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REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1998
FOR
C.I.C.LIMITED
TRADING AS CONTRACTING INCORPORATED COMPANY



C.I.C.LIMITED
TRADING AS CONTRACTING INCORPORATED COMPANY

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FOR THE YEAR ENDED 31ST MARCH 1998

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C.I.C.LIMITED
TRADING AS CONTRACTING INCORPORATED COMPANY

COMPANY INFORMATION
FOR THE YEAR ENDED 31ST MARCH 1998

DIRECTORS: YOUSIF MIRJAN
YAHYA MIRJAN

SECRETARY: YAHYA MIRJAN

REGISTERED OFFICE: PENSURY PLACE
OFF WANDSWORTH ROAD
LONDON
SW8 4TD

REGISTERED NUMBER: 2463674 (England and Wales)

AUDITORS: HAMSUN & HOGATE
CHARTERED ACCOUNTANTS
& REGISTERED AUDITORS
UNIT 2, BRAMBER COURT
2 BRAMBER ROAD
WEST KENSINGTON
LONDON W14 9PA

BANKERS: NATIONAL WESTMINSTER BANK PLC
64 KNIGHTSBRIDGE
LONDON SW1X 7LG

C.I.C.LIMITED
TRADING AS CONTRACTING INCORPORATED COMPANY

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST MARCH 1998

The directors present their report with the financial statements of the company for the year ended 31st March 1998.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of Marble and Granite Contractors and General Builders.

DIRECTORS

The directors during the year under review were:

YOUSIF MIRJAN
YAHYA MIRJAN

The beneficial interests of the directors holding office on 31st March 1998 in the issued share capital of the company were as follows:

	31.3.98	1.4.97
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 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.

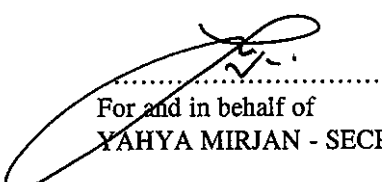
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets 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: 21st July 98

C.I.C.LIMITED
TRADING AS CONTRACTING INCORPORATED COMPANY
REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
C.I.C.LIMITED

We have audited the financial statements on pages four to ten which have been prepared 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 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 31st March 1998 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
UNIT 2, BRAMBER COURT
2 BRAMBER ROAD
WEST KENSINGTON
LONDON W14 9PA

Dated: 23rd July 1998

C.I.C. LIMITED
TRADING AS CONTRACTING INCORPORATED COMPANY

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 1998

		1998	1997
	Notes	£	£
TURNOVER	2	1,412,831	1,150,778
Cost of sales		891,725	929,426
GROSS PROFIT		521,106	221,352
Administrative expenses		123,004	115,845
OPERATING PROFIT	3	398,102	105,507
Interest receivable and similar income	4	4,728	470
		402,830	105,977
Interest payable and similar charges	5	2,313	2,255
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		400,517	103,722
Tax on profit on ordinary activities	6	121,843	21,815
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		278,674	81,907
Dividends	7	90,000	25,980
		188,674	55,927
Retained profit brought forward		107,879	51,952
RETAINED PROFIT CARRIED FORWARD		£296,553	£107,879

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

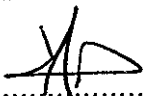
C.I.C.LIMITED
TRADING AS CONTRACTING INCORPORATED COMPANY

BALANCE SHEET
31ST MARCH 1998

		1998		1997	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	8		49,288		51,810
CURRENT ASSETS:					
Stocks	9	178,285		123,542	
Debtors	10	140,330		66,964	
Cash at bank		189,584		68,969	
		508,199		259,475	
CREDITORS: Amounts falling due within one year	11	249,752		183,999	
NET CURRENT ASSETS:			258,447		75,476
TOTAL ASSETS LESS CURRENT LIABILITIES:			307,735		127,286
CREDITORS: Amounts falling due after more than one year	12		5,182		13,407
			£302,553		£113,879
CAPITAL AND RESERVES:					
Called up share capital	14		6,000		6,000
Profit and loss account			296,553		107,879
Shareholders' funds	16		£302,553		£113,879

These financial statements have 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:



.....
YOUSIF MIRJAN - DIRECTOR

Approved by the Board on ..21.7.98.....

C.I.C.LIMITED
TRADING AS CONTRACTING INCORPORATED COMPANY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1998

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover represents net invoiced sales of goods, 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.

