

Company No: 2565281

ALI INTERNATIONAL LIMITED

REPORT & FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1996

AUDITORS
Hacker Young
Registered Auditor
Chartered Accountants
168 Church Road, Hove
East Sussex. BN3 2DL



ALI INTERNATIONAL LIMITED

DIRECTORS

M F Ali Khan

SECRETARY

M I Ali Khan

AUDITORS

Hacker Young
Registered Auditor
Chartered Accountants
168 Church Road, Hove
East Sussex. BN3 2DL

REGISTERED OFFICE

St Alphage House
2 Fore Street
London EC2Y 5DH

ALI INTERNATIONAL LIMITED

INDEX TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1996

Page No.

1	Directors' Report
2	Statement of Directors' Responsibilities
3	Auditors' report to the Members
4	Profit and Loss Account
5	Balance Sheet
6 - 8	Notes to the Financial Statements

ALI INTERNATIONAL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 1996

The directors present their annual report, together with the audited financial statements for the year ended 31 December 1996.

RESULTS, DIVIDENDS AND

An interim dividend of £199,500 (1995 £0) was paid during the year. The directors do not recommend the payment of a final dividend.

REVIEW OF THE BUSINESS

The company acts as a parent company to its subsidiaries and does not trade on its own behalf.

The directors consider the state of the company's affairs to be satisfactory.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the year and their beneficial interests in the share capital of the company were as follows:

	<u>Number of shares</u>	
	<u>At end of</u> year	<u>At start of</u> year
M F Ali Khan	200	200
M I Ali Khan (resigned 1 November 1996)	200	200
M A Ali Khan (resigned 1 November 1996)	200	200
M T Ali Khan (resigned 1 November 1996)	100	100
A Omar (resigned 1 November 1996)	100	100

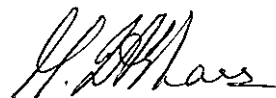
AUDITORS

A resolution to re-appoint Messrs Hacker Young will be proposed at the forthcoming Annual General Meeting.

REGISTERED OFFICE

St Alphage House
2 Fore Street
London EC2Y 5DH

By Order of the Board



M I Ali Khan
Secretary

Date: 26 September 1997

ALI INTERNATIONAL LIMITED

FOR THE YEAR ENDED 31 DECEMBER 1996

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;

state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

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 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' REPORT TO THE MEMBERS OF
ALI INTERNATIONAL LIMITED

FOR THE YEAR ENDED 31 DECEMBER 1996

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2, 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 31 December 1996 and of its profit for the year then ended and have been properly prepared in accordance with provisions of the Companies Act 1985.

Hacker Young

Hacker Young

Registered Auditor
Chartered Accountants
168 Church Road, Hove

Date: 26 September 1997

ALI INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1996

	<u>Notes</u>	£	<u>1996</u> £	£	<u>1995</u> £
Income from shares in subsidiary company		249,375		-	
			<u>249,375</u>		<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION ON CONTINUING OPERATIONS			249,375		-
Tax on profit or loss on ordinary activities	3		(49,875)		-
PROFIT FOR THE FINANCIAL YEAR ON CONTINUING OPERATIONS			<u>199,500</u>		<u>-</u>
Dividends paid	4		(199,500)		-
RETAINED PROFIT CARRIED FORWARD			<u>£ -</u>	<u>£ -</u>	

All recognised gains and losses are included in the profit and loss account.
The accompanying notes are an integral part of these financial statements.

ALI INTERNATIONAL LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 1996

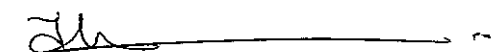
	<u>Notes</u>	£	<u>1996</u> £	£	<u>1995</u> £
FIXED ASSETS					
Investments	5		1,004		1,004
CURRENT ASSETS					
Debtors	6	1,000		1,000	
		<u>1,000</u>		<u>1,000</u>	
CREDITORS - amounts falling due within one year	7	(1,004)		(1,004)	
		<u>(1,004)</u>		<u>(1,004)</u>	
NET CURRENT (LIABILITIES)			(4)		(4)
NET ASSETS			<u>£ 1,000</u>		<u>£ 1,000</u>
CAPITAL AND RESERVES					
Called-up share capital	8		1,000		1,000
TOTAL CAPITAL EMPLOYED			<u>£ 1,000</u>		<u>£ 1,000</u>

Signed on behalf of the Board

M F Ali Khan

) Director

Date: 26 September 1997



The accompanying notes are an integral part of these financial statements.

