

ESKAR INTERNATIONAL LIMITED

FINANCIAL ACCOUNTS FOR THE
YEAR ENDED 28TH FEBRUARY 2003



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ESKAR INTERNATIONAL LIMITED

DIRECTORS: S Karimzadeh
E Karimzadeh

SECRETARY: S Karimzadeh

REGISTERED OFFICE: Boundary House
91-93 Charterhouse Street
London EC1 6HR

REGISTERED NUMBER: 708736

AUDITORS: Tobin Associates

ESKAR INTERNATIONAL LIMITED
FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 28TH FEBRUARY 2003

CONTENTS

1. Report of the Directors
2. Auditors' Report
3. Profit and Loss Account
4. Balance Sheet
- 5-7 Notes to the Accounts

The following page does not form part of the Statutory Accounts

Appendix

1. Trading and Profit and Loss Account

ESKAR INTERNATIONAL LIMITED
REPORT OF THE DIRECTORS

1.

FOR THE YEAR ENDED 28TH FEBRUARY 2003

The directors present their annual report with the accounts of the company for the year ended 28th February 2003.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was importing skins and agricultural produce.

DIRECTORS

The directors in office during the year and their beneficial interests in the company's issued ordinary share capital were as follows:

	Ordinary Shares of £1 each	
	<u>2003</u>	<u>2002</u>
S Karimzadeh	105,063,000	105,063,000
A Karimzadeh	12,501,000	12,501,000

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial accounts;
- prepare the financial accounts 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 accounts 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

The auditors Tobin Associates are deemed to be reappointed in accordance with section 386 of the Companies Act 1985.

SMALL COMPANY EXEMPTIONS

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

Signed on behalf of the
board of directors



S Karimzadeh
Director

9th December 2003

TOBIN ASSOCIATES

ACCOUNTANTS & REGISTERED AUDITORS

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020-7608 3633

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London EC1M 6HR.

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020-7608 3201

e-mail: Tobinandcompany@aol.com

YOUR REF

OUR REF

2.

AUDITORS' REPORT TO THE SHAREHOLDERS OF ESKAR INTERNATIONAL LIMITED

We have audited the financial accounts on pages 3 to 7 for the year ended 28th February 2003. These financial statements have been prepared in accordance with the Financial Reporting Standard For Smaller Entities (effective June 2002), 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 financial accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

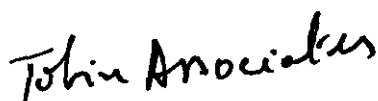
BASIS OF OPINION

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial accounts, 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 accounts 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 accounts.

OPINION

In our opinion the financial accounts give a true and fair view of the state of the company's affairs as at 28th February 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in whose hands it may come save where expressly agreed by our prior consent in writing.



Tobin Associates

9th December 2003

Partners: F. TOBIN F.C.C.A. Z. RAHMAN B. COM. F.C.C.A.
Associates: - J.J. SHARIFF B. COM. (HONS) S. KARIM F.C.A.

Registered to carry on audit work by the Institute of Chartered Accountants in England & Wales

ESKAR INTERNATIONAL LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 28TH FEBRUARY 2003

	<u>Notes</u>	<u>2003</u>	<u>2002</u>
		£	£
TURNOVER	1	5,503	14,786
Cost of Sales		4,500	26,410
<u>GROSS PROFIT/(LOSS)</u>		1,003	(11,624)
Net Operating Expenses			
Administrative Expenses	27,894		11,155
Other Operating Income	-		(22,000)
		27,894	10,845
<u>OPERATING LOSS</u>	2	(26,891)	(779)
		(26,891)	(779)
Income from Investments		199	1,079
(LOSS)/PROFIT ON ORDINARY ACTIVITIES <u>BEFORE TAXATION</u>		(26,692)	300
Tax on Ordinary Activities		-	-
(LOSS)/PROFIT ON ORDINARY ACTIVITIES <u>AFTER TAXATION</u>		£ (26,692)	£ 300
<u>STATEMENT OF RETAINED EARNINGS</u>			
Loss Brought Forward		(76,251)	(76,549)
Retained (Loss)/Profit for the Year		(26,692)	300
<u>RETAINED LOSS CARRIED FORWARD</u>		£ (102,943)	£ (76,249)

None of the company's activities were acquired or discontinued during the above two financial years.

There were no recognised gains or losses other than the profit or loss for the above two financial years.

The annexed notes form part of these accounts.

