Co.

Matthew Edwards & Co.
Chartered Accountants
Registered Auditor

13 Sept 2002

2 Babmaes Street
London, England

STELIA INTERNATIONAL LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2001**

| | Notes | 2001 Euro's | 2000 as restated Euro's |
|--|-----------|----------------|-------------------------------|
| Administrative expenses | | (11,948) | (10,822) |
| Operating loss | 2 | (11,948) | (10,822) |
| Other interest receivable and similar income | 3 | 4,622 | 2,410 |
| Amounts written off investments | 4 | - | (443,709) |
| Interest payable and similar charges | 5 | - | (1,053) |
| Loss on ordinary activities before taxation | | (7,326) | (453,174) |
| Tax on loss on ordinary activities | 6 | (741) | (3,473) |
| Loss on ordinary activities after taxation | 12 | (8,067) | (456,647) |
| Loss brought forward at 1 October 2000 | | (666,018) | (209,371) |
| Loss carried forward at 30 September 2001 | | (674,085) | (666,018) |

All of the company's activities are derived from continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

STELIA INTERNATIONAL LIMITED

BALANCE SHEET
AS AT 30 SEPTEMBER 2001

| | | 2001 | | 2000 as restated | |
|--|-------|------------------|------------------|---------------------|------------------|
| | Notes | Euro's | Euro's | Euro's | Euro's |
| Current assets | | | | | |
| Debtors | 8 | 52 | | 196 | |
| Cash at bank and in hand | | 109,159 | | 115,426 | |
| | | <u>109,211</u> | | <u>115,622</u> | |
| Creditors: amounts falling due within one year | 9 | <u>(558,395)</u> | | <u>(556,739)</u> | |
| Total assets less current liabilities | | | (449,184) | | (441,117) |
| Creditors: amounts falling due after more than one year | 10 | | (217,373) | | (217,373) |
| | | | <u>(666,557)</u> | | <u>(658,490)</u> |
| Capital and reserves | | | | | |
| Called up share capital | 11 | | 7,528 | | 7,528 |
| Profit and loss account | 12 | | (674,085) | | (666,018) |
| Shareholders' funds - equity interests | 13 | | <u>(666,557)</u> | | <u>(658,490)</u> |

The financial statements were approved by the Board on 13.9.02.


J. Trachsel
Director

STELIA INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2001**

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards.

The financial statements have been prepared on the going concern basis. This is considered appropriate as the ultimate beneficial shareholders will continue to provide financial support to the company for the foreseeable future.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Foreign currency translation

The company's accounting records are maintained in Euro's.

Transactions in other currencies are converted at the rate ruling at the date of the transaction. Current assets and liabilities are converted at the rate of exchange ruling at the balance sheet date. Any material gains or losses resulting from the conversion are taken to the profit and loss account.

1.3 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertakings comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

1.4 Restatement of comparatives

The comparatives have been restated to show the results in Euro's.

| | | |
|---|---------------|---------------|
| 2 Operating loss | 2001 | 2000 |
| | Euro's | Euro's |
| Operating loss is stated after charging: | | |
| Accountancy | 927 | 1,208 |
| | <hr/> | <hr/> |
| 3 Other interest receivable and similar income | 2001 | 2000 |
| | Euro's | Euro's |
| Bank interest received | 4,622 | 2,410 |
| | <hr/> | <hr/> |
| | 4,622 | 2,410 |
| | <hr/> | <hr/> |
| 4 Amounts written off investments | 2001 | 2000 |
| | Euro's | Euro's |
| - | | |
| Amounts written off fixed asset investments: | | |
| - temporary diminution in value | - | 443,709 |
| | <hr/> | <hr/> |

STELIA INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2001**

| 5 | Interest payable and similar expenses | 2001 Euro's | 2000 Euro's |
|----------|---|------------------------|------------------------|
| | On bank loans and overdrafts | - | 631 |
| | Loss on foreign exchange | - | 422 |
| | | <u>-</u> | <u>1,053</u> |
| 6 | Taxation | 2001 Euro's | 2000 Euro's |
| | Domestic current year tax | | |
| | Corporation tax at 30.00% (2000 - 30.00%) | 741 | 3,473 |
| | Current tax charge | <u>741</u> | <u>3,473</u> |
| | Factors affecting the tax charge for the year | | |
| | Loss on ordinary activities before taxation | (7,326) | (453,174) |
| | Loss on ordinary activities before taxation multiplied by standard rate of U.K. corporation tax of 30.00% (2000 : 30.00%) | <u>(2,198)</u> | <u>(135,952)</u> |
| | Effects of: | | |
| | Amounts written off investments | - | 133,113 |
| | Tax losses utilised | - | (216) |
| | Income recognised for tax purposes | 2,939 | 6,528 |
| | | <u>2,939</u> | <u>139,425</u> |
| | Current tax charge | <u>741</u> | <u>3,473</u> |

