

2463674

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2000
FOR
CIC LIMITED
TRADING AS CONTRACTING INCORPORATED COMPANY



CIC LIMITED
TRADING AS CONTRACTING INCORPORATED COMPANY

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2000

	Page
Company Information	1
Report of the Directors	2
Report of the Auditors	3
Profit and Loss Account	4
Balance Sheet	5
Notes to the Financial Statements	6
Trading and Profit and Loss Account	11

CIC LIMITED
TRADING AS CONTRACTING INCORPORATED COMPANY

COMPANY INFORMATION
FOR THE YEAR ENDED 31ST MARCH 2000

DIRECTORS:	Yousif Mirjan Yahya Mirjan
SECRETARY:	Yahya Mirjan
REGISTERED OFFICE:	Westminster House Pensbury Place Off: Wandsworth Road London SW8 4AT
REGISTERED NUMBER:	2463674 (England and Wales)
AUDITORS:	Hamsun & Hogate Chartered Accountants & Registered Auditors 2 Bramber Court 2 Bramber Road West Kensington London W14 9PA
BANKERS:	National Westminster BANK Plc 64 Knightsbridge London SW1X 7LG

CIC LIMITED
TRADING AS CONTRACTING INCORPORATED COMPANY

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST MARCH 2000

The directors present their report with the financial statements of the company for the year ended 31st March 2000.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of marble, granite and general building contractors.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

An interim dividend of £30 per share was proposed for the year.

The total distribution of dividends for the year ended 31st March 2000 will be £180,000.

DIRECTORS

The directors during the year under review were:

Yousif Mirjan
Yahya Mirjan

The beneficial interests of the directors holding office on 31st March 2000 in the issued share capital of the company were as follows:

	31.3.00	1.4.99
Ordinary £1 shares		
Yousif Mirjan	3,000	3,000
Yahya Mirjan	3,000	3,000

STATEMENT OF 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

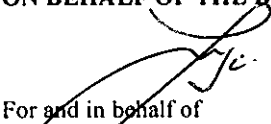
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Hamsun & Hogate, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

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

ON BEHALF OF THE BOARD:


For and in behalf of
Yahya Mirjan - SECRETARY

Dated: 8th Sept. 2000

CIC LIMITED
TRADING AS CONTRACTING INCORPORATED COMPANY

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
CIC LIMITED

We have audited the financial statements on pages four to nine which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out on page six.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an 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.

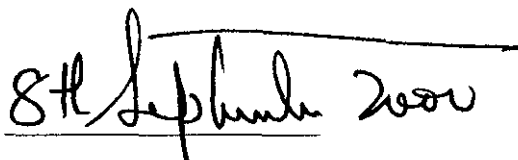
Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st March 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Hamsun & Hogate
Chartered Accountants &
Registered Auditors
2 Bramber Court
2 Bramber Road
West Kensington
London W14 9PA

Dated:



CIC LIMITED
TRADING AS CONTRACTING INCORPORATED COMPANY

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2000

	Notes	2000		1999	
		£	£	£	£
TURNOVER			2,300,223		1,901,811
Cost of sales			1,658,154		1,209,459
GROSS PROFIT			642,069		692,352
Administrative expenses			322,170		230,828
OPERATING PROFIT	2		319,899		461,524
Income from investments	3	276		-	
Interest receivable and similar income	4	13,499		12,547	
			13,775		12,547
			333,674		474,071
Interest payable and similar charges	5		1,517		2,073
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			332,157		471,998
Tax on profit on ordinary activities	6		83,780		143,696
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			248,377		328,302
Dividends	7		180,000		150,000
			68,377		178,302
Retained profit brought forward			474,855		296,553
RETAINED PROFIT CARRIED FORWARD			<u>£543,232</u>		<u>£474,855</u>