ESKAR INTERNATIONAL LIMITEDBALANCE SHEET
AS AT 28TH FEBRUARY 2003

	<u>Notes</u>	<u>2003</u>		<u>2002</u>	
		£	£	£	£
FIXED ASSETS					
Tangible Assets	3		2,109		2,202
CURRENT ASSETS					
Stock	1	19,004		23,504	
Debtors	4	198,620		210,884	
Investments	5	19,557,476		22,350,772	
Cash at Bank		114,802,044		112,064,062	
		<u>134,577,144</u>		<u>134,649,222</u>	
CREDITORS : Amounts Falling					
Due within One Year	6	17,112,198		17,157,673	
		<u>117,464,946</u>		<u>117,491,549</u>	
NET CURRENT ASSETS					
		<u>£117,467,055</u>		<u>£117,493,751</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>£117,467,055</u>		<u>£117,493,751</u>	
CAPITAL AND RESERVES					
Share Capital	7	117,570,000		7,570,000	
Profit and Loss Account		(102,945)		(76,249)	
		<u>£117,467,055</u>		<u>£117,493,751</u>	
<u>TOTAL SHAREHOLDERS' FUNDS</u>	8	<u>£117,467,055</u>		<u>£117,493,751</u>	

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the
board of directors



S Karimzadeh
Director

Approved by the board: 9th December 2003

The annexed notes form part of these accounts.

ESKAR INTERNATIONAL LIMITEDNOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 28TH FEBRUARY 2003**1. ACCOUNTING POLICIES****Basis of Accounting**

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover represents the net invoiced sales of goods, excluding VAT.

Tangible Fixed Assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Plant and Equipment	15% on written down value
Fixtures and Fittings	15% on written down value

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items.

Deferred Taxation

Deferred Taxation is not provided on timing differences arising from revaluation of fixed assets where there is no commitment to sell an asset.

Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction.

Cash Flow Statement

The company has taken advantage of the exemption provided by Financial Reporting Standard 1 and has not prepared a cash flow statement.

2. OPERATING LOSS

The Operating Loss (2002 - Loss) is stated after charging:

	<u>2003</u>	<u>2002</u>
	£	£
Depreciation of Tangible Fixed Assets	372	388
Auditors' Remuneration	1,000	1,000
	<u> </u>	<u> </u>

ESKAR INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 28TH FEBRUARY 2003

3. TANGIBLE FIXED ASSETS

	Plant & Equipment £	Fixtures & Fittings £	TOTAL £
COST			
At 1st March 2002	2,834	7,526	10,360
Additions in the year	279	-	279
	<hr/>	<hr/>	<hr/>
At 28th February 2003	3,113	7,526	10,639
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1st March 2002	1,818	6,340	8,158
Charge for the year	194	178	372
	<hr/>	<hr/>	<hr/>
At 28th February 2003	2,012	6,518	8,530
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 28th February 2003	1,101	1,008	2,109
	<hr/>	<hr/>	<hr/>
At 28th February 2002	1,016	1,186	2,202
	<hr/>	<hr/>	<hr/>

4. DEBTORS

	<u>2003</u> £	<u>2002</u> £
Amounts due within one year:		
Eskar Trust	-	6,795
Other Debtors	198,620	204,089
	<hr/>	<hr/>
	198,620	210,884
	<hr/>	<hr/>

5. INVESTMENTS

	<u>2003</u> £	<u>2002</u> £
Hampton Securities	4,403	4,403
Quantum Inv. Trust	19,553,073	22,346,369
	<hr/>	<hr/>
	19,557,476	22,350,772
	<hr/>	<hr/>

6. CREDITORS: Amounts Falling Due within One Year

	<u>2003</u> £	<u>2002</u> £
Directors Loan Accounts	17,110,198	17,156,673
Accruals	2,000	1,000
	<hr/>	<hr/>
	17,112,198	17,157,673
	<hr/>	<hr/>

ESKAR INTERNATIONAL LIMITEDNOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 28TH FEBRUARY 20037. SHARE CAPITAL

	<u>2003</u>	<u>2002</u>
	£	£
Authorised: Ordinary Shares Of £1 each	200,000,000	200,000,000
Allotted, Issued and Fully Paid	117,570,000	117,570,000

8. RECONCILIATION OF MOVEMENTS IN
SHAREHOLDERS' FUNDS

	<u>2003</u>	<u>2002</u>
	£	£
(Loss)/profit for the financial year	(26,692)	300
New share capital subscribed	-	7,500,000
Net addition to shareholders' funds	(26,692)	7,500,300
Opening shareholders' funds	117,493,751	109,993,451
Closing shareholders' funds	117,467,055	117,493,751