

COMO INVESTMENTS (UK) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1999



Company No. 3332677

COMO INVESTMENTS (UK) LIMITED

COMPANY INFORMATION

Directors	Mr BLK Heng Mr VK Sodhy Mr T Horwell
Secretary	Ms GCV Morris
Company Number	2873350
Registered Office	2nd Floor Pemberton House 15 Wrights Lane London W8 5SL
Auditors	BDO Stoy Hayward 8 Baker Street London W1M 1DA
Solicitors	Denton Hall 5 Chancery Lane Cliffords Inn London EC4A 1BU
Bankers	Oversea - Chinese Banking Corporation London Stonehouse 111 Cannon Street London EC4N 5AS

COMO INVESTMENTS (UK) LIMITED

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COMO INVESTMENTS (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 1999

The directors present their report together with the audited financial statements for the year ended 31st December 1999.

Principal Activities and Review of Business

The company's principal activity continued to be that of the provision of investment advice. On 26th January 2000 the company changed its name to Como Hotels and Investments Limited.

Results and Dividends

The results for the year are set out in the profit and loss account on page 3. The directors do not recommend the payment of a dividend.

Directors

The directors of the company during the year, none of whom had an interest in the ordinary share capital of the company at the year end, were:

	Ordinary Shares	
	31 December 1998	31 December 1997
Mr BLK Heng	-	-
Mr VK Sodhy	-	-
Mr T Horwell (Resigned 2nd September 1999)	-	-

Year 2000

Since 1st January 2000 the company has not experienced any operational difficulties arising from the year 2000 issues on its systems.

Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the company's affairs and of the profit or loss for that year. In preparing these financial statements the directors are required to:

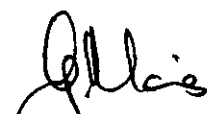
- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and enable them to ensure that the financial statements 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.

Auditors

A resolution to reappoint BDO Stoy Hayward Chartered Accountants as auditors will be put to the members at the Annual General Meeting.

This report was approved by the board on 15th June 2000, and signed on its behalf by:



Ms GCV Morris, Secretary
15th June 2000

AUDITORS' REPORT TO THE SHAREHOLDERS OF COMO INVESTMENTS (UK) LIMITED

We have audited the financial statements on pages 3 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective Responsibilities of Directors and Auditors

As described on page 1 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with 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 directors 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 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 the information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BDO Stoy Hayward
Chartered Accountants and Registered Auditors

Date: 15th June 2000

COMO INVESTMENTS (UK) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 1999

	Notes	1999 £	1998 £
Turnover	2	9,627	100,000
Gross Profit		9,627	100,000
Administrative Expenses		296,956	284,179
Operating Loss	4	(287,329)	(184,179)
Interest Receivable		30	-
Interest Payable and Similar Charges	5	(23,454)	(15,257)
Loss on Ordinary Activities before Taxation		(310,753)	(199,436)
Tax on loss on ordinary activities	6	-	-
Loss for the Financial Year		(310,753)	(199,436)
Retained Loss Brought Forward		(257,378)	(57,942)
Retained Loss Carried Forward		(568,131)	(257,378)

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

The result for the year represents the movement in shareholders' funds.

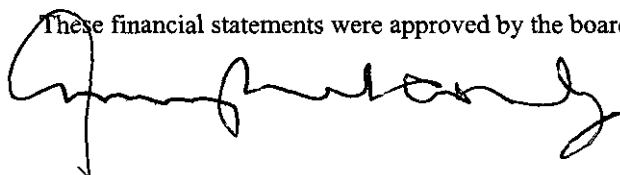
COMO INVESTMENTS (UK) LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER 1999

	Notes	1999	1998
Fixed Assets			
Tangible assets	7	10,813	14,275
Current Assets			
Debtors	8	22,179	9,568
Cash at bank and in hand		1,940	43,580
		<u>24,119</u>	<u>53,148</u>
Creditors: Amounts Falling Due Within One Year	9	<u>602,963</u>	<u>324,701</u>
Net Current Liabilities		<u>(578,844)</u>	<u>(271,553)</u>
Total Assets Less Current Liabilities		<u>(568,031)</u>	<u>(257,278)</u>
Capital and Reserves - equity			
Share capital	10	100	100
Profit and loss account		<u>(568,131)</u>	<u>(257,378)</u>
Shareholders' Funds		<u>(568,031)</u>	<u>(257,278)</u>