The notes form part of these financial statements

CIC LIMITED
TRADING AS CONTRACTING INCORPORATED COMPANY

BALANCE SHEET
31ST MARCH 2000

		2000		1999	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	8		155,884		70,150
CURRENT ASSETS:					
Stocks	9	57,609		196,150	
Debtors	10	748,530		270,711	
Cash at bank		313,074		313,241	
		1,119,213		780,102	
CREDITORS: Amounts falling due within one year	11	725,865		369,058	
NET CURRENT ASSETS:			393,348		411,044
TOTAL ASSETS LESS CURRENT LIABILITIES:			549,232		481,194
CREDITORS: Amounts falling due after more than one year	12		-		339
			£549,232		£480,855
CAPITAL AND RESERVES:					
Called up share capital	14		6,000		6,000
Profit and loss account			543,232		474,855
SHAREHOLDERS' FUNDS:			£549,232		£480,855

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

ON BEHALF OF THE BOARD:



YOUSIF MIRJAN - DIRECTOR

Approved by the Board on

08.09.2000

CIC LIMITED
TRADING AS CONTRACTING INCORPORATED COMPANY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2000

1. **ACCOUNTING POLICIES**

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Machinery & Equipment	- 15% on reducing balance
Furniture & Equipment	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance

Stocks and Work In Progress

Stock is valued at the lower of cost or net realisable value, after making due allowance for obsolete and slow moving items.

Work in progress is stated at cost after taking into account any foreseeable losses.

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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension

The company contributes to directors Personal Pension Plans. Contributions payable for the year are charged to the profit and loss account. The payments are subject to annual negotiations. The company has no contractual commitment to the payments.

Hire purchase and leasing commitments

Where assets are financed by leasing or hire purchase agreements, the assets are treated as if they were purchased. The present value of lease payable during the lease term is capitalised as tangible assets and the corresponding lease commitment is included as liability.

The hire purchase instalments are apportioned between interest and capital. Interest is charged to profit and loss account and the principal amount is charged to reduce the capital account.

All other leases are treated as operating leases. Their rentals are charged to profit and loss account on a payable basis.

2. **OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	2000 £	1999 £
Depreciation - owned assets	32,411	16,093
Profit on disposal of fixed assets	-	(2,956)
Auditors' remuneration	4,000	4,000
Pension costs	3,240	4,307
Operating leases	100,260	37,515
	<u> </u>	<u> </u>
Directors' emoluments	30,765	-
	<u> </u>	<u> </u>

The directors' emoluments includes benefits-in-kind.

CIC LIMITED
TRADING AS CONTRACTING INCORPORATED COMPANY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2000

3. INCOME FROM INVESTMENTS

	2000	1999
	£	£
Dividend income	276	-
	<u>276</u>	<u>-</u>

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2000	1999
	£	£
Deposit account interest	6,483	11,109
Rents received	7,016	1,438
	<u>13,499</u>	<u>12,547</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

Interest payable and similar charges includes the following:

	2000	1999
	£	£
Bank interest	-	29
Penalties and interest	145	-
Hire Purchase Interest	1,372	2,044
	<u>1,517</u>	<u>2,073</u>

6. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	2000	1999
	£	£
UK corporation tax	83,780	143,696
	<u>83,780</u>	<u>143,696</u>

UK corporation tax has been charged at 30% (1999 - 31%).

7. DIVIDENDS

	2000	1999
	£	£
Final-proposed	180,000	150,000
	<u>180,000</u>	<u>150,000</u>

CIC LIMITED
TRADING AS CONTRACTING INCORPORATED COMPANY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2000

8. TANGIBLE FIXED ASSETS

	Machinery & Equipm- ent	Furniture & Equipm- ent	Motor vehicles	Totals
	£	£	£	£
COST:				
At 1st April 1999	49,811	32,165	38,709	120,685
Additions	86,727	14,589	16,829	118,145
	<u>136,538</u>	<u>46,754</u>	<u>55,538</u>	<u>238,830</u>
At 31st March 2000				
DEPRECIATION:				
At 1st April 1999	22,740	12,763	15,032	50,535
Charge for year	17,070	5,215	10,126	32,411
	<u>39,810</u>	<u>17,978</u>	<u>25,158</u>	<u>82,946</u>
At 31st March 2000				
NET BOOK VALUE:				
At 31st March 2000	<u>96,728</u>	<u>28,776</u>	<u>30,380</u>	<u>155,884</u>
At 31st March 1999	<u>27,071</u>	<u>19,402</u>	<u>23,677</u>	<u>70,150</u>