The effective rate of corporation tax is in excess of the statutory rate of corporation tax due to expenses not allowable for corporation tax purposes.

STELIA INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2001

7 Fixed asset investments

| | Shares in subsidiary undertakings Euro's | Loans in subsidiary undertakings Euro's | Total Euro's |
|---|---|--|-----------------|
| Cost | | | |
| At 1 October 2000 & at 30 September 2001 | 342,987 | 252,850 | 595,837 |
| Provisions for diminution in value | | | |
| At 1 October 2000 & at 30 September 2001 | 342,987 | 252,850 | 595,837 |
| Net book value | | | |
| At 30 September 2001 | - | - | - |
| At 30 September 2000 | - | - | - |

Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies:

| Company | Country of registration or incorporation | Shares held Class | % |
|--------------------------------|---|----------------------|-----|
| Subsidiary undertakings | | | |
| Coginvest S.A. | France | Ordinary | 100 |
| Carlest | France | Ordinary | 100 |

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

| | Principal Activity | Capital and reserves | Profit/(loss) for the year |
|----------------|----------------------|-------------------------|-------------------------------|
| Coginvest S.A. | Investment company | (338,866) | 13,675 |
| Carlest | Fast food franchiser | (390,754) | 102,928 |

The investment in Carlest is owned 100% by Coginvest SA.

8 Debtors

| | 2001 Euro's | 2000 Euro's |
|--------------------------------|----------------|----------------|
| Prepayments and accrued income | 52 | 196 |

STELIA INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2001**

| 9 Creditors: amounts falling due within one year | 2001 Euro's | 2000 Euro's |
|---|------------------------|------------------------|
| Corporation tax | 4,214 | 3,473 |
| Other creditors | 549,918 | 549,918 |
| Accruals and deferred income | 4,263 | 3,348 |
| | <u>558,395</u> | <u>556,739</u> |

| 10 Creditors: amounts falling due after more than one year | 2001 Euro's | 2000 Euro's |
|---|------------------------|------------------------|
| Other loans | <u>217,373</u> | <u>217,373</u> |
| Analysis of loans | | |
| Wholly repayable within five years | <u>217,373</u> | <u>217,373</u> |
| | <u>217,373</u> | <u>217,373</u> |

11 Share Capital

The authorised share capital of the Company comprises 60000 ordinary £1 shares of which 6000 have been issued and are fully paid up (2000 - 6000).

12 Statement of movements on profit and loss account

| | Profit and loss account Euro's |
|------------------------------|---|
| Balance at 1 October 2000 | (666,018) |
| Retained loss for the year | <u>(8,067)</u> |
| Balance at 30 September 2001 | <u>(674,085)</u> |

| 13 Reconciliation of movements in shareholders' funds | 2001 Euro's | 2000 Euro's |
|--|------------------------|------------------------|
| Loss for the financial year | (8,067) | (456,647) |
| Opening shareholders' funds | <u>(658,490)</u> | <u>(201,843)</u> |
| Closing shareholders' funds | <u>(666,557)</u> | <u>(658,490)</u> |

14 Contingent liabilities

There were no known contingent liabilities at the balance sheet date.

STELIA INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2001

15 Capital commitments

There were no major capital commitments at the balance sheet date.

16 Director's emoluments

| | 2001 | 2000 |
|--|---------------|---------------|
| | Euro's | Euro's |

Emoluments for qualifying services

| | |
|--------------|--------------|
| 2,056 | 1,988 |
| <u>2,056</u> | <u>1,988</u> |

17 Employees

Number of employees

There were no employees during the year apart from the director.

Employment costs

| | 2001 | 2000 |
|--|---------------|---------------|
| | Euro's | Euro's |

Wages and salaries

| | |
|--------------|--------------|
| 2,056 | 1,988 |
| <u>2,056</u> | <u>1,988</u> |