

Company Registration No.1441516

**GULF CONSUMER GOODS
COMPANY LIMITED**

Report and Financial Statements

31 December 2002

**Bass & Co
Chartered Accountants
123 Riddlesdown Road
Purley
Surrey
CR8 1DL**



GULF CONSUMER GOODS COMPANY LIMITED

REPORT AND FINANCIAL STATEMENTS 2002

CONTENTS	Page
Directors report	1
Auditors' report to the members	2
Profit and loss account	3
Statement of total recognised gains and losses	3
Balance sheet	4
Notes to the accounts	5 - 7

GULF CONSUMER GOODS COMPANY LIMITED

DIRECTORS' REPORT

The directors submit their report and the audited financial statements for the year ended 31 December 2002.

PRINCIPAL ACTIVITY

The principal activity of the company is the sale of consumer goods.

DIRECTORS

The directors who served throughout the year and their beneficial interest in the shares of the company at the year end were as follows:

	Ordinary shares of £1 each	
	2002	2001
B K Chaiban	50,000	50,000
Mrs K Jamjoun	-	-
A Abi Aad	25,000	25,000

172,500 (69%) ordinary shares of £1 each are held by Thabeer Trading & Contracting Co., a partnership in Saudi Arabia, of which Mrs K Jamjoun is a partner.

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 as at the end of the financial year 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 judgments 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 them to ensure that the financial statements comply with the Companies Act. 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

Bass & Co will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board of Directors
and signed on behalf of the Board


B. Chaiban
Secretary
3 September 2003

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GULF CONSUMER GOODS COMPANY LIMITED

We have audited the financial statements of Gulf Consumer Goods Company Limited for the year ended 31 December 2002 set out on pages 3 to 7. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 5.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities on page 1 the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

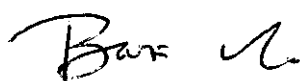
Basis of opinion

We conducted our audit in accordance with United Kingdom 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 judgments 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's affairs as at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants
and Registered Auditors
3 September 2003

GULF CONSUMER GOODS COMPANY LIMITED

PROFIT AND LOSS ACCOUNT For the year ended 31 December 2002

	Note	2002 £	2001 £
TURNOVER	2	243,969	301,435
Cost of sales		(199,015)	(256,478)
Gross profit		<u>44,954</u>	<u>44,957</u>
Other operating income		-	22,408
Operating expenses		(25,557)	(55,669)
		<u>(25,557)</u>	<u>(33,261)</u>
OPERATING PROFIT	3	<u>19,397</u>	<u>11,696</u>
Interest receivable and similar income		695	1,453
Interest payable		(1,236)	(113)
Profit on disposal of investment		-	10,627
		<u>(541)</u>	<u>11,967</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>18,856</u>	<u>23,663</u>
Tax on loss on ordinary activities: Corporation tax		(17)	(2,452)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>18,839</u>	<u>21,211</u>
DIVIDEND paid	4	(27,500)	(200,000)
		<u>(8,661)</u>	<u>(178,789)</u>
Retained profits brought forward		75,080	253,869
Retained profits carried forward		<u><u>66,419</u></u>	<u><u>75,080</u></u>

GULF CONSUMER GOODS COMPANY LIMITED

BALANCE SHEET 31 December 2002

	Note	2002 £	2001 £
FIXED ASSETS			
Tangible assets	5	3,360	3,430
Fixed asset investments	6	235,000	235,000
		<u>238,360</u>	<u>238,430</u>
CURRENT ASSETS			
Debtors	7	65,359	142,176
Cash at bank and in hand		51,516	31,512
		<u>116,875</u>	<u>173,688</u>
CREDITORS: amounts falling due within one year			
Trade creditors		-	61,679
Other creditors including taxation and social security	8	38,816	25,359
		<u>38,816</u>	<u>87,038</u>
NET CURRENT ASSETS		<u>78,059</u>	<u>86,650</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>316,419</u>	<u>325,080</u>
CAPITAL AND RESERVES			
Called up share capital	9	250,000	250,000
Profit and loss account		66,419	75,080
SHAREHOLDERS' FUNDS		<u>316,419</u>	<u>325,080</u>

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the Board of Directors on 3 September 2003.
Signed on behalf of the Board


B K Chaiban
Director

GULF CONSUMER GOODS COMPANY LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2002

1. ACCOUNTING POLICIES

Basis of Accounting

These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Group Accounts

The company is entitled for the year ended 31 December 2002 to the exemption conferred by Section 248 of the Companies Act 1985 from the requirement to prepare group accounts.

