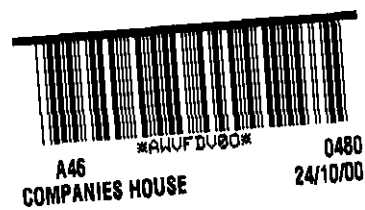


ITALFIBRE LIMITED  
Company No. 3092287

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31ST DECEMBER 1999



**ITALFIBRE LIMITED**

**COMPANY NUMBER: 3092287**

**CONTENTS**

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Director, Officers and Advisers	1
Directors' Report	2
Profit and Loss Account	3
Balance Sheet	4
Notes on the Financial Statements	5 - 7
Detailed Profit and Loss Account	8

**DIRECTORS, OFFICERS AND ADVISERS**

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**Directors**

E.G. Banchero  
C.C. Banchero

**Secretary and Registered Office**

E.G. Banchero  
10a Elizabeth Mews,  
London,  
NW3 4TL.

**Reporting Accountants**

Butterworth Jones,  
Chartered Accountants,  
7 Castle Street,  
Bridgwater,  
TA6 3DT.

**Bankers**

National Westminster Bank plc.,  
31 Cheapside,  
London,  
EC2V 6AN.

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 1999**

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The directors have pleasure in presenting their report and financial statements for the year ended 31st December 1999.

**Principal activities and business review**

The main activity of the company is the trade of plastics raw materials.

**Transfer to reserves**

The loss transferred to reserves in the year amounted to £374 (1998 loss £19,609).

**Directors and directors' interests in shares of the company**

During the year under review, the directors of the company were E.G. Banchero and C.C. Banchero. Their interests in the share capital of the company were as follows:-

**Ordinary Shares of £1 each**  
**At 31st December 1999 and 31st December 1998**

E.G. Banchero	49,999	49,999
C.C. Banchero	1	1

**Directors' statement of responsibility in relation to the financial statements**

Company Law requires the directors 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 of the company for that year. In preparing those financial statements, the directors are required to:-

- (i) Select suitable accounting policies and then apply them consistently;
- (ii) Make judgements and estimates that are reasonable and prudent;
- (iii) Prepare the financial statements on the going concern basis, unless it is inappropriate to assume 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 safe-guarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This directors' report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By Order of the Board

E.G. Banchero  
Director

Dated:

13th October 2000

## ITALFIBRE LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1999

	Notes	1999	1998
		£	£
Turnover		3,708	7,417
Net operating expenses		(4,082)	(27,026)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	<b>(374)</b>	<b>(19,609)</b>
Taxation on loss on ordinary activities	3	-	-
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>£(374)</b>	<b>£(19,609)</b>
<b>STATEMENT OF RETAINED LOSSES</b>			
Losses brought forward		(68,155)	(48,546)
Retained loss for the year		(374)	(19,609)
<b>RETAINED LOSS CARRIED FORWARD</b>		<b>£(68,529)</b>	<b>£(68,155)</b>

The notes on pages 5 to 7 form part of these financial statements

## BALANCE SHEET AS AT 31ST DECEMBER 1999

	Notes	1999	1998
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	4	2,332	2,745
<b>CURRENT ASSETS</b>			
Debtors	5	4,544	4,194
Cash at bank and in hand		360	1,171
		4,904	5,365
Creditors - amounts falling due within one year	6	25,765	26,265
<b>NET CURRENT LIABILITIES</b>		(20,861)	(20,900)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		£(18,529)	£(18,155)
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	50,000	50,000
Profit and loss account		(68,529)	(68,155)
<b>SHAREHOLDERS' FUNDS</b>		£(18,529)	£(18,155)

The financial statements were approved by the board of directors on

2000.

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

For the period in question, the company was entitled to exemption from an audit under Section 249A(1) of the Companies Act 1985. No notice has been deposited under Section 249B(2) of the Act in relation to the financial statements for the financial period. The directors acknowledge their responsibilities for:-

- ensuring the company keeps accounting records which comply with Section 221 of the Companies Act 1985: and
- preparing financial statements which give a true and fair view of the state of affairs of the company, as at the end of the financial period, and of its profit or loss for the financial period in accordance with the requirements of Section 226 of the Companies Act 1985, and which otherwise comply with the requirements of that Act relating to the financial statements so far as applicable to the company.

