

ESKAR INTERNATIONAL LIMITED
FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 31ST MAY 1994

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The following page does not form part of the Statutory Accounts

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DIRECTORS:	S Karimzadeh A Karimzadeh
SECRETARY:	A Karimzadeh
REGISTERED OFFICE:	Boundary House 91-93 Charterhouse Street London EC1 6HR
REGISTERED NUMBER	708736 (England)
AUDITORS:	Conroy Tobin



ESKAR INTERNATIONAL LIMITED
REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST MAY 1994

The Directors' present their annual report with the accounts of the company for the year ended 31st May 1994.

PRINCIPAL ACTIVITY

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

REVIEW OF BUSINESS

A summary of the results for the year is given on page 3 of the accounts. The directors consider the state of affairs to be satisfactory.

DIVIDENDS

The directors do not recommend the payment of a dividend.

FIXED ASSETS

A summary of movements in the company's fixed assets during the year is shown in notes to the accounts.

DIRECTORS

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

	Ordinary Shares of £1 each	
	1994	1993
S Karimzadeh	63,000	63,000
A Karimzadeh	1,000	1,000

Continued.....

ESKAR INTERNATIONAL LIMITED
REPORT OF THE DIRECTORS (CONTINUED)

FOR THE YEAR ENDED 31ST MAY 1994

STATEMENT OF DIRECTORS' RESPONSIBILITIES

We are required under company law 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 we are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 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.

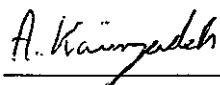
POLITICAL AND CHARITABLE DONATIONS

No political or charitable donations were made during the year.

AUDITORS

The Company has elected to dispense with the annual appointment of auditors. In the absence of a specific resolution to the contrary messrs. Conroy Tobin will continue in office.

Signed on behalf of the
board of directors



A Karimzadeh
Secretary

27th March 1995.

CONROY, TOBIN

REGISTERED AUDITORS

Partners :

A. CONROY F.C.A. F.S.C.A.

F. TOBIN F.C.C.A.

Boundary House (3rd floor)

91-93 Charterhouse Street

London EC1M 6HR.

Telephone : 071 - 608 3633 (6 Lines)

Facsimile : 071 - 608 3201

Consultants :

S. KARIM F.C.A.

M. CONROY F.C.A.

R. FENTON A.C.A.

Z. RAHMAN B.COM. F.C.C.A.

J.J. SHARIFF B.COM. (HONS)

2.

AUDITORS' REPORT TO THE SHAREHOLDERS OF ESKAR INTERNATIONAL LIMITED

We have audited the financial accounts on pages 3 to 5 which have been prepared under the historical cost convention and the accounting policies out in the notes to the accounts.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

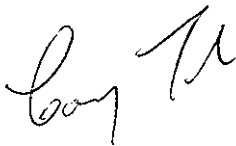
As described on page 1b the company's directors are responsible for the preparation of financial accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

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 judgments 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 31st May 1994 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Conroy Tobin

27th March 1995.

ESKAR INTERNATIONAL LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MAY 1994

	<u>Notes</u>	<u>1994</u>	<u>1993</u>
		£	£
TURNOVER	1	365,668	228,252
Cost of Sales		<u>361,631</u>	<u>183,208</u>
<u>GROSS PROFIT</u>		4,037	45,044
Net Operating Expenses			
Administrative Expenses		<u>31,427</u>	<u>44,525</u>
<u>OPERATING (LOSS)/PROFIT</u>	2	(27,390)	519
Interest Payable		<u>1,928</u>	<u>7,546</u>
<u>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		(29,318)	(7,027)
Tax on Ordinary Activities		<u>-</u>	<u>-</u>
<u>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</u>		<u>£ (29,318)</u>	<u>£ (7,027)</u>
<u>STATEMENT OF RETAINED EARNINGS</u>			
Retained Profit Brought Forward		54,808	61,836
Loss for the Year		<u>(29,318)</u>	<u>(7,027)</u>
<u>RETAINED PROFIT CARRIED FORWARD</u>		<u>£ 25,490</u>	<u>£ 54,809</u>

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 notes on pages 5a to 5b form part of these accounts.

