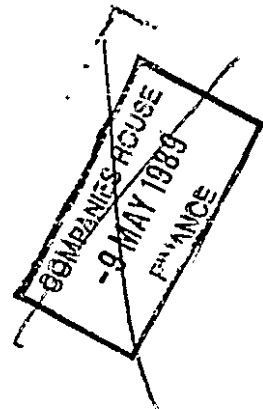


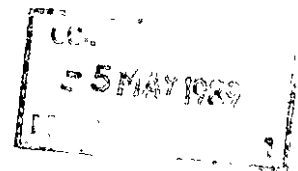
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SCALA IMPEX LIMITED

FINANCIAL ACCOUNTS
year ended 31st December 1987



CARTWRIGHT & CO
Chartered Accountants



SCALA IMPEX LIMITED

DIRECTORS: M Zafaryab
Mrs S Zafaryab

SECRETARY: Mrs S Zafaryab

REGISTERED OFFICE: 121A High Street
Stevenage
Herts.
SG1 3HS

BANKERS: Barclays Bank PLC
Stevenage
Herts.

AUDITORS : Cartwright & Co
Chartered Accountants
121A High Street
Stevenage
Herts
SG1 3HS

SCALA IMPEX LIMITED
FINANCIAL ACCOUNTS
year ended 31st December 1987

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1. Report of the Directors
2. Report of the Auditors
3. Profit and Loss Account
4. Balance Sheet
5. Statement of Source and Application of Funds
- 6 - 8. Notes to Accounts

The following page does not form part of the Statutory Accounts

9. Trading and Profit and Loss Account

1.

SCAIA IMPEX LIMITED

REPORT OF THE DIRECTORS
year ended 31st December 1987

The Directors' present their annual report and the audited Financial Statements for the year ended 31st December 1987.

1. RESULTS AND DIVIDENDS

The Profit of the Company for the year was £853 (1986 - £16,146). The Directors recommend that this be added to the retained earnings at the beginning of the year and that the balance of £13,421 be carried forward.

2. REVIEW OF THE BUSINESS

The company's principal activity was that of general dealers and importers of medical supplies.

3. DIRECTORS

The Directors of the Company during the year and their beneficial interests in the issued share capital of the Company at the beginning and end of the year were as follows :

	Ordinary Shares of £1 each	
	1987	1986
M Zafaryab	5,000	5,000
Mrs S Zafaryab	2,000	2,000

Mrs S Zafaryab retires by rotation and, being eligible, offers herself for re-election.

4. POLITICAL AND CHARITABLE DONATIONS

No political or charitable donations were made during the year.

5. STATUS

The Company is a close company under the provisions of the Income and Corporation Taxes Act 1988.

6. AUDITORS

In accordance with the Companies Act 1985 a resolution proposing the re-appointment of Messrs Cartwright & Co as auditors to the company will be put to the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD

.....*S. Zafaryab*.....
Mrs S Zafaryab
Secretary

1st December 1988

REPORT OF THE AUDITORS
TO THE MEMBERS OF SCALA IMPEX LIMITED
year ended 31st December 1987

We have audited the financial statements on pages 3 to 8 in accordance with approved Auditing Standards.

The company did not carry out a physical count of stock at 31st December 1987 and there were no practicable alternative auditing procedures that we could apply to confirm quantities. Accordingly, we have been unable to obtain all the information and explanations considered necessary to satisfy ourselves as to the existence of the stock quantities valued at £190,560 at 31st December 1987. In our opinion, in the case of stock, proper accounting records have not been kept as required by section 221 Companies Act 1985.

In common with many businesses of similar size and organisation the company's system of control is dependent upon the close involvement of the directors. Where independent confirmation of the completeness of the accounting records was therefore not available we have accepted assurances from the directors that all the company's transactions have been reflected in the records.

Subject to the foregoing, in our opinion the financial statements, which have been prepared under the historical cost convention give a true and fair view of the state of affairs of the Company at 31st December 1987 and of the Profit and Source and Application of Funds of the company for the year ended on that date and comply with the Companies Act 1985.

CARTWRIGHT & CO
Chartered Accountants

1st December 1988

SCALA IMPEX LIMITEDPROFIT AND LOSS ACCOUNT
year ended 31st December 1987

	<u>Notes</u>	£	<u>1987</u>	£	£	<u>1986</u>	£
Turnover	2		238,125			262,260	
Cost of Sales							
Production Costs			185,611			193,792	
<u>GROSS PROFIT</u>			52,514			63,468	
Administration Costs							
General Overheads		41,981			36,791		
Directors' Remuneration		7,618			6,938		
Depreciation		1,445			1,926		
			51,044			45,655	
			1,470			17,813	
Sundry Income							
Bank Interest Received			1		-		
<u>PROFIT ON ORDINARY ACTIVITIES</u>	3		1,471			17,813	
Tax on Ordinary Activities	9		(618)			(1,667)	
<u>RETAINED PROFIT FOR THE YEAR</u>			£ 853			£ 16,146	
<u>STATEMENT OF RETAINED EARNINGS</u>							
Retained Profits/(Losses) brought forward			12,568			(3,580)	
Retained Profits for the Year			853			16,146	
Retained Profit Carried Forward			£ 13,421			£ 12,566	

