

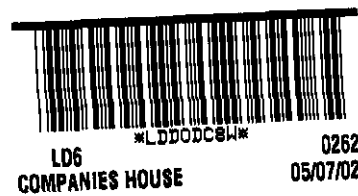
Company Registration No.1441516

**GULF CONSUMER GOODS
COMPANY LIMITED**

Report and Financial Statements

31 December 2001

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



GULF CONSUMER GOODS COMPANY LIMITED

REPORT AND FINANCIAL STATEMENTS 2001

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GULF CONSUMER GOODS COMPANY LIMITED

DIRECTORS' REPORT

The directors submit their report and the audited financial statements for the year ended 31 December 2001.

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	
	2001	2000
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 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 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.

THE EURO

The impact of the euro has been considered generally by the company. Although the impact of the changeover to the euro is not currently anticipated to be significant, this issue is being closely monitored.

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. Collett
Secretary
25 June 2002

Bass

& Co

Chartered Accountants

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Purley Surrey CR8 1DL
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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 2001 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.

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 2001 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
25 June 2002

GULF CONSUMER GOODS COMPANY LIMITED

PROFIT AND LOSS ACCOUNT For the year ended 31 December 2001

	Note	2001 £	2000 £
TURNOVER	2	301,435	321,405
Cost of sales		(256,478)	(267,874)
Gross profit		<u>44,957</u>	<u>53,531</u>
Other operating income	22,408	35,285	
Operating expenses	(55,669)	(178,921)	
		<u>(33,261)</u>	<u>(143,636)</u>
OPERATING PROFIT (LOSS)	3	<u>11,696</u>	<u>(90,105)</u>
Interest receivable and similar income	1,453	4,513	
Interest payable	(113)	(10,131)	
Profit on disposal of investment	10,627	-	
Profit on disposal of freehold property	-	3,450	
Loss on disposal of leasehold property	-	(114,287)	
Loss on revaluation of freehold property	-	(10,943)	
Provision for loss on bank deposit	-	(42,981)	
Provision for diminution of investment	-	(54,311)	
		<u>11,967</u>	<u>(224,690)</u>
PROFIT (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>23,663</u>	<u>(314,795)</u>
Tax on loss on ordinary activities:			
Corporation tax	(2,452)	(3,099)	
Deferred taxation	-	100,000	
		<u>(2,452)</u>	<u>96,901</u>
PROFIT (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		<u>21,211</u>	<u>(217,894)</u>
DIVIDEND paid	4	(200,000)	-
		<u>(178,789)</u>	<u>(217,894)</u>
Retained profits brought forward	253,869	86,525	
Transfer from revaluation reserve	-	385,238	
		<u>253,869</u>	<u>471,763</u>
Retained profits carried forward		<u>75,080</u>	<u>253,869</u>

GULF CONSUMER GOODS COMPANY LIMITED

BALANCE SHEET 31 December 2001

	Note	2001 £	2000 £
FIXED ASSETS			
Tangible assets	5	3,430	3,871
Fixed asset investments	6	235,000	327,373
		<u>238,430</u>	<u>331,244</u>
CURRENT ASSETS			
Debtors	7	142,176	83,505
Cash at bank and in hand		31,512	130,553
		<u>173,688</u>	<u>214,058</u>
CREDITORS: amounts falling due within one year			
Trade creditors		61,679	21,383
Other creditors including taxation and social security	8	25,359	20,050
		<u>87,038</u>	<u>41,433</u>
NET CURRENT ASSETS		<u>86,650</u>	<u>172,625</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>325,080</u>	<u>503,869</u>
CAPITAL AND RESERVES			
Called up share capital	9	250,000	250,000
Profit and loss account		75,080	253,869
SHAREHOLDERS' FUNDS		<u>325,080</u>	<u>503,869</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 25 June 2002.

Signed on behalf of the Board



B K Chaiban
Director

GULF CONSUMER GOODS COMPANY LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2001

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 2000 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 98% (2000 – 93%).

3. OPERATING PROFIT (LOSS)

	2001 £	2000 £
Operating profit (loss) is arrived at after charging:		
Depreciation	441	24,448
Directors emoluments	24,859	28,041
Auditors' remuneration	2,000	2,000
Loss on exchange	2	123
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4. DIVIDEND

	2001 £	2000 £
Dividend paid during year at £0.80p per share (2000 - £nil)	200,000	-
	<hr/>	<hr/>

GULF CONSUMER GOODS COMPANY LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2001

5. TANGIBLE FIXED ASSETS

	Freehold Property £	Fixtures Fittings and Equipment £	Total £
Cost or valuation			
At 1 January 2001 and 31 December 2001	3,500	6,170	9,670
Depreciation			
At 1 January 2001	-	5,799	5,799
Charge for the year	70	371	441
At 31 December 2001	70	6,170	6,240
Net book value			
At 31 December 2001	3,430	-	3,430
At 31 December 2000	3,500	371	3,871

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 2001 the accumulated depreciation would be £1,926 and the net book value £14,122.

6. FIXED ASSET INVESTMENTS

	Subsidiary undertaking £	Unlisted investment £	Total £
Cost			
At 1 January 2001	289,311	92,373	381,684
Less disposals	-	(92,373)	(92,373)
At 31 December 2001	289,311	-	289,311
Provision for diminution			
At 1 January 2001 and 31 December 2001	54,311	-	54,311
Net book value			
At 31 December 2001	235,000	-	235,000
At 31 December 2000	235,000	92,373	327,373

The subsidiary undertaking represents a 54% interest in J A Ellaby (Wholesale) Limited, a company registered in the UK. At 31 December 2001 the total net assets of J A Ellaby (Wholesale) Limited and its profit after taxation for the year then ended were £392,807 and £7,698 respectively.

The unlisted investment represented a 16% interest in The Food Centre LLC, a company registered in Dubai, which has been sold during the year.

GULF CONSUMER GOODS COMPANY LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2001

7. DEBTORS	2001	2000
	£	£
Trade debtors	102,482	26,060
Other debtors	39,694	57,445
	<u>142,176</u>	<u>83,505</u>
	<u><u>142,176</u></u>	<u><u>83,505</u></u>
 8. OTHER CREDITORS INCLUDING TAXATION AND SOCIAL SECURITY	 2001	 2000
	£	£
Corporation tax	2,452	3,099
Other creditors	22,907	16,951
	<u>25,359</u>	<u>20,050</u>
	<u><u>25,359</u></u>	<u><u>20,050</u></u>
 9. CALLED UP SHARE CAPITAL	 2001	 2000
	£	£
Authorised 750,000 ordinary shares of £1 each	750,000	750,000
	<u>750,000</u>	<u>750,000</u>
Allotted and fully paid 250,000 ordinary shares of £1 each	250,000	250,000
	<u>250,000</u>	<u>250,000</u>
	<u><u>250,000</u></u>	<u><u>250,000</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 £4,078 and £160,909 respectively. These transactions were carried out on normal business terms and at 31 December 2001 the company owed J A Ellaby (Wholesale) Limited £60,906 (2000 - £17,886 owed by J A Ellaby (Wholesale) Limited) in respect of this trading.