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ETHNO BOTANICAL RESOURCES LIMITED

ANNUAL REPORT AND ACCOUNTS

FOR THE PERIOD 15 OCTOBER 1993 TO 31 MARCH 1995

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REGISTERED AS A COMPANY IN ENGLAND AND WALES

NUMBER: 2862679



REPORT OF THE DIRECTORS

The directors submit their report together with the accounts of the company for the period since incorporation on 15 October 1993 to 31 March 1995. The company commenced to trade on 17 January 1994.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of the study and development of botanical resources for the production of therapeutic remedies for skin disorders and hair loss by organic and inorganic means.

DIRECTORS

The directors during the period and their beneficial interests in the company's issued ordinary share capital were as follows:-

	<u>At 31 March 1995</u>	<u>At 15 October 1993</u>
Mr E Bouras	2	2
Mr J F Dickens	-	-
Mr B F Mumford	-	-
	---	---
	2	2
	===	===

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of the company for that period. In preparing those accounts, the directors are required to:-

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- prepare the 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 accounts 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.

REPORT OF THE DIRECTORS (CONTINUED)

SMALL COMPANY EXEMPTIONS

In preparing the directors' report, the directors have taken advantage of the exemptions conferred by Part II of Schedule 8 to the Companies Act 1985 on the basis that, in the directors' opinion, the company qualifies as a small company.

Signed on behalf of the Board of Directors



John F Dickens
Company Secretary

Approved by the board: 13 July 1995

PROFIT AND LOSS ACCOUNTFOR THE PERIOD 15 OCTOBER 1993 TO 31 MARCH 1995

	<u>NOTES</u>	£
TURNOVER	2	444
Cost of sales		(4,782)

GROSS (LOSS)		(4,338)
Administrative expenses		(9,236)

OPERATING (LOSS)	3	(13,574)
Interest payable		(9)

(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		(13,583)
TAXATION		-
(LOSS) for the financial period after taxation		-----
		(13,583)
DIVIDENDS paid or proposed		-
RETAINED (LOSS) for the financial period		-----
		(13,583)
FORMATION EXPENSES		(215)

ACCUMULATED DEFICIT at 31 March 1995		(13,798)
		=====

CONTINUING OPERATIONS

The company was incorporated on 15 October 1993 and commenced to trade on 17 January 1994. Since this date, no new business was acquired or discontinued during the period.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit or loss for the above financial period.

BALANCE SHEET

<u>AT 31 MARCH 1995</u>	<u>NOTES</u>	<u>£</u>	<u>£</u>
FIXED ASSETS			
Tangible assets	4		1,371
CURRENT ASSETS			
Stocks	5	1,000	
Debtors	6	2,258	
Cash at bank and in hand		2	

		3,260	
CREDITORS: amounts falling due within one year	7	(2,927)	

NET CURRENT ASSETS			333
TOTAL ASSETS LESS CURRENT LIABILITIES			

			1,704
CREDITORS: amounts falling due after more than one year			
	8		(15,500)

			(13,796)
			=====
CAPITAL AND RESERVES			
Called up share capital	9		2
Profit and loss account			(13,798)

SHAREHOLDERS' DEFICIT	10		(13,796)
			=====

The directors are satisfied that the company was entitled to take advantage of the exemptions conferred by subsection (1) of section 249A of the Companies Act 1985 and that no member or members have requested an audit pursuant to subsection (2) of section 249B in relation to the accounts for the financial year. The directors acknowledge responsibility for:

- i) ensuring that the company keeps accounting records which comply with section 221; and
- ii) preparing accounts that 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 for the financial period in accordance with the requirements of section 226, and which otherwise comply with the requirements of this Act relating to the accounts, so far as applicable to the company.

The directors have taken advantage of the special exemptions conferred by Part I of Schedule 8 of the Companies Act 1985 applicable to small companies in the preparation of the accounts and have done so on the grounds that in their opinion, the company is entitled to those exemptions.

These accounts were approved on 13 July 1995

Director Elias Bouras

Director Brian F Mumford

Director John F Dickens

NOTES TO THE ACCOUNTS

AT 31 MARCH 1995

NOTE 1 ACCOUNTING POLICIES

Basis of Accounting

The accounts have been prepared under the historical cost convention.

Cash Flow Statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

Turnover represents net invoiced sales of goods sold and services rendered excluding VAT and refunds.

Tangible Fixed Assets

Depreciation is provided at the following annual rate in order to write off each asset over its expected useful life:-

Furniture office equipment and fittings	15% reducing balance basis
Plant and equipment	15% reducing balance basis

Stocks

Stocks and work-in-progress are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred Taxation

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

Research and Development

Expenditure on research and development is written off in the period in which it is incurred.

NOTE 2 TURNOVER

Turnover was all attributable to the United Kingdom market.

NOTES TO THE ACCOUNTSAT 31 MARCH 1995

£

NOTE 3 OPERATING (LOSS)

The operating (loss) is stated after charging:

Depreciation of tangible fixed assets	242
Directors' remuneration	-
Research and development expenditure	4,493
	=====

NOTE 4 FIXED ASSETS

	<u>Furniture & Office Equipment</u>	<u>Plant & Equipment</u>	<u>Total</u>
	£	£	£
Cost:			
Additions	644	969	1,613
	---	---	-----
At 31 March 1995	644	969	1,613
	---	---	-----
Depreciation:			
Charge for period	96	146	242
	---	---	-----
At 31 March 1995	96	146	242
	---	---	-----
Net Book Values			
At 31 March 1995	548	823	1,371
	===	===	=====

NOTES TO THE ACCOUNTSAT 31 MARCH 1995NOTE 5 STOCKS

£

Stock	1,000

	1,000
	=====

NOTE 6 DEBTORS

Prepayments	750
Other debtors	1,508

	2,258
	=====

NOTE 7 CREDITORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR

Bank overdraft	910
Trade creditors	1,878
Directors' current account	139

	2,927
	=====

NOTE 8 CREDITORS: AMOUNTS FALLING DUE
AFTER MORE THAN ONE YEAR

Directors' loan account	15,500
	=====

NOTE 9 CALLED UP SHARE CAPITAL

Authorised:	
100,000 Ordinary shares of £1 each	100,000
	=====
Allotted, called up and fully paid:	
2 Ordinary shares of £1 each	2
	===

NOTE 10 RECONCILIATION OF MOVEMENTS IN
SHAREHOLDERS FUNDS (DEFICIT)

(Loss) for the financial period after taxation	(13,583)
Dividends	-
Share capital subscribed	2
Formation expenses	(215)

	(13,796)
Other recognised gains or (losses) relating to the period	-

Closing shareholders' (deficit) at 31 March 1995	(13,796)
	=====