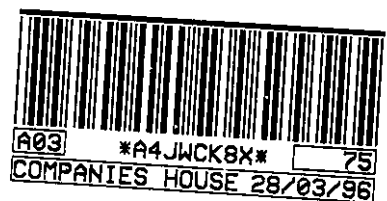


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ESKAR INTERNATIONAL LIMITED

FINANCIAL ACCOUNTS FOR THE
YEAR ENDED 31ST MAY 1995



ESKAR INTERNATIONAL LIMITED
FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 31ST MAY 1995

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1. Report of the Directors
2. Report of the Accountants
3. Profit and Loss Account
4. Balance Sheet
5. Notes to Accounts

The following page does not form part of the Statutory Accounts

6. Trading and Profit and Loss Account
-

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

ESKAR INTERNATIONAL LIMITED
REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST MAY 1995

The directors present their annual report with the accounts of the company for the year ended 31st May 1995.

PRINCIPAL ACTIVITY

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

DIVIDENDS

The directors do not recommend payment of a dividend.

FIXED ASSETS

A summary of movements in the company's fixed assets during the year is shown in the 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	
	<u>1995</u>	<u>1994</u>
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 1995

POLITICAL AND CHARITABLE DONATIONS

No political or charitable donations were made during the year.

ACCOUNTANTS

The company has elected to dispense with the annual appointment of reporting accountants. In the absence of a specific resolution to the contrary Conroy Tobin will continue to act for the company.

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

A. Karimzadeh

A Karimzadeh
Secretary

20th March 1996.

CONROY, TOBIN

REGISTERED AUDITORS

Tel:
0171-608 3633

Boundary House (3rd floor)
91-93 Charterhouse Street
London EC1M 6HR.

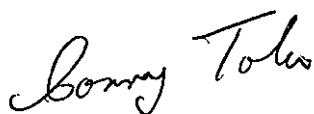
Fax:
0171-608 3201

YOUR REF

OUR REF

ACCOUNTANTS' REPORT TO THE DIRECTORS OF
ESKAR INTERNATIONAL LIMITED

In accordance with instructions given to us we have prepared financial accounts for the company for the year ended 31st May 1995 according to the accounting provisions of the Companies Act 1985. The directors of the company have confirmed that the company is totally exempt from the audit requirement under the provisions of subsection 1 of section 249A of the Companies Act 1985, and as a result we have not carried out an audit. The financial accounts on pages 3 to 5 are therefore based on the information shown in the accounting records and on the information supplied and explanations given to us by the directors.



Conroy Tobin

20th March 1996.

Partners: A. CONROY F.C.A. F.S.C.A. F. TOBIN F.C.C.A.

Consultants: S. KARIM F.C.A. M. CONROY F.C.A. MRS. R. HYAMS F.C.A. Z. RAHMAN B.COM. F.C.C.A. J.J. SHARIFF B.COM. (HONS)
Registered to carry on audit work & authorised to carry on investment business by the Institute of Chartered Accountants in England & Wales

Category B Firm No: 6358123 SIB No: 147006

ESKAR INTERNATIONAL LIMITEDPROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MAY 1995

	<u>Notes</u>	<u>1995</u> £	<u>1994</u> £
TURNOVER	1	63,904	365,668
Cost of Sales		51,965	361,620
<u>GROSS PROFIT</u>		11,939	4,048
Net Operating Expenses			
Administrative Expenses		19,726	33,355
<u>OPERATING LOSS</u>	2	(7,787)	(29,307)
Bank Deposit Interest		87	-
<u>LOSS ON ORDINARY ACTIVITIES</u>			
<u>BEFORE TAXATION</u>		(7,700)	(29,307)
Previous years tax underprovision		532	-
<u>LOSS ON ORDINARY ACTIVITIES</u>			
<u>AFTER TAXATION</u>		£ (8,232)	£ (29,307)

