

ITALFIBRE LIMITED

COMPANY NUMBER: 3092287

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ITALFIBRE LIMITED**DIRECTORS, OFFICERS AND ADVISERS****Directors**

E.G. Banchero
C.C. Banchero

Secretary and Registered Office

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

Reporting Accountants

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

Bankers

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

ITALFIBRE LIMITED**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 1997**

The directors have pleasure in presenting their report and financial statements for the year ended 31st December 1997.

Principal activities and business review

The main activity of the company is the trade of plastics raw materials. During the year the company commenced to trade. The directors are optimistic that the level of trade will improve in the current year.

Dividends

The directors do not recommend the payment of any dividend in respect of the year ended 31st December 1997.

Transfer to reserves

The loss transferred to reserves in the year amounted to £48,546 (1996 profit nil).

Directors

During the year under review, the directors of the company were as follows:-

E.G. Banchemo
C.C. Banchemo

Directors' interests in shares of the company

The directors' interests in the share capital of the company were as follows:-

**Ordinary Shares of £1 each
At 31st December 1997 and 31st December 1996**

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

ITALFIBRE LIMITED**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 1997
CONTINUED****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 these 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.

By Order of the Board



Per Pro
ITALFIBRE LTD

E.G. Banchemo
Director

Dated:

28th October 1998

ITALFIBRE LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1997**

	Notes	1997	1996
		£	£
Turnover		49,517	-
Cost of sales		(31,949)	-
		<hr/>	<hr/>
GROSS PROFIT		17,568	-
Net operating expenses		(66,112)	-
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(48,544)	-
Taxation on loss on ordinary activities	5	-	-
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		£(48,544)	-
		<hr/>	<hr/>
STATEMENT OF RETAINED LOSSES			
As previously reported		(2)	(2)
Retained loss for the year		(48,544)	-
		<hr/>	<hr/>
		£(48,546)	£(2)
		<hr/>	<hr/>

There are no recognised gains or losses other than the loss for the year.

All items dealt with in arriving at the loss on ordinary activities before taxation for 1997 relate to continuing activities.

The notes on pages 6 to 10 form part of these financial statements

ITALFIBRE LIMITED

5.

BALANCE SHEET AS AT 31ST DECEMBER 1997

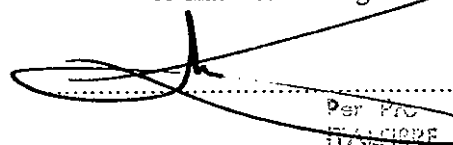
	Notes	£	1997 £	£	1996 £
FIXED ASSETS					
Tangible assets	6		3,229		-
CURRENT ASSETS					
Debtors	7	2,559		-	
Cash at bank and in hand		387		-	
		2,946		-	
Creditors - amounts falling due within one year	8	4,721		-	
NET CURRENT LIABILITIES			(1,775)		-
TOTAL ASSETS LESS CURRENT LIABILITIES					
			£1,454		-
CAPITAL AND RESERVES					
Called up share capital	9		50,000		2
Profit and loss account			(48,546)		(2)
SHAREHOLDERS' FUNDS	11		£1,454		-

The financial statements were approved by the board of directors on

1998

For the period in question, the company was entitled to exemption from an audit under Section 249A(2) 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.

 E.G. Banchemo DIRECTOR
Per PRO
ITALFIBRE LTD.

the notes on pages 7 to 11 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1997

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.

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	1997	1996
This is stated after charging:-	£	£
Depreciation charge for year	570	-
Director's emoluments	26,400	-
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1997
CONTINUED

3. Employees

(a) The average number of persons employed by the company during the year is analysed below:-

By type of work	1997	1996
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Administration	3	-
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	1997	1996
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(b) Company employment costs - all employees	£	£
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Wages and salaries	23,500	-
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Social security costs	1,955	-
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Pension contributions (defined contribution)	8,400	-
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	£33,855	-
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4. Directors' emoluments	1997	1996
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The emoluments of the directors are as follows:-	£	£
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Fees for services as directors	18,000	-
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Pension contributions (in respect of one director)	8,400	-
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	£26,400	-
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5. Taxation on loss on ordinary activities	1997	1996
	£	£

Corporation tax based on the result for the year	-	-
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1997
CONTINUED

6. Tangible assets

	Fixtures & Fittings	Exhibition Equipment	Total
Cost/valuation			
At 1st January 1997	-	-	-
Additions	3,699	100	3,799
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 5th December 1997	£3,699	£100	£3,799
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1st January 1997	-	-	-
Charge for year	555	15	570
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31st December 1997	£555	£15	£570
	<hr/>	<hr/>	<hr/>
Net Book Value			
At 31st December 1997	£3,144	£85	£3,229
	<hr/>	<hr/>	<hr/>
At 31st December 1996	-	-	-
	<hr/>	<hr/>	<hr/>
7. Debtors		1997	1996
Amounts falling due within one year		£	£
Other debtors		2,559	-
		<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1997
CONTINUED

8.	Creditors	1997	1996
	Amounts falling due within one year	£	£
	Director's loan account	3,221	-
	Accruals	1,500	-
		<hr/>	<hr/>
		£4,721	-
		<hr/>	<hr/>
9.	Called up share capital	Ordinary Shares of £1 each	
	Authorised	1997	1996
	Number	50,000	1,000
		<hr/>	<hr/>
	Value	£50,000	£1,000
		<hr/>	<hr/>
	Allotted, called up and fully paid		
	Number	50,000	2
		<hr/>	<hr/>
	Value	£50,000	£2
		<hr/>	<hr/>
10.	Pension scheme costs		

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension costs charge represents contributions paid by the company to the fund in the year and amounted to £8,400.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1997
CONTINUED

11. Reconciliation of movement in shareholders' funds

	Share Capital	Profit and Loss Account	1997 Total	1996 Total
At 1st January 1997	2	(2)	-	-
Loss for the year	-	(48,544)	(48,544)	(2)
Increase in share capital	49,998	-	49,998	2
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st December 1997	£50,000	£(48,546)	£1,454	-
	<hr/>	<hr/>	<hr/>	<hr/>