These financial statements were approved by the board on 15th June 2000 and signed on its behalf by:



Mr BLK Heng
Director

COMO INVESTMENTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1999

1 Accounting Policies

Basis of Accounting

The Financial Statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Turnover

Turnover is the total amount receivable by the company for services provided, excluding VAT and trade discounts.

Depreciation

The cost, less estimated residual values, of all fixed assets is depreciated over their expected useful lives as follows:-

Furniture and equipment	- 20%
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Going Concern

The financial statements have been prepared on a going concern basis which assumes the continuing support of the company's fellow group companies and certain other creditors.

Cashflow statement

The company's intermediate parent company Como Holdings (UK) Limited, a company registered in England and Wales, has prepared a consolidated cashflow statement incorporating the company's cashflow and accordingly the company has not prepared a cashflow statement.

2 Turnover

The turnover was derived from the company's principal activity which was carried out wholly in the UK.

3 Directors and Employees

Staff costs, including directors' remuneration, were as follows:

	1999	1998
	£	£
Wages and salaries	115,940	152,000
Social security costs	12,198	15,200
	<u>128,138</u>	<u>167,200</u>

The average monthly number of employees, including directors, during the year was as follows:

	1999	1998
	Number	Number
Full time	<u>3</u>	<u>3</u>

COMO INVESTMENTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1999

Directors' emoluments

	1999	1998
	£	£
Emoluments	66,760	99,000

4 Operating Loss

The operating loss is arrived at after charging or crediting:

	1999	1998
	£	£
Depreciation of owned assets	3,462	2,565
Auditors' remuneration	1,993	1,012

5 Interest Payable and Similar Charges

	1999	1998
	£	£
Bank overdrafts and loans	20	12
Loans from group companies	23,434	15,245
	23,454	15,257

6 Taxation

No provision in respect of corporation tax has been made due to there being a loss for the year.

7 Tangible Fixed Assets

	Furniture and Equipment	Total
	£	£
Cost		
At 1st January 1999	17,310	17,310
At 31st December 1999	17,310	17,310
Depreciation		
At 1st January 1999	3,035	3,035
Charge for the year	3,462	3,462
At 31st December 1999	6,497	6,497
Net Book Value		
At 31st December 1999	10,813	10,813
At 31st December 1998	14,275	14,275

COMO INVESTMENTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1999

8	Debtors	1999 £	1998 £
	Other debtors	20,716	9,439
	Prepayments and accrued income	1,463	129
		<u>22,179</u>	<u>9,568</u>

All amounts shown under debtors fall due for payment within one year.

9	Creditors: Amounts Falling Due Within One Year	1999 £	1998 £
	Bank loans and overdrafts	-	33,255
	Trade creditors	52,406	9,482
	Amounts owed to group undertakings	520,565	267,349
	Other taxes and social security	-	5,322
	Other creditors	22,822	7,272
	Accruals and deferred income	7,170	2,021
		<u>602,963</u>	<u>324,701</u>

The bank overdrafts are secured by a fixed and floating charge over all of the company's assets.

Group undertakings have confirmed that they will not seek repayment of amounts due to them until all indebtedness, other than to group undertakings, has been discharged.

10	Share Capital	1999 £	1998 £
	Authorised Equity Shares		
	100 Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>
	Allotted Equity Shares		
	100 Allotted, called up and fully paid ordinary shares of £1 each	<u>100</u>	<u>100</u>

11 Ultimate parent company

Adobe Holdings Limited, a company incorporated in Gibraltar, is regarded by the directors as the company's ultimate parent company.

The intermediate parent company is Como Holdings (UK) Limited, a company registered in England and Wales.

12 Related Parties

The company has relied upon the exemption from the disclosure of transactions with companies within a group where at least 90% of the voting rights are controlled within the group.