ESKAR INTERNATIONAL LIMITEDBALANCE SHEET
AS AT 31ST MAY 1994

	<u>Notes</u>	<u>1994</u>	<u>1993</u>
		£	£
FIXED ASSETS			
Tangible Assets	3	6,760	7,796
CURRENT ASSETS			
Stock	1	114,700	121,650
Debtors	4	23,487	103,280
Cash at Bank and in Hand		8,665	3,932
		<u>146,852</u>	<u>228,862</u>
CREDITORS : Amounts Falling			
Due within One Year	5	<u>(58,122)</u>	<u>(111,849)</u>
NET CURRENT ASSETS		<u>88,730</u>	<u>117,013</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£ 95,490</u>	<u>£ 124,809</u>
CAPITAL AND RESERVES			
Share Capital	6	70,000	70,000
Profit and Loss Account		<u>25,490</u>	<u>54,809</u>
<u>TOTAL SHAREHOLDERS' FUNDS</u>		<u>£ 95,490</u>	<u>£ 124,809</u>

In the preparation of the accounts advantage has been taken of special exemptions applicable to small companies under Part I of Schedule 8 to the Companies Act 1985 on the grounds that, in the directors' opinion, the company qualifies as a small company and is entitled to make use of the special exemptions.

Signed on behalf of the
board of directors



S Karimzadeh
Director

Approved by the board: 27th March 1995.

The notes on pages 5a to 5b form part of these accounts.

NOTES TO ACCOUNTS
FOR THE YEAR ENDED 31ST MAY 1994

1. ACCOUNTING POLICIES

Basis of Accounting

The accounts have been prepared in accordance with applicable accounting standards and under the historical cost accounting convention.

Turnover

Turnover represents the net invoiced sales of goods, excluding Value Added Tax.

Tangible Fixed Assets

Depreciation is provided at the following annual rates on a reducing balance basis to write off each asset over its estimated useful life:

Motor Vehicles	25% p.a.
Equipment	15% p.a.
Fixtures and Fittings	15% p.a.

Stocks

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

Deferred Taxation

In accordance with the company's accounting policy no deferred taxation has been provided.

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 for the year.

2. OPERATING LOSS

The Operating Loss (1993 - Loss) is stated after charging:

	<u>1994</u> £	<u>1993</u> £
Depreciation	1,740	2,107
Directors Remuneration	4,050	6,800
Auditors Remuneration	1,800	1,800
	<u> </u>	<u> </u>

NOTES TO ACCOUNTS
FOR THE YEAR ENDED 31ST MAY 1994

3. TANGIBLE FIXED ASSETS

	Motor Vehicles	Equipment	Fixtures & Fittings	TOTAL
	£	£	£	£
COST OR VALUATION				
At 1st June 1993	9,000	562	5,485	15,047
Additions in year	-	703	-	703
At 31st May 1994	9,000	1,265	5,485	15,750
DEPRECIATION				
At 1st June 1993	4,343	140	2,768	7,251
Charge for year	1,164	168	407	1,739
At 31st May 1994	5,507	308	3,175	8,990
NET BOOK VALUE				
At 31st May 1994	3,493	957	2,310	6,760
At 31st May 1993	4,657	422	2,717	7,796

4. DEBTORS

	<u>1994</u> £	<u>1993</u> £
Amounts due within one year:		
Trade Debtors	48,098	107,405
Eskar Trust	(29,150)	(6,000)
Other Debtors	4,539	1,875
	<u>23,487</u>	<u>103,280</u>

5. CREDITORS

	<u>1994</u> £	<u>1993</u> £
Amounts falling due within one year:		
Bank Loans and Overdrafts	39,253	85,494
Trade Creditors	6,098	3,550
Other Creditors	12,771	22,805
	<u>58,122</u>	<u>111,849</u>

6. SHARE CAPITAL

	<u>1994</u> £	<u>1993</u> £
Authorised: Ordinary Shares of £1 each	<u>500,000</u>	<u>500,000</u>
Allotted, Issued and Fully Paid	<u>70,000</u>	<u>70,000</u>