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**SAVANNAH PRODUCTS LIMITED**

**ACCOUNTS**

**YEAR ENDED 30TH JUNE 1994**

**DIRECTORS' REPORT**

- and -

**STATEMENT OF ACCOUNTS**

- incorporating -

**DETAILED ACCOUNTS**

**E.C. BROWN & BATTS**  
Registered Auditors  
Chartered Accountants  
Hearts of Oak House  
84 Kingsway  
LONDON WC2B 6NF



**SAVANNAH PRODUCTS LIMITED**

**REPORT OF THE DIRECTORS**

The directors submit their report and accounts for the year ended 30th June 1994.

**RESULTS AND DIVIDENDS**

The profit after taxation amounted to £ 25,017 (1993 - Loss £9,018)

The directors do not recommend the payment of a dividend. (1993 - nil)

**REVIEW OF THE BUSINESS AND PRINCIPAL ACTIVITIES**

The principal activity of the company is that of "services offered" and specialised products to the end consumption, food and pharmaceutical industry.

Both the level of business and the year end financial position were satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future.

**DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY**

The directors and their shareholdings throughout the year were as follows:-

	Ordinary Shares
	<u>Of £1 each</u>
S M Chaudhary	1
O H Khan	1
	===

**SAVANNAH PRODUCTS LIMITED**

**REPORT OF THE DIRECTORS**  
**(CONTINUED)**

**STATEMENT OF THE 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 affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to: -

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

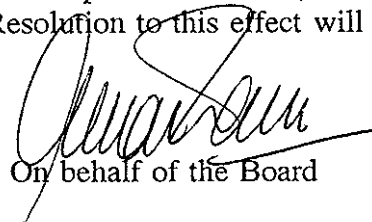
State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

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 them to ensure that the financial statements 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**

In accordance with Section 384 of the Companies Act 1985, Messrs E.C. Brown & Batts offer themselves for reappointment and a Resolution to this effect will be proposed at the Annual General Meeting.



On behalf of the Board

O. Khan

Director

6th October 1994

**SAVANNAH PRODUCTS LIMITED**

**AUDITORS ' REPORT TO THE SHAREHOLDERS OF SAVANNAH PRODUCTS LIMITED**

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

**RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS**

As described on page 2, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form independent opinion, based on our audit, on those statements 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 statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 statements 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 statements.

**OPINION**

In our opinion the financial statements give a true and fair view of the state of the company as at 30th June 1994 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Without qualifying our opinion above, we draw your attention to note 1(a) which refers to the continuing financial support offered by the company's creditors.

  
**E.C. BROWN & BATTS**

Registered Auditors  
Chartered Accountants

Hearts of Oak House  
84 Kingsway  
LONDON WC2B 6NF

6th October 1994

**SAVANNAH PRODUCTS LIMITED**

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30TH JUNE 1994**

	Notes	<u>1994</u>	<u>1993</u>
		£	£
<b>TURNOVER</b>	1	1,827,301	1,895,871
Cost of sales		<u>1,590,597</u>	<u>1,663,070</u>
<b>GROSS PROFIT</b>		236,704	232,801
Administrative expenses		37,307	92,469
Distribution expenses		<u>175,042</u>	<u>150,286</u>
Operating Profit / (Loss)	2	24,355	(9,954)
Interest receivable	4	<u>662</u>	<u>936</u>
Profit / (Loss) on ordinary activities before taxation		25,017	(9,018)
Taxation	5	<u>-</u>	<u>-</u>
Profit / (Loss) on ordinary activities after taxation		25,017	(9,018)
Balance brought forward		<u>(62,362)</u>	<u>(53,344)</u>
Balance carried forward		£ (37,345) =====	£ (62,362) =====