  
**ITALFIBRE LTD**

E.G. Banchemo DIRECTOR

The notes on pages 5 to 7 form part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1999

## 1. Accounting policies

The following accounting policies are used consistently in dealing with items which are considered material in relation to the company's financial statements.

**Basis of accounting**

The financial statements are prepared under the historical cost convention and comply with Accounting Standards and the Financial Reporting Standards for Smaller Entities (effective March 2000).

**Turnover**

Turnover represents the total amount, excluding VAT, receivable by the company for goods and services provided in the year.

**Fixed assets**

Depreciation is calculated so as to write off the cost of fixed assets on a reducing balance basis over the expected useful economic lives of the assets concerned. The annual rates applied are as follows:-

Fixtures and fittings	15%
Exhibition equipment	15%

**Foreign currency**

Transactions denominated in foreign currencies are translated into sterling and recorded at the average rate of exchange ruling for the month in which they occur. Balances denominated in a foreign currency are translated into sterling at the exchange rates ruling at the balance sheet date.

**Pension costs**

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

2. Loss on ordinary activities before taxation	1999	1998
	£	£
This is stated after charging:-		
Depreciation charge for year	412	484
Director's emoluments	-	6,000
	<hr/>	<hr/>

Directors' emoluments include pension contributions with benefits accruing for one director.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1999  
CONTINUED

3.	<b>Taxation on loss on ordinary activities</b>	<b>1999</b>	<b>1998</b>
		<b>£</b>	<b>£</b>
	Corporation tax based on the result for the year	-	-
		<hr/>	<hr/>
4.	<b>Tangible assets</b>		
		<b>Fixtures &amp; Fittings</b>	<b>Exhibition Equipment</b>
	<b>Cost/valuation</b>		<b>Total</b>
	At 1st January 1999	3,699	100
	Additions	-	-
	Disposals	-	-
		<hr/>	<hr/>
	<b>At 31st December 1999</b>	<b>£3,699</b>	<b>£100</b>
		<hr/>	<hr/>
	<b>Depreciation</b>		
	At 1st January 1999	1,027	28
	Charge for year	401	11
	Disposals	-	-
		<hr/>	<hr/>
	<b>At 31st December 1999</b>	<b>£1,428</b>	<b>£39</b>
		<hr/>	<hr/>
	<b>Net Book Value</b>		
	<b>At 31st December 1999</b>	<b>£2,271</b>	<b>£61</b>
		<hr/>	<hr/>
	<i>At 31st December 1998</i>	<i>£2,672</i>	<i>£72</i>
		<hr/>	<hr/>
5.	<b>Debtors</b>	<b>1999</b>	<b>1998</b>
		<b>£</b>	<b>£</b>
	Other debtors	£4,544	£4,194
		<hr/>	<hr/>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1999  
CONTINUED

6.	<b>Creditors</b>	<b>1999</b>	<b>1998</b>
	<b>Amounts falling due within one year</b>	<b>£</b>	<b>£</b>
	Director's loan account	24,765	24,765
	Accruals	1,000	1,500
		<hr/>	<hr/>
		<b>£25,765</b>	<b>£26,265</b>
		<hr/>	<hr/>
7.	<b>Called up share capital</b>	<b>Ordinary Shares of £1 each</b>	
	<b>Authorised</b>	<b>1999</b>	<b>1998</b>
	Number	50,000	50,000
		<hr/>	<hr/>
	Value	£50,000	£50,000
		<hr/>	<hr/>
	<b>Allotted, called up and fully paid</b>		
	Number	50,000	50,000
		<hr/>	<hr/>
	Value	£50,000	£50,000
		<hr/>	<hr/>

8. **Controlling interest and related party transactions**

The Company is controlled by E.G. Banchemo as director and major shareholder. During the year the company made various payments and received funds relating to E.G. Banchemo, which have been dealt with in the directors' loan account.