9. STOCKS

	1999 £	1999 £
Stock-resale	57,609	98,000
Work in progress	-	98,150
	<u>57,609</u>	<u>196,150</u>

10. DEBTORS

	2000 £	1999 £
Amounts falling due within one year:		
Trade debtors	352,495	94,653
Other debtors	-	1,337
Trade deposits	4,306	-
Prepayments	10,606	3,897
G.M.I Limited	155,890	5,591
	<u>523,297</u>	<u>105,478</u>
Amounts falling due after more than one year:		
Endureshare Ltd	<u>225,233</u>	<u>165,233</u>
Aggregate amounts	<u>748,530</u>	<u>270,711</u>

The loan is to a related company, Endureshare Ltd and repayable after more than one year.

CIC LIMITED
TRADING AS CONTRACTING INCORPORATED COMPANY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2000

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000	1999
	£	£
Bank loans and overdrafts	9,210	-
Trade creditors	297,222	140,695
Directors current account		
—Mr Yahya Mirjan	3,600	412
Directors current account		
—Mr Yousif Mirjan	7,884	22,436
Hire purchase	657	4,862
Dividend proposed	180,000	-
V.A.T.	96,041	80,032
Social security & other taxes	24,315	41
Net wages	222	565
Taxation	83,752	106,196
Accrued expenses	22,962	13,819
	<u>725,865</u>	<u>369,058</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2000	1999
	£	£
Hire purchase	-	339
	<u>-</u>	<u>339</u>

13. SECURED DEBTS

The following secured debts are included within creditors:

	2000	1999
	£	£
Bank overdrafts	9,210	-
	<u>9,210</u>	<u>-</u>

14. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2000	1999
			£	£
6,000	Ordinary	£1	6,000	6,000
			<u>6,000</u>	<u>6,000</u>

15. OTHER FINANCIAL COMMITMENTS

At 31 March 2000 the company had annual commitments under non-cancellable operating leases as set out below:

	2000	1999
	£	£
Operating leases which expire:		
in over five years	100,260	37,515
	<u>100,260</u>	<u>37,515</u>

The company signed a composit guarantee on 22 December 1998 made between CIC Ltd and Endushare Ltd, GMI Ltd with the bank.

Under the unscheduled mortgage debenture dated 27 December 1995, a fixed and floating charge over all current and future assets of the company were incorporated in favour of the bank.

CIC LIMITED
TRADING AS CONTRACTING INCORPORATED COMPANY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2000

16. **RELATED PARTY DISCLOSURES**

Granite and Marble International Ltd, European Heritage Ltd and Endushare Ltd are related companies. The details of equity interest of the directors of CIC Ltd, who are also directors of these companies and the trading transactions are as follows:

	G.M.I Ltd	E.H Ltd	Endushare Ltd
Equity interest			
Yahya Mirjan	50%	33%	50%
Yousif Mirjan	50%	33%	50%
Sales	£897,038	£Nil	£Nil
Purchases	£Nil	£5	£Nil
Rent	£Nil	£Nil	£86,926
Loan	£Nil	£Nil	£265,233

All transactions between the related companies were of a trading nature (except for the loan to Enduressshare Ltd) and prices charged were determined at arm's length.

The movements in the directors current accounts are of a non-trading nature.

17. **CONTROLLING PARTIES**

The directors of the company are the controlling parties.