Hire Purchase Contracts

Where assets are purchased on Hire Purchase Agreements, the assets are treated as if they had been purchased. The total Cash price of assets is Capitalised in the Balance Sheet and correspondingly the amount financed is shown as a liability. The finance charges are released to the Profit & Loss account on a straight line basis.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

C.I.C.LIMITED
TRADING AS CONTRACTING INCORPORATED COMPANY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1998

3. OPERATING PROFIT

The operating profit is stated after charging:

	1998	1997
	£	£
Hire of plant and machinery	28,593	33,298
Depreciation - owned assets	8,580	11,283
Loss on disposal of fixed assets	300	-
Auditors' remuneration	3,094	2,000
Pension costs	-	5,800
	<u> </u>	<u> </u>
Directors' emoluments and other benefits etc	-	22,501
	<u> </u>	<u> </u>

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	1998	1997
	£	£
Deposit account interest	4,728	470
	<u> </u>	<u> </u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	1998	1997
	£	£
Bank Interest	339	281
Hire purchase	1,974	1,974
	<u> </u>	<u> </u>
	2,313	2,255
	<u> </u>	<u> </u>

6. TAXATION

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

	1998	1997
	£	£
UK Corporation Tax	121,843	25,754
Taxation Under\ (Over) Prior Years	-	(3,939)
	<u> </u>	<u> </u>
	121,843	21,815
	<u> </u>	<u> </u>

UK Corporation Tax has been charged at 33% (1997 - 33%).

7. DIVIDENDS

	1998	1997
	£	£
Equity shares:		
Interim - Ordinary Shares	90,000	25,980
	<u> </u>	<u> </u>

C.I.C.LIMITED
TRADING AS CONTRACTING INCORPORATED COMPANY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1998

8. TANGIBLE FIXED ASSETS

	Machinery & Equipm- ent	Furniture & Equipm- ent	Motor vehicles	Totals
	£	£	£	£
COST:				
At 1st April 1997	42,462	16,418	28,755	87,635
Additions	1,485	4,572	1,000	7,057
Disposals	-	-	(1,000)	(1,000)
At 31st March 1998	43,947	20,990	28,755	93,692
DEPRECIATION:				
At 1st April 1997	13,378	7,283	15,163	35,824
Charge for year	4,585	2,056	1,939	8,580
At 31st March 1998	17,963	9,339	17,102	44,404
NET BOOK VALUE:				
At 31st March 1998	25,984	11,651	11,653	49,288
At 31st March 1997	29,084	9,134	13,592	51,810

The Net Book Value of Tangible Fixed Assets includes an amount of £13,743 (1997 - £21,967) in respect of assets held under Hire Purchase Contracts. The Depreciation for the year on these assets is £4,596 (1997 - £5,867). The accumulated depreciation to 31 March 1998 was £13,418 (1997 - £8,822)

9. STOCKS

	1998	1997
	£	£
Stock	105,290	73,424
Work in progress	72,995	50,118
	178,285	123,542

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1998	1997
	£	£
Trade debtors	131,147	55,513
Other debtors	1,016	1,651
Prepayments	2,576	400
G.M.I Limited	5,591	9,400
	140,330	66,964

C.I.C.LIMITED
TRADING AS CONTRACTING INCORPORATED COMPANY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1998

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1998 £	1997 £
Bank loans and overdrafts (see note 13)	-	10,479
Trade creditors	91,111	120,762
Loan - A Razak Esq	-	4,311
Hire purchase	8,244	8,244
V.A.T.	43,340	16,838
Taxation	99,343	19,259
Accrued expenses	7,714	4,106
	<u>249,752</u>	<u>183,999</u>

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

	1998 £	1997 £
Hire purchase	<u>5,182</u>	<u>13,407</u>

The Hire Purchase Credits are secured on the fixed assets whose witten down value is £19,645.

13. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	1998 £	1997 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>-</u>	<u>10,479</u>

The Bank overdraft is secured over the Company's assets under Unscheduled Mortgage Debenture dated 27th December 1995. In addition, the Bank has a right of set off of overdrawn balances against credit balances of other accounts.

14. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	1998 £	1997 £
6,000	Ordinary	£1	<u>6,000</u>	<u>6,000</u>

C.I.C.LIMITED
TRADING AS CONTRACTING INCORPORATED COMPANY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1998

15. RELATED PARTY DISCLOSURES

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

	G.M.I Ltd	E.H Ltd
Equity interest		
Yahya Mirjan Esq - Director	50%	33%
Yousif Mirjan Esq- Director	50%	33%
Sales	£514,933	£Nil
Purchases	£Nil	£Nil
All transactions between the related companies were of trading nature and prices charged were determined at arm's length.		

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1998 £	1997 £
Profit for the financial year	278,674	81,907
Dividends	(90,000)	(25,980)
NET ADDITION TO SHAREHOLDERS' FUNDS	<u>188,674</u>	<u>55,927</u>
Opening shareholders' funds	<u>113,879</u>	<u>57,952</u>
CLOSING SHAREHOLDERS' FUNDS	<u><u>302,553</u></u>	<u><u>113,879</u></u>
 Equity interests	 <u><u>302,553</u></u>	 <u><u>113,879</u></u>

17. CONTROLLING PARTIES

The Directors of the Company are the Controlling Parties by virtue of their Controlling Interest in the Equity Share Capital of the Company.