ALI INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards. The particular accounting policies adopted are set out below.

1.1 Basis of accounting

The financial statements are prepared under the historical cost convention.

1.2 Basis of consolidation

The company has taken advantage of the exemption conferred by section 248 of the Companies Act 1985 from the requirement to prepare group accounts.

1.3 Cashflow statement

The company has taken advantage of the exemption permitted by FRS1, whereby a cashflow statement need not be prepared by a small company, as defined in Companies Act 1985.

2. EMPLOYEE INFORMATION

2.1 Directors' emoluments

The directors received the following emoluments from a subsidiary company:

	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
Remuneration	237,984	178,488
Pension contributions	25,363	25,363
	<u>£ 263,347</u>	<u>£ 203,851</u>

The average number of employees during the year including directors was 5 (1995 = 5).

Directors' remuneration (excluding pension contributions) comprises:

Chairman and highest paid director	<u>£ 63,000</u>	<u>£ 47,250</u>
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Other directors:

	<u>Number of Directors</u>	
£20,001 - £25,000	-	1
£25,001 - £30,000	1	1
£35,001 - £40,000	1	-
£40,001 - £45,000	-	2
£50,001 - £55,000	2	-

ALI INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1996

3. TAX ON ORDINARY PROFITS

	<u>1996</u> £	<u>1995</u> £
The tax charge on the profit for the year was as follows:		
Tax on franked investment income	<u>49,875</u>	<u>-</u>

4. DIVIDENDS

	<u>1996</u> £	<u>1995</u> £
Dividend paid	<u>199,500</u>	<u>-</u>

5. FIXED ASSET INVESTMENTS

	<u>1996</u> £	<u>1995</u> £
Investments in subsidiaries:		
Shares at cost	<u>1,004</u>	<u>1,004</u>
	<u>£ 1,004</u>	<u>£ 1,004</u>

The company holds investments in the following subsidiary companies all of which are incorporated in England.

Direct holdings:

Ableport Limited

A retailer and wholesaler of groceries and provisions

Issued share capital - £100

Holding 100%

Capital and reserves at 31 December 1996 - £1,118,542

Profit for the year ended 31 December 1996 - £301,364

Ali International Trading Limited

A wholesaler of foodstuffs and other items.

Issued share capital - £2

Holding 100%

Capital and reserves at 31 December 1996 deficit - (£163,173)

Profit for the year ended 31 December 1996 - £22,570

Indirect holding through subsidiary:

Awaz Multimedia Company Limited

A publisher of newspapers.

Issued share capital - £100

Holding 100%

Capital and reserves at 31 December 1996 deficit - (£2,054,907)

Loss for the year ended 31 December 1996 - £(59,039)

ALI INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1996

6. DEBTORS

<u>1996</u>	<u>1995</u>
<u>£</u>	<u>£</u>
1,000	1,000
<u>£ 1,000</u>	<u>£ 1,000</u>

Other debtors

These amounts are all due within one year.

7. CREDITORS - AMOUNTS FALLING DUE
WITHIN ONE YEAR

<u>1996</u>	<u>1995</u>
<u>£</u>	<u>£</u>
1,004	1,004
<u>£ 1,004</u>	<u>£ 1,004</u>

Other creditors

8. CALLED-UP SHARE CAPITAL

	<u>Authorised</u>	<u>Allotted, called-up and fully paid</u>	
	<u>£</u>	<u>1996</u>	<u>1995</u>
		<u>£</u>	<u>£</u>
Ordinary shares of £1 each	1,000	1,000	1,000
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>