**SAVANNAH PRODUCTS LIMITED**

**BALANCE SHEET**

**AT 30TH JUNE 1994**

	Notes	<u>1994</u>	<u>1993</u>
		£	£
<b>CURRENT ASSETS</b>			
Stock	6	-	66,413
Debtors	7	62,758	146,957
Cash at Bank		<u>50,558</u>	<u>52,288</u>
		113,316	265,658
<b>CREDITORS:</b> Amounts falling due within one year	8	<u>150,659</u>	<u>328,018</u>
Net current liabilities		£ (37,343) =====	£ (62,360) =====
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	2	2
Profit and loss account		(37,345)	(62,362)
		£ (37,343) =====	£ (62,360) =====



)  
) Directors  
)

6th October 1994

**SAVANNAH PRODUCTS LIMITED**

**NOTES TO THE ACCOUNTS**

**30TH JUNE 1994**

**1. ACCOUNTING POLICIES**

**(a) Basis of Accounts**

The accounts have been prepared under the historical cost convention on a going concern basis which assumes that the company will continue to trade. The validity of the assumption is dependent upon the continued support of the company's creditors. If the company were unable to continue to trade, adjustments would have to be made to reduce the value of the assets to their recoverable amount, to provide for any further liabilities which might arise.

**(b) Turnover**

Turnover represents the value of goods and services invoiced to customers, net of value added tax.

**(c) Stocks**

Stocks have been valued at the lower of cost and net realisable value.

**(d) Foreign Currencies**

The business transactions of the company are predominately conducted in a foreign currency. These transactions are translated into sterling in which the company reports.

Profit and loss items are translated into sterling using average rate of exchange ruling during the financial period.

All assets and liabilities denominated in foreign currency are translated into sterling using the exchange rate ruling on the balance sheet date except the paid up share capital which is expressed in sterling at a rate prevailing at the time of subscription.

All exchange differences which arise from normal trading activities are included in operating profit.

**(e) Deferred Taxation**

Provision is made at current rate for taxation deferred in respect of all material timing differences except to the extent that in the opinion of directors there is a reasonable probability that the liability will not arise in the foreseeable future.

SAVANNAH PRODUCTS LIMITEDNOTES TO THE ACCOUNTS30TH JUNE 1994**2. OPERATING PROFIT/(LOSS)**

This is stated after charging:-

	<u>1994</u> £	<u>1993</u> £
Auditors remuneration	£ 3,687 =====	£ 4,169 =====

**3. EMPLOYEE INFORMATION**

The average number of persons employed by the company during the period, including executive directors, was as follows:-

Administration	1 ===	1 ===
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**4. INTEREST RECEIVABLE**

	<u>1994</u> £	<u>1993</u> £
Interest receivable	£ 662 ===	£ 936 ===

**5. TAXATION**

	<u>1994</u> £	<u>1993</u> £
U.K. corporation tax at 25%	£ - ===	£ - ===

No provisions for corporation tax for the year has been provided because of the availability of tax losses from previous years.



SAVANNAH PRODUCTS LIMITEDNOTES TO THE ACCOUNTS30TH JUNE 1994

	<u>1994</u> £	<u>1993</u> £
<b>6. STOCK</b>		
Stock of raw materials and commodities	£ NIL =====	£ 66,413 =====
<b>7. DEBTORS</b>		
Trade debtors	47,873	119,653
Other debtors and prepayments	<u>14,885</u>	<u>27,304</u>
	£ 62,758 =====	£ 146,957 =====
<b>8. CREDITORS: Amounts Falling Due Within One year</b>		
Trade creditors	35,425	60,917
Connected company	111,595	252,578
Accruals and other creditors	<u>3,639</u>	<u>14,523</u>
	£ 150,659 =====	£ 328,018 =====
<b>9. CALLED UP SHARE CAPITAL</b>		
Ordinary shares of £1 each	2 =====	2 =====

**10. TRANSACTIONS WITH DIRECTORS**

Mr O. Khan and Mr S. Chaudhary are directors and significant shareholders in Specgulf Limited with whom the following transactions have taken place.

	<u>1994</u> £
Sales	878,407
Purchases	<u>1,363,107</u> =====