

COMO INVESTMENTS (UK) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1998



Company No. 3332677

COMO INVESTMENTS (UK) LIMITED

COMPANY INFORMATION

Directors	Mr BLK Heng Mr VK Sodhy Mr T Horwell Combined Nominees Limited
Secretary	Ms GCV Morris
Company Number	3332677
Registered Office	2nd Floor Pemberton House 15 Wrights Lane London W8 5SL
Auditors	BDO Stoy Hayward 8 Baker Street London W1M 1DA
Solicitors	Fox & Gibbons Solicitors 2 Old Burlington Street London W1X 1QA
Bankers	Oversea - Chinese Banking Corporation London Stonehouse 111 Cannon Street London EC4N 5AS

COMO INVESTMENTS (UK) LIMITED

CONTENTS

	Page
Directors' Report	1 to 2
Auditors' Report	3
Profit and Loss Account	4
Balance Sheet	5
Notes to the Financial Statements	6 to 8

COMO INVESTMENTS (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 1998

The directors present their report together with the audited financial statements for the year ended 31st December 1998.

Results and Dividends

The results for the year are set out in the profit and loss account on page 4.

The directors do not recommend the payment of a dividend.

Principal activities, trading review and future developments

The principal activity of the company is the provision of investment advice. The company traded at a loss during the year but the directors are confident that the result will improve in the ensuing year.

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	-	-

Year 2000

The directors are reviewing the impact of the Year 2000 issue on systems central to the company's ongoing activity and preparation of financial statements. In particular they are considering application systems, operating systems and hardware. Plans are under development to enhance systems as necessary before the impact of the Year 2000 issue creates significant material misstatements in the company's accounting records or adversely affects business operations.

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.

COMO INVESTMENTS (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 1998

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 29 March 1999 and signed on its behalf.



Ms GCV Morris, Secretary

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

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

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 1998 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: 1 April 1999

COMO INVESTMENTS (UK) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 1998

	Notes	1998 £	1997 £
Turnover	2	100,000	82,638
Gross Profit		100,000	82,638
Administrative Expenses		284,179	139,722
Operating Loss	4	(184,179)	(57,084)
Interest Payable and Similar Charges	5	(15,257)	(858)
Loss on Ordinary Activities before Taxation		(199,436)	(57,942)
Tax on loss on ordinary activities	6	-	-
Loss for the Financial Year		(199,436)	(57,942)
Retained Loss Brought Forward		(57,942)	-
Retained Loss Carried Forward		(257,378)	(57,942)

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

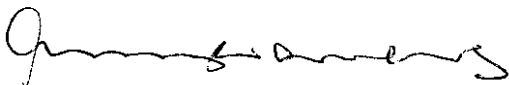
BALANCE SHEET

AS AT 31ST DECEMBER 1998

	Notes	1998	1997
Fixed Assets			
Tangible assets	7	14,275	10,116
Current Assets			
Debtors	8	9,568	92,772
Cash at bank and in hand		43,580	12,598
		53,148	105,370
Creditors: Amounts Falling Due Within One Year	9	324,701	173,328
Net Current Liabilities		(271,553)	(67,958)
Total Assets Less Current Liabilities		(257,278)	(57,842)
Capital and Reserves - equity			
Share capital	10	100	100
Profit and loss account		(257,378)	(57,942)
Shareholders' Funds		(257,278)	(57,842)

These financial statements were approved by the board on 29 March 1999 and signed on its behalf.

Mr BLK Heng
Director



COMO INVESTMENTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1998

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%
-------------------------	-------

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:

	1998	1997
	£	£
Wages and salaries	152,000	80,169
Social security costs	15,200	8,017
	<u>167,200</u>	<u>88,186</u>

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

	1998	1997
	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 1998

Directors' emoluments

	1998	1997
	£	£
Emoluments	99,000	53,688

4 Operating Loss

The operating loss is arrived at after charging or crediting:

	1998	1997
	£	£
Depreciation of owned assets	2,565	470
Auditors' remuneration	1,012	1,000

5 Interest Payable and Similar Charges

	1998	1997
	£	£
Bank overdrafts and loans	12	19
Loans from group companies	15,245	839
	15,257	858

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 1998	10,586	10,586
Additions	6,724	6,724
At 31st December 1998	17,310	17,310
Depreciation		
At 1st January 1998	470	470
Charge for the year	2,565	2,565
At 31st December 1998	3,035	3,035
Net Book Value		
At 31st December 1998	14,275	14,275
<i>At 31st December 1997</i>	<i>10,116</i>	<i>10,116</i>

COMO INVESTMENTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1998

8	Debtors	1998	1997
		£	£
	Amounts owed by group undertakings	-	28,819
	Other debtors	9,439	34,953
	Prepayments and accrued income	129	29,000
		<u>9,568</u>	<u>92,772</u>

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

9	Creditors: Amounts Falling Due Within One Year	1998	1997
		£	£
	Bank loans and overdrafts	33,255	-
	Trade creditors	9,482	6,519
	Amounts owed to group undertakings	267,349	-
	Other taxes and social security	5,322	5,445
	Other creditors	7,272	160,364
	Accruals and deferred income	2,021	1,000
		<u>324,701</u>	<u>173,328</u>

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

10	Share Capital	1998	1997
		£	£
	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.