

ESKAR INTERNATIONAL LIMITED

FINANCIAL ACCOUNTS FOR THE
YEAR ENDED 28TH FEBRUARY 2001



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ESKAR INTERNATIONAL LIMITED
FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 28TH FEBRUARY 2001

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The following page does not form part of the Statutory Accounts

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DIRECTORS:	S Karimzadeh E Karimzadeh
SECRETARY:	E Karimzadeh
REGISTERED OFFICE:	Boundary House 91-93 Charterhouse Street London EC1 6HR
REGISTERED NUMBER:	708736
AUDITORS:	Tobin Associates

ESKAR INTERNATIONAL LIMITED
REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 28TH FEBRUARY 2001

The directors present their annual report with the accounts of the company for the year ended 28th February 2001.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was importing skins and agricultural and produce and also that of consultancy services relating to property investments.

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	
	<u>2001</u>	<u>2000</u>
S Karimzadeh	100,063,000	100,064,000
E Karimzadeh	10,001,000	1,000

AUDITORS

The auditors, Conroy Tobin are deemed to be re-appointed in accordance with Section 386 of the Companies Act 1985.

SMALL COMPANY EXEMPTIONS

Advantage has been taken in the preparation of this report of special exemptions applicable to small companies.

Signed on behalf of the
board of directors



S Karimzadeh
Director

20th December 2001

ESKAR INTERNATIONAL LIMITEDSTATEMENT 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;
- 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.

On behalf of the Board



Mr S Karimzadeh
Director

20th December 2001

TOBIN ASSOCIATES

ACCOUNTANTS & REGISTERED AUDITORS

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020-7608 3633

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London EC1M 6HR.
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YOUR REF

OUR REF

AUDITORS' REPORT TO THE SHAREHOLDERS OF ESKAR INTERNATIONAL LIMITED

3.

We have audited the financial accounts on pages 4 to 8 which have been prepared under the historical cost convention.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2 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 28th February 2001 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

Tobin Associates

TOBIN ASSOCIATES

20th December 2001

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 2001

	<u>Notes</u>	<u>2001</u>		<u>2000</u>	
		£	£	£	£
TURNOVER	1		321		9,822
Cost of Sales			44,000		6,214
<u>GROSS (LOSS)/PROFIT</u>			(43,679)		3,608
Net Operating Expenses					
Administrative Expenses			12,441		12,070
<u>OPERATING LOSS</u>	2		(56,120)		(8,462)
Income from Investments			30		14,785
<u>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</u>			(56,090)		6,323
<u>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>			(56,090)		6,323
Tax on Ordinary Activities			-		-
<u>(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>			£ (56,090)		£ 6,323

STATEMENT OF RETAINED EARNINGS

Loss Brought Forward	(20,458)	(26,779)
Retained (Loss)/Profit for the Year	(56,090)	6,323
<u>RETAINED LOSS CARRIED FORWARD</u>	£ (76,548)	£ (20,456)

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.

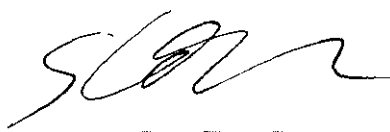
The notes on pages 6 to 8 form part of these accounts.

ESKAR INTERNATIONAL LIMITEDBALANCE SHEET
AS AT 28TH FEBRUARY 2001

	<u>Notes</u>	<u>2001</u>	<u>2000</u>
		£	£
FIXED ASSETS			
Tangible Assets	3	2,079	2,446
CURRENT ASSETS			
Stock	1	43,504	82,842
Debtors	4	248,646	35,538
Project Fees		33,987	32,147
Cash at Bank		115,536,132	114,351,385
		<u>115,862,269</u>	<u>114,501,912</u>
CREDITORS : Amounts Falling			
Due within One Year	5	(5,870,895)	(14,454,814)
NET CURRENT (LIABILITIES)/ASSETS		<u>109,991,373</u>	<u>100,047,098</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£ 109,993,452</u>	<u>£100,049,544</u>
CAPITAL AND RESERVES			
Share Capital	6	110,070,000	100,070,000
Profit and Loss Account		(76,548)	(20,456)
<u>TOTAL SHAREHOLDERS' FUNDS</u>	7	<u>£109,993,452</u>	<u>£100,049,544</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: 20th December 2001

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

ESKAR INTERNATIONAL LIMITED

NOTES TO ACCOUNTS
FOR THE YEAR ENDED 28TH FEBRUARY 2001

1. ACCOUNTING POLICIES

Basis of Accounting

The accounts have been prepared under the historical cost convention.

Turnover

Turnover represents the net invoiced amounts, 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

Stock

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

Deferred Taxation

No provision has been made for deferred tax.

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 (2000 - Loss) is stated after charging:

	<u>2001</u>	<u>2000</u>
	£	£
Depreciation of Tangible Fixed Assets	367	432
	<u> </u>	<u> </u>

ESKAR INTERNATIONAL LIMITED

NOTES TO ACCOUNTS
FOR THE YEAR ENDED 28TH FEBRUARY 2001

3. TANGIBLE FIXED ASSETS

	Plant & Equipment	Fixtures & Fittings	TOTAL
	£	£	£
COST OR VALUATION			
At 1st March 2000	2,323	7,526	9,849
At 28th February 2001	2,323	7,526	9,849
DEPRECIATION			
At 1st March 2000	1,518	5,885	7,403
Charge for year	121	246	367
At 28th February 2001	1,639	6,131	7,770
NET BOOK VALUE			
At 28th February 2001	684	1,395	2,079
At 29th February 2000	805	1,641	2,446

4. DEBTORS

	<u>2001</u>		<u>2000</u>	
	£	£	£	£
Amounts due within one year:				
Trade Debtors		18,354		25,354
Other Debtors		230,292		10,184
		<u>248,646</u>		<u>35,538</u>

5. CREDITORS

	<u>2001</u>	<u>2000</u>
	£	£
Amounts falling due within one year:		
Trade Creditors	1,326	6,034
Other Creditors	1,000	1,050
Eskar Trust	24,401	55,848
Director's Loan Account	5,844,168	14,391,882
	<u>5,870,895</u>	<u>14,454,814</u>

ESKAR INTERNATIONAL LIMITEDNOTES TO ACCOUNTS
FOR THE YEAR ENDED 28TH FEBRUARY 20016. SHARE CAPITAL

	<u>2001</u> £	<u>2000</u> £
Authorised: Ordinary Shares Of £1 each	200,000,000	100,500,000
Allotted, Issued and Fully Paid	110,070,000	100,070,000

7. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>2001</u> £	<u>2000</u> £
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	(56,090)	6,323
New share capital subscribed	10,000,000	100,000,000
Net addition to shareholders' funds	9,943,910	100,006,323
Opening Shareholders' Funds	100,049,542	43,223
Closing Shareholders' Funds	109,993,452	100,049,546