

**THE CORONA GROUP LIMITED
FINANCIAL STATEMENTS
FOR
30 SEPTEMBER 1999**

Company Registration Number 3387336



HEXTALL MEAKIN
Chartered Accountants & Registered Auditors
Argon House
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THE CORONA GROUP LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 1999

CONTENTS	PAGE
The directors' report	1
Auditors' report to the shareholders	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6
The following pages do not form part of the financial statements	
Detailed profit and loss account	10
Notes to the detailed profit and loss account	11

THE CORONA GROUP LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30 SEPTEMBER 1999

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 September 1999.

PRINCIPAL ACTIVITIES

The company acts as a holding company and did not trade during the year.

During the year the directors were issued with shares in exchange for their shares in The Kobal Collection Limited. The result of this transaction was that the company acquired all the issued share capital of The Kobal Collection Limited.

The principal activity of The Kobal Collection Limited is the hiring out of photographs.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests, including family holdings, in the shares of the company were as follows:

	Class of share	At 30 September 1999	At 1 October 1998 or later date of appointment
A Cohen	10p Ordinary shares	122	-
W M Dives	10p Ordinary Shares	379	-
M Hinrichs		-	-
D Kent	10p Ordinary Shares	30	-

A Cohen was appointed as a director on 18 March 1999.

M Hinrichs was appointed as a director on 18 March 1999.

S Crocker resigned as a director on 18 March 1999.

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 affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 6, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors 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 re-appoint Hextall Meakin as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

THE CORONA GROUP LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 SEPTEMBER 1999

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Signed on behalf of the directors



W M Dives
Director

Approved by the directors on

4/5/.

2000.

Hexall Meakin

Chartered Accountants

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THE CORONA GROUP LIMITED AUDITORS' REPORT TO THE SHAREHOLDERS YEAR ENDED 30 SEPTEMBER 1999

We have audited the financial statements on pages 4 to 8 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE 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 statements and to 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 the 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 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 30 September 1999 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Argon House
Argon Mews
Fulham Broadway
London
SW6 1BJ

HEXTALL MEAKIN
Chartered Accountants
& Registered Auditors

Dated: 9/11/ 2000.

THE CORONA GROUP LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 SEPTEMBER 1999

	Note	Year to 30 Sep 99 £	Period from 16 Jun 97 to 30 Sep 98 £
TURNOVER		-	-
Administrative expenses		-	-
OPERATING PROFIT	2	-	-
RETAINED PROFIT FOR THE FINANCIAL YEAR		-	-

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

THE CORONA GROUP LIMITED

BALANCE SHEET

30 SEPTEMBER 1999

	Note	1999	1998
		£	£
FIXED ASSETS			
Investments	3	150,062	-
CURRENT ASSETS			
Cash at bank	2		2
CREDITORS: Amounts falling due within one year	4	(4)	-
NET CURRENT (LIABILITIES)/ASSETS		(2)	2
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>150,060</u>	<u>2</u>
CAPITAL AND RESERVES			
Called-up equity share capital	6	66	2
Share premium account	7	149,994	-
SHAREHOLDERS' FUNDS		<u>150,060</u>	<u>2</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

These financial statements were approved by the directors on the 4/5/ 2000, and are signed on their behalf by:



W M DIVES
Director

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

THE CORONA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 1999

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

2. OPERATING PROFIT

Operating profit is stated after charging:

	Year to 30 Sep 99 £	Period from 16 Jun 97 to 30 Sep 98 £
Directors' emoluments	-	-
Auditors' fees	-	-
	<u> </u>	<u> </u>

3. INVESTMENTS

SUBSIDIARY COMPANIES

COST

Additions	68
At 30 September 1999	<u>68</u>

LOANS

Advanced in year	149,994
At 30 September 1999	<u>149,994</u>

NET BOOK VALUE

At 30 September 1999	<u>150,062</u>
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THE CORONA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 1999

3. INVESTMENTS *(continued)*

The company owns 100% of the issued share capital of the companies listed below and the aggregate reserves and profit and loss for the year ended 30 September 1999 were:

	Capital & Reserves £	Profit/(loss) for the year £
The Kobal Collection Limited	406,499	(101,938)

The company's principal activity during the year was the hiring out of photographs.

The Picture Desk Limited	2	-
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The company is dormant.

The Corona Library Limited	2	-
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The company is dormant.

The Kobal Library Limited	2	-
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The company is dormant.

The Corona Collection Limited	2	-
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The company is dormant.

Under the provision of section 248 of the Companies Act 1985 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.

4. CREDITORS: Amounts falling due within one year

	1999 £	1998 £
Other creditors	4	-

5. RELATED PARTY TRANSACTIONS

During the year the company advanced £150,175 to its subsidiary company, The Kobal Collection Limited. The loan is interest free and the whole amount was outstanding at the year end.

The company was deemed to be under the control of Mr W M Dives throughout the current year. Mr W M Dives is the managing director and majority shareholder.

THE CORONA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 1999

6. SHARE CAPITAL

Authorised share capital:

	1999	1998
	£	£
100 100 Ordinary shares of £1 each	-	100
1,000 Ordinary shares of £0.10 each	100	-
	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	1999		1998	
	No.	£	No.	£
100 Ordinary shares	-	-	2	2
100 Ordinary shares	660	66	-	-
	<u>660</u>	<u>66</u>	<u>2</u>	<u>2</u>

7. SHARE PREMIUM ACCOUNT

	Year to 30 Sep 99	Period from 16 Jun 97 to 30 Sep 98
	£	£
Premium on shares issued in the year	<u>149,994</u>	<u>-</u>