

Company No. 3014472
(England and Wales)

GLOBAL INTERNATIONAL TRADING LIMITED

REGISTRAR OF COMPANIES

DIRECTORS' REPORT AND ACCOUNTS

31ST DECEMBER 1997



IAN SMITH & CO

Chartered Accountants

GLOBAL INTERNATIONAL TRADING LIMITED

DIRECTOR

G A Evans

SECRETARY

P A EVANS (Mrs)

REGISTERED OFFICE

Maitland Road,
Lion Barn Industrial Estate,
Needham Market,
IPSWICH,
Suffolk, IP6 8NZ.

COMPANY NUMBER

3014472 (England & Wales)

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DIRECTORS REPORT AND ACCOUNTS - 31ST DECEMBER 1997

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The following pages do not form part of the
statutory accounts:

9 - 10	Trading and profit and loss account
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GLOBAL INTERNATIONAL TRADING LIMITED

REPORT OF THE DIRECTOR

The director presents his report with the accounts of the company for the year ended 31st December 1997

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was the distribution of window blinds and window blind components.

DIRECTOR

The director in office in the year and his beneficial interest in the company's issued ordinary share capital was as follows:-

	31st December 1997	1st January 1997
G A Evans	nil	nil

DIRECTORS' RESPONSIBILITIES

These are stated on page 2.

In preparing the above report, the director has taken advantage of special exemptions applicable to small companies provided by Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of
the board by :



P A EVANS
Secretary

Approved by the board: 31 JANUARY 1998.

GLOBAL INTERNATIONAL TRADING LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the director 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 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 accounts 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 records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the accounts 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 any other irregularities.

ACCOUNTANTS' REPORT ON THE UNAUDITED ACCOUNTS TO THE DIRECTORS

You are responsible for the preparation of the accounts for the period ended 31st December 1997 set out on pages 3 to 8 and you consider that the company is exempt from an audit and a report under section 249A(2) of the Companies Act 1985. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

... Ian Smith & Co

IAN SMITH & CO
Chartered Accountants
7 Collingwood Road
WITHAM
Essex
CM8 2DY

Date: *31st January 1998*

GLOBAL INTERNATIONAL TRADING LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1997

	<u>Notes</u>	<u>1997</u>	<u>1996</u>
		£	£
TURNOVER	2	256,476	299,669
Cost of sales		(195,701)	(212,035)
GROSS PROFIT (LOSS)		60,775	87,634
Selling and distribution costs		34,129	40,989
Administrative expenses		78,671	75,521
		-----	-----
		(112,800)	(116,510)
Other operating income	3	3,291	8,459
OPERATING PROFIT (LOSS)	3	(48,734)	(20,417)
Interest payable	4	(2,424)	(158)
PROFIT (LOSS) on ordinary activities before taxation		(51,158)	(20,575)
TAXATION		-	-
PROFIT (LOSS) for the financial year after taxation		(51,158)	(20,575)
DIVIDENDS		-	-
RETAINED PROFIT (LOSS) for the year		(51,158)	(20,575)
RETAINED PROFIT (LOSS) at 1st January 1997		(65,677)	(45,102)
RETAINED PROFIT (LOSS) at 31st December 1997		£(116,835)	£ (65,677)
		=====	=====

There were no recognised gains and losses other than those included in the profit and loss account.

Turnover and operating profit derive wholly from continuing operations.

The notes on pages 6 to 8 form part of these accounts.

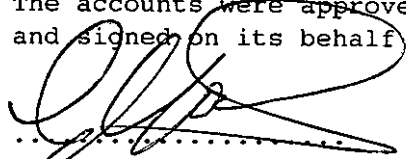
GLOBAL INTERNATIONAL TRADING LIMITEDBALANCE SHEET - 31ST DECEMBER 1997

	<u>Notes</u>	<u>1997</u>	<u>1996</u>
		£	£
FIXED ASSETS			
Tangible assets	6	5,941	10,722
CURRENT ASSETS			
Stock		92,494	91,561
Debtors	7	34,922	102,411
Cash at bank and in hand		8,095	63
		-----	-----
		135,511	194,035
CREDITORS			
Amounts falling due within one year	8	148,713	160,860
		-----	-----
NET CURRENT ASSETS (LIABILITIES)		(13,202)	33,175
TOTAL ASSETS LESS CURRENT LIABILITIES		-----	-----
		(7,261)	43,897
CREDITORS			
Amounts falling due after more than one year	9	(104,574)	(104,574)
		-----	-----
NET ASSETS		£(111,835)	£ (60,677)
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	10	5,000	5,000
Profit and loss account		(116,835)	(65,677)
		-----	-----
SHAREHOLDERS' FUNDS		£(111,835)	£ (60,677)
		=====	=====

The director considers that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(2) of the Companies Act 1985; and no notice has been deposited under section 249B(2). The director acknowledges his responsibility for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing accounts which give a true and fair view of the state of affairs of the company as at 31st December 1997 and of its loss for the period then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to the accounts so far as applicable to the company.

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The accounts were approved by the board on : 31. JANUARY. 1998..
and signed on its behalf by :


G A EVANS
Director

The notes on pages 6 to 8 form part of these accounts.

GLOBAL INTERNATIONAL TRADING LIMITEDNOTES TO THE ACCOUNTS - 31ST DECEMBER 1997

1. ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements of the company are prepared under the historical cost convention.