SCALA IMPEX LIMITEDBALANCE SHEET
31st December 1987

	<u>Notes</u>	£	<u>1987</u>	£	£	<u>1986</u>	£
FIXED ASSETS							
Tangible Assets	4		5,396			5,781	
CURRENT ASSETS							
Stock and Work in Progress	5	190,560			141,212		
Debtors	6	64,532			77,978		
Cash at Bank and in Hand		4,279			5,110		
			<u>259,371</u>		<u>224,300</u>		
CREDITORS							
Amounts due within one year	7	244,346			210,513		
NET CURRENT ASSETS							
				15,025		13,787	
TOTAL ASSETS LESS CURRENT LIABILITIES							
			<u>£ 20,421</u>		<u>£ 19,568</u>		
CAPITAL AND RESERVES							
Share Capital	8		7,000		7,000		
Profit and Loss Account			13,421		12,568		
			<u>£ 20,421</u>		<u>£ 19,568</u>		

M. Zafaryab
 M Zafaryab)
S. Zafaryab
 Mrs S Zafaryab) DIRECTORS

..... DATE

SCALA IMPEX LIMITEDSTATEMENT OF SOURCE AND APPLICATION OF FUNDS
year ended 31st December 1987

	£	<u>1987</u>	£	£	<u>1986</u>	£
TRADING SOURCE OF FUNDS						
Net Profit before Taxation			1,471			17,813
Adjustment for Items not involving the movement of Funds:						
Depreciation			1,445			1,926
			<u>2,916</u>			<u>19,739</u>
APPLICATION OF FUNDS						
Purchase of Fixed Assets		1,060			4,025	
		<u>1,060</u>			<u>4,025</u>	
			385		(2,099)	
<u>INCREASE IN WORKING CAPITAL</u>		<u>£ 1,856</u>			<u>£ 15,714</u>	
INCREASE/(DECREASE) IN WORKING CAPITAL						
Stock and Work in Progress		49,348			11,212	
Debtors		(13,446)			8,185	
Creditors		(29,972)			(735)	
Movement in Net Liquid Funds:						
Bank Accounts		(5,874)			(2,948)	
Cash in Hand		1,800			-	
		<u>£ 1,856</u>			<u>£ 15,714</u>	

SCALA IMPEX LIMITEDNOTES TO THE FINANCIAL STATEMENTS
year ended 31st December 19871. ACCOUNTING POLICIES

- a. The Accounts have been prepared under the Historical Cost convention
- b. Turnover represents the net amount of invoices to customers less credit notes for goods returned, excluding VAT.
- c. Depreciation is provided on other assets in equal instalments over their useful lives. The following rates have been applied :

Motor Vehicles	25%
Office Equipment	25%

- d. Stock and Work in Progress is valued at the lower of Cost and Net Realisable Value after making due allowance for obsolete and slow-moving items.

2. TURNOVER

The turnover and profit before taxation is attributable to the Company's principal activity, namely general dealers and importers of medical supplies.

3. OPERATING PROFIT

The Operating Profit is stated after charging :

	<u>1987</u> £	<u>1986</u> £
Amounts written off Tangible Assets	1,445	1,926
Directors' Remuneration	7,618	6,938
Staff Costs	711	1,587
Audit and Accountancy	2,238	1,500
	<u> </u>	<u> </u>

SCALA IMPEX LIMITEDNOTES TO THE FINANCIAL STATEMENTS
year ended 31st December 19874. FIXED ASSETS

Tangible Assets

	<u>Motor Vehicles</u> £	<u>Plant & Equipment</u> £	<u>Property Improvements</u> £	<u>TOTAL</u> £
<u>COST</u>				
At 1st January 1988	3,325	8,060	-	11,385
Additions in year	-	-	1,060	1,060
At 31st December 1987	<u>3,325</u>	<u>8,060</u>	<u>1,060</u>	<u>12,445</u>
<u>DEPRECIATION</u>				
At 1st January 1988	1,456	4,148	-	5,604
Charge for year	467	978	-	1,445
At 31st December 1987	<u>1,923</u>	<u>5,126</u>	<u>-</u>	<u>7,049</u>
<u>NET BOOK VALUE</u>				
At 31st December 1987	<u>1,402</u>	<u>2,934</u>	<u>1,060</u>	<u>5,396</u>
At 31st December 1987	<u>1,869</u>	<u>3,912</u>	<u>-</u>	<u>5,781</u>

5. STOCKS

	<u>1987</u> £	<u>1986</u> £
Finished Goods and Goods for Resale	190,560	141,212
	<u>190,560</u>	<u>141,212</u>

6. DEBTORS

	<u>1987</u> £	<u>1986</u> £
Amounts due within one year		
Trade Debtors	64,389	77,978
Prepayments	143	-
	<u>64,532</u>	<u>77,978</u>

SCALA IMPEX LIMITEDNOTES TO THE FINANCIAL STATEMENTS
year ended 31st December 19877. CREDITORS

	<u>1987</u> £	<u>1986</u> £
Amounts due within one year		
Barclays Current Account	35,578	32,335
Trade Creditors	124,667	91,143
Other Creditors	135	-
Corporation Tax	2,285	1,667
PAYE	3,856	1,978
Accruals	6,413	4,361
Director's Loan Account	43,161	48,204
Director's Loan account	30,046	28,346
Value Added Tax	(1,795)	2,479
	<u>244,346</u>	<u>210,513</u>

8. SHARE CAPITAL

	<u>1987</u> £	<u>1986</u> £
Authorised	<u>10,000</u>	<u>10,000</u>
Allotted, Issued and Fully Paid	<u>7,000</u>	<u>7,000</u>

9. TAXATION

The tax charge on the Profit on Ordinary Activities
was as follows :

	<u>1987</u> £	<u>1986</u> £
Corporation Tax at 29% based on the adjusted results for the year	<u>618</u>	<u>1,667</u>