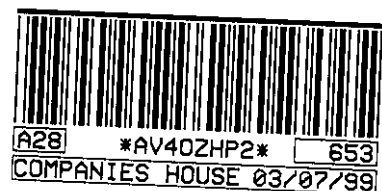


Registration Number 02275990

Euro Ventures (London) Limited
Directors' Report and Financial Statements
for the year ended 31st July 1998



Euro Ventures (London) Limited

Company Information

Director	Martin Sanford
Secretary	R Sanford
Company Number	02275990
Registered Office	Suites 211-212, Empire House Empire Way, Wembley Middlesex HA9 0NA
Business Address	Tunstall House 155A Broadway Bexleyheath Kent DA6 7EZ
Bankers	National Westminster Bank Plc 1 Townley Road Kent DA6 7JG
Solicitors	T. G. Baynes & Sons 12 High Street Dartford Kent DA1 1DB

Euro Ventures (London) Limited

Contents

	Page
Directors' Report	1
Profit and Loss Account	2
Balance Sheet	3 - 4
Notes to the Financial Statements	5 - 7

Euro Ventures (London) Limited

Directors' Report for the year ended 31st July 1998

The directors present his report and the financial statements for the year ended 31st July 1998.

Principal Activity

The principal activity of the company was that of importers and wholesalers of canned and fresh produce, clothes and also commission agents and there was no significant change therein during the year.

Director and his Interest

The director who served during the year and his interest in the company are as stated below:

	Ordinary shares	
	1998	1997
Martin Sanford	1	1

In accordance with the company's Articles of Association, no director is due for retirement by rotation.

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 him to ensure that the financial statements comply with the Companies Act 1985. He 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.

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

This report was approved by the Board on 14th June 1999 and signed on its behalf by

Martin Sanford
Director



Euro Ventures (London) Limited

**Profit and Loss Account
for the year ended 31st July 1998**

		1998	1997
	Notes	£	£
Turnover	2	51,562	54,396
Cost of sales		(20,493)	(18,424)
Gross profit		<u>31,069</u>	<u>35,972</u>
Administrative expenses		(32,345)	(19,704)
Operating (loss)/profit	3	<u>(1,276)</u>	<u>16,268</u>
Interest receivable and similar income		1	14
Interest payable and similar charges	4	<u>(62)</u>	<u>(622)</u>
(Loss)/profit on ordinary activities before taxation		(1,337)	15,660
Tax on (loss)/profit on ordinary activities	5	<u>501</u>	<u>(4,004)</u>
(Loss)/retained profit for the year		(836)	11,656
Retained profit/(loss) brought forward		3,669	(7,987)
Retained profit carried forward		<u><u>2,833</u></u>	<u><u>3,669</u></u>

The notes on pages 5 to 7 form an integral part of these financial statements.

Euro Ventures (London) Limited

Balance Sheet as at 31st July 1998

		1998		1997	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	6		2,127		517
Current Assets					
Stocks		-		4,103	
Debtors	7	7,684		9,423	
Cash at bank and in hand		782		848	
		<u>8,466</u>		<u>14,374</u>	
Creditors: amounts falling due within one year	8	<u>(7,758)</u>		<u>(11,220)</u>	
Net Current Assets			<u>708</u>		<u>3,154</u>
Total Assets Less Current Liabilities			<u>2,835</u>		<u>3,671</u>
Capital and Reserves					
Called up share capital	9		2		2
Profit and loss account			2,833		3,669
Shareholders' Funds			<u>2,835</u>		<u>3,671</u>

The directors' statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 5 to 7 form an integral part of these financial statements.

Euro Ventures (London) Limited

Balance Sheet (continued)

**Directors' statements required by Section 249B(4)
for the year ended 31st July 1998**

In approving these financial statements as directors of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 31st July 1998 and

(c) that we acknowledge our responsibilities for:

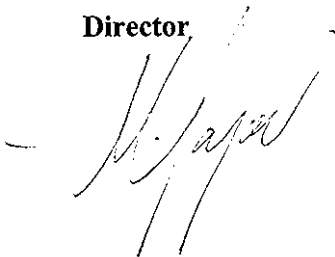
(1) ensuring that the company keeps accounting records which comply with Section 221, and

(2) preparing financial statements 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 year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.

The financial statements approved by the Board on 14th June 1999 and signed on its behalf by

Martin Sanford
Director

A handwritten signature in dark ink, appearing to read 'M. Sanford', is written over the printed name and title of the director.

The notes on pages 5 to 7 form an integral part of these financial statements.

Euro Ventures (London) Limited

Notes to the Financial Statements for the year ended 31st July 1998

1. Accounting Policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention.

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings
and equipment - 25% Straight Line

1.4. Stock

Stock is valued at the lower of cost and net realisable value.

1.5. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3. Operating (loss)/profit

Operating (loss)/profit is stated after charging:

Depreciation of tangible assets	780	446
---------------------------------	-----	-----

1998	1997
£	£

4. Interest payable and similar charges

Included in this category is the following:

On loans and overdrafts	3	612
-------------------------	---	-----

1998	1997
£	£

Euro Ventures (London) Limited

Notes to the Financial Statements for the year ended 31st July 1998

..... continued

5. Taxation	1998	1997
	£	£
UK current year taxation		
UK Corporation Tax	(250)	4,000
Prior years		
UK Corporation Tax	(251)	4
	<u>(501)</u>	<u>4,004</u>
6. Tangible fixed assets		
	Fixtures, fittings equipment	Total
	£	£
Cost		
At 1st August 1997	1,777	1,777
Additions	2,390	2,390
At 31st July 1998	<u>4,167</u>	<u>4,167</u>
Depreciation		
At 1st August 1997	1,260	1,260
Charge for the year	780	780
At 31st July 1998	<u>2,040</u>	<u>2,040</u>
Net book values		
At 31st July 1998	<u>2,127</u>	<u>2,127</u>
At 31st July 1997	<u>517</u>	<u>517</u>
7. Debtors	1998	1997
	£	£
Trade debtors	6,656	8,028
Other debtors	436	659
Prepayments and accrued income	592	736
	<u>7,684</u>	<u>9,423</u>

Euro Ventures (London) Limited

Notes to the Financial Statements for the year ended 31st July 1998

..... continued

8. Creditors: amounts falling due within one year	1998	1997
	£	£
Trade creditors	3,079	177
Corporation tax	(277)	4,000
Other taxes and social security costs	83	-
Directors' accounts	1,934	1,934
Other creditors	1,329	2,929
Accruals and deferred income	1,610	2,180
	<u>7,758</u>	<u>11,220</u>
9. Share capital	1998	1997
	£	£
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

10. Transactions with director

A company in Turkey was paid £7,980 for consultancy services of Mr M Sanford. An interest free loan subsisted between the director and the company and the amount due to Mr M Sanford at 31st July 1998 was £1,934 (1997: £1,934)

11. Related party transactions

The company was under the control, throughout the current and previous year, of Mr M Sanford, a director of the company. As disclosed in the directors report he is personally interested in 50% of the company's issued share capital and together with his father controls 100% of the issued share capital. Transactions with the director are disclosed in the note above.