(b) Turnover

Turnover comprises the invoiced value of goods and services supplied by the company net of Value Added Tax.

(c) Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

(d) Deferred taxation

Provision is made at appropriate rates, under the liability method, for taxation deferred in respect of all material timing differences only to the extent that, in the opinion of the directors, there is reasonable probability that a liability will crystallise in the foreseeable future.

(e) Leasing

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as incurred.

(f) Cash flow statement

A cash flow statement has not been prepared, the company is exempt on the grounds that it is a small company as defined by the Companies Act 1985.

(g) Tangible fixed assets

Depreciation is provided at the following annual rate in order to write off each asset over its estimated useful life:

Leasehold improvements	-	Amortised over 5 years
Office equipment and fittings	-	25% on written down value
Plant and equipment	-	25% on written down value
Motor vehicles	-	25% on written down value

(h) 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.

GLOBAL INTERNATIONAL TRADING LIMITEDNOTES TO THE ACCOUNTS - 31ST DECEMBER 1997
(continued)

2. TURNOVER

The turnover and profit before taxation is attributable to the one principal activity of the company.

An analysis of turnover is given below :

	<u>1997</u>	<u>1996</u>
	£	£
United Kingdom	234,844	269,694
EEC	21,632	29,975
	-----	-----
	£256,476	£299,669
	=====	=====

3. OPERATING PROFIT (LOSS)

This is stated after charging :

	<u>1997</u>	<u>1996</u>
	£	£
Depreciation of tangible fixed assets	1,781	3,567
Land and buildings rent	18,000	20,000
Salaries and wages	26,285	16,731
National insurance	1,958	1,356
	=====	=====

Other income :

Rent receivable	3,333	8,275
Foreign exchange	42	184
	-----	-----
	£ 3,291	£ 8,459
	=====	=====

4. INTEREST PAYABLE

Interest payable on the loan	£ 206	£ -
	=====	=====

5. TRANSACTIONS WITH DIRECTOR

Mr G A Evans is a marketing consultant from whom the company obtained services to the value of £12,000 on normal commercial terms.
At the balance sheet date the amount outstanding was nil.

GLOBAL INTERNATIONAL TRADING LIMITED

NOTES TO THE ACCOUNTS - 31ST DECEMBER 1997
(continued)

6. TANGIBLE FIXED ASSETS

	Leasehold improve- ments £	Plant and equipment £	Office equipment and fittings £	Motor vehicles £	Total £
Cost or valuation					
At 1st January 1997	1,486	5,011	6,156	4,000	16,653
Additions	-	-	-	-	-
Disposals	-	-	-	(4,000)	(4,000)
	-----	-----	-----	-----	-----
At 31st December 1997	1,486	5,011	6,156	-	12,653
	-----	-----	-----	-----	-----
Depreciation					
At 1st January 1997	575	2,041	2,315	1,000	5,931
On disposals	-	-	-	(1,000)	(1,000)
Charge for the year	297	742	742	-	1,781
	-----	-----	-----	-----	-----
At 31st December 1997	872	2,783	3,057	-	6,712
	-----	-----	-----	-----	-----
Written down values					
At 31st December 1997 £	614	£ 2,228	£ 3,099	£ -	£ 5,941
	=====	=====	=====	=====	=====
At 31st December 1996 £	911	£ 2,970	£ 3,841	£ 3,000	£ 10,722
	=====	=====	=====	=====	=====

7. DEBTORS

All amounts falling due within one year:

	1997 £	1996 £
Trade debtors	34,839	102,096
Other debtors	83	315
	-----	-----
	£ 34,922	£102,411
	=====	=====

8. CREDITORS

Amounts falling due within one year:

	1997 £	1996 £
Trade creditors and accruals	86,635	103,571
Social security and other taxes	1,764	6,427
Directors' current account	76	76
Other creditors	18,981	34,022
Bank overdraft	21,557	16,764
Bank loan	19,700	-
	-----	-----
	£148,713	£160,860
	=====	=====

GLOBAL INTERNATIONAL TRADING LIMITED

NOTES TO THE ACCOUNTS - 31ST DECEMBER 1997

(continued)

9. CREDITORS

Amounts falling due after more than one year:

	<u>1997</u>	<u>1996</u>
	£	£
Loan	104,574	104,574
	-----	-----
	£ 104,574	£104,574
	=====	=====

The loan is via the ultimate owning companies and is not required to be repaid in under 5 years. No request for interest was made for this year.

10. CALLED UP SHARE CAPITAL

	<u>1997</u>	<u>1996</u>
Authorised,		
5000 ordinary shares of £1 each	£ 5,000	£ 5,000
	=====	=====
Allotted, issued and fully paid		
5000 ordinary shares of £1 each	£ 5,000	£ 5,000
	=====	=====

11. ULTIMATE OWNERSHIP

The company is jointly owned by Tree Investments and Arise Premiums of North Holland.

12. COMMITMENTS

Lease commitments - operating lease (land and buildings)

At 31st December 1997, the company had an annual commitment of £20,000 under an operating lease of 10 years with a break clause at five years when the rent will be reviewed. The lease starts from 7th February 1995.

13. MOVEMENT ON SHAREHOLDERS' FUNDS

	<u>1997</u>	<u>1996</u>
	£	£
Opening shareholders' funds	(60,677)	5,000
Loss for the year	(51,158)	(20,575)
	-----	-----
Closing shareholders' funds	£(111,835)	£(60,677)
	=====	=====