STATEMENT OF RETAINED EARNINGS

Retained Profit Brought Forward	25,499	54,808
Loss for the Year	(8,232)	(29,318)
<u>RETAINED PROFIT CARRIED FORWARD</u>	£ 17,267	£ 25,490

None of the company's activities were acquired or discontinued during the 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 1995

	<u>Notes</u>	<u>1995</u>	<u>1994</u>
		£	£
FIXED ASSETS			
Tangible Assets	3	5,170	6,760
CURRENT ASSETS			
Stock	1	112,250	114,700
Debtors	4	25,746	23,487
Cash at Bank and in Hand		1,457	8,665
		<u>139,453</u>	<u>146,852</u>
CREDITORS : Amounts Falling			
Due within One Year	5	<u>(57,356)</u>	<u>(58,122)</u>
NET CURRENT ASSETS		<u>82,097</u>	<u>88,730</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£ 87,267</u>	<u>£ 95,490</u>
 CAPITAL AND RESERVES			
Share Capital	6	70,000	70,000
Profit and Loss Account		17,267	25,490
<u>TOTAL SHAREHOLDERS' FUNDS</u>		<u>£ 87,267</u>	<u>£ 95,490</u>

Continued

BALANCE SHEET
(continued)
AS AT 31ST MAY 1995

The directors consider that for the year ended 31st May 1995 the company was entitled to exemption under subsection 1 of section 249A of the Companies Act 1985. No member or members have deposited a notice requesting an audit for the current financial year under subsection 2 of section 249B of the Act.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985 and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company.

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 March 1996.

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

ESKAR INTERNATIONAL LIMITEDNOTES TO ACCOUNTS
FOR THE YEAR ENDED 31ST MAY 1995**1. ACCOUNTING POLICIES****Basis of Accounting**

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

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:

Equipment	15% on balance brought forward
Fixtures and Fittings	15% on balance brought forward

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 taxation.

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 (1994 - Loss) is stated after charging:

	<u>1995</u>	<u>1994</u>
	£	£
Depreciation of Tangible Fixed Assets	913	1,740
Directors Remuneration	2,600	4,050
	<u> </u>	<u> </u>

ESKAR INTERNATIONAL LIMITEDNOTES TO ACCOUNTS
FOR THE YEAR ENDED 31ST MAY 19953. TANGIBLE FIXED ASSETS

	Motor Vehicles	Equipment	Fixtures & Fittings	TOTAL
	£	£	£	£
COST OR VALUATION				
At 1st June 1994	9,000	1,265	5,485	15,750
Additions in year	-	775	2,041	2,816
Disposals in year	(9,000)	-	-	(9,000)
At 31st May 1995	-	2,040	7,526	9,566
DEPRECIATION				
At 1st June 1994	5,507	308	3,175	8,990
Write Off On Disposal	(5,507)	-	-	(5,507)
Charge for year	-	260	653	913
At 31st May 1995	-	568	3,828	4,396
NET BOOK VALUE				
At 31st May 1995	-	1,472	3,698	5,170
At 31st May 1994	3,493	957	2,310	6,760

4. DEBTORS

	<u>1995</u> £	<u>1994</u> £
Amounts due within one year:		
Trade Debtors	51,110	69,098
Eskar Trust	(29,500)	(29,150)
Other Debtors	4,136	4,539
	<u>25,746</u>	<u>44,487</u>

5. CREDITORS

	<u>1995</u> £	<u>1994</u> £
Amounts falling due within one year:		
Bank Overdrafts and Loans	50,897	39,253
Trade Creditors	4,478	27,098
Other Creditors	1,981	12,771
	<u>57,356</u>	<u>79,122</u>

6. SHARE CAPITAL

	<u>1995</u> £	<u>1994</u> £
Authorised: Ordinary Shares of £1 each	500,000	500,000
Allotted, Issued and Fully Paid	<u>70,000</u>	<u>70,000</u>