Tangible Fixed Assets and Depreciation

Depreciation on tangible fixed assets is calculated to write down their cost by equal annual instalments over their estimated useful economic lives, which are considered to be:

Freehold property	- 50 years
Fixtures, fittings and equipment	- between 3 and 10 years

Foreign Exchange

Transactions denominated in foreign currencies are translated into sterling at the rates of exchange ruling on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into sterling at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

Turnover

Turnover is the amount derived from the provision of goods falling within the company's ordinary activities after deducting trade discounts and value added tax.

2. TURNOVER

Turnover attributable to geographical markets outside the United Kingdom amounted to 99% (2001- 98%).

3. OPERATING PROFIT

	2002 £	2001 £
Operating profit is arrived at after charging:		
Depreciation	70	441
Directors emoluments	4,583	24,859
Auditors' remuneration	1,750	2,000
Loss on exchange	111	2
	<hr/>	<hr/>

4. DIVIDEND

	2002 £	2001 £
Dividend paid during year at £0.11p per share (2001 - £0.80p)	27,500	200,000
	<hr/>	<hr/>

GULF CONSUMER GOODS COMPANY LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2002

5. TANGIBLE FIXED ASSETS

	Freehold Property £	Fixtures Fittings and Equipment £	Total £
Cost or valuation			
At 1 January 2002 and 31 December 2002	3,500	6,170	9,670
Depreciation			
At 1 January 2002	70	6,170	6,240
Charge for the year	70	-	70
At 31 December 2002	140	6,170	6,310
Net book value			
At 31 December 2002	3,360	-	3,360
At 31 December 2001	3,430	-	3,430

The company's freehold property was revalued by the directors at open market value on 31 December 2000. Under the historical cost convention the cost of the freehold property is £16,048 and as at 31 December 2002 the accumulated depreciation would be £2,247 and the net book value £13,801.

6. FIXED ASSET INVESTMENTS

Subsidiary undertaking

	£
Cost	
At 1 January 2002 and 31 December 2002	289,311
Provision for diminution	
At 1 January 2002 and 31 December 2002	54,311
Net book value	
At 31 December 2002	235,000
At 31 December 2001	235,000

The subsidiary undertaking represents a 54% interest in J A Ellaby (Wholesale) Limited, a company registered in the UK. At 31 December 2002 the total net assets of J A Ellaby (Wholesale) Limited and its profit after taxation for the year then ended were £398,911 and £6,104 respectively.

GULF CONSUMER GOODS COMPANY LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2002

7. DEBTORS	2002	2001
	£	£
Trade debtors	18,775	102,482
Other debtors	46,584	39,694
	<u>65,359</u>	<u>142,176</u>
	<u> </u>	<u> </u>
 8. OTHER CREDITORS INCLUDING TAXATION AND SOCIAL SECURITY	 2002	 2001
	£	£
Corporation tax	17	2,452
Other creditors	38,799	22,907
	<u>38,816</u>	<u>25,359</u>
	<u> </u>	<u> </u>
 9. CALLED UP SHARE CAPITAL	 2002	 2001
	£	£
Authorised 750,000 ordinary shares of £1 each	750,000	750,000
	<u> </u>	<u> </u>
Allotted and fully paid 250,000 ordinary shares of £1 each	250,000	250,000
	<u> </u>	<u> </u>

10. CONTROL AND RELATED PARTY TRANSACTIONS

The company is controlled by Thabeer Trading & Contracting Co., a partnership incorporated in Saudi Arabia.

During the year sales and purchases were made to and from the company's subsidiary, J A Ellaby (Wholesale) Limited, amounting to £1,767 and £190,656 respectively. These transactions were carried out on normal business terms and at 31 December 2002 the company owed J A Ellaby (Wholesale) Limited £nil (2001 - £60,906) in respect of this trading.