

Company No: 2565281

ALI INTERNATIONAL LIMITED

REPORT & FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1997

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 1997

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

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 1997

The director presents his annual report, together with the audited financial statements for the year ended 31 December 1997.

RESULTS AND DIVIDENDS

The profit for the year after taxation was £1,000,000.

A dividend of £1,000,000 was paid during the year.

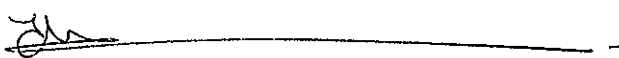
REVIEW OF THE BUSINESS

The company's principal activity during the year under review was acting as a non-trading parent company for its subsidiaries..

The director considers the state of the company's affairs to be satisfactory.

DIRECTOR AND HIS INTERESTS

The director of the company during the year and his beneficial interests in the share capital of the company was as follows:

	<u>Number of shares</u>	
	<u>At end of year</u>	<u>At start of year</u>
 M F Ali Khan	200	200

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

Date: 14 July 1998

By Order of the Board



M I Ali Khan
Secretary

ALI INTERNATIONAL LIMITED

FOR THE YEAR ENDED 31 DECEMBER 1997

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 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' REPORT TO THE MEMBERS OF
ALL INTERNATIONAL LIMITED
FOR THE YEAR ENDED 31 DECEMBER 1997

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 1997 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: 14 July 1998

ALI INTERNATIONAL LIMITED**PROFIT AND LOSS ACCOUNT**
FOR THE YEAR ENDED 31 DECEMBER 1997

	<u>Notes</u>	£	<u>1997</u> £	£	<u>1996</u> £
Income from shares in subsidiary company		1,250,000		249,375	
			<u>1,250,000</u>		<u>249,375</u>
					249,375
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION ON CONTINUING OPERATIONS			1,250,000		249,375
Tax on profit or loss on ordinary activities	3		<u>(250,000)</u>		<u>(49,875)</u>
PROFIT FOR THE FINANCIAL YEAR ON CONTINUING OPERATIONS			1,000,000		199,500
Dividends paid	4		<u>(1,000,000)</u>		<u>(199,500)</u>
RETAINED PROFIT CARRIED FORWARD			<u>£ -</u>		<u>£ -</u>

All recognised gains and losses are included in the profit and loss account.

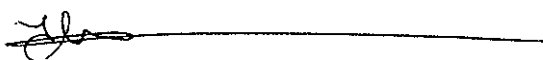
The accompanying notes are an integral part of these financial statements.

ALI INTERNATIONAL LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 1997

	<u>Notes</u>	£	<u>1997</u> £	£	<u>1996</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: 14 July 1998

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 1997

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:

Remuneration

Pension contributions

<u>1997</u>	<u>1996</u>
<u>£</u>	<u>£</u>
92,631	237,984
6,502	25,363
<u>£ 99,133</u>	<u>£ 263,347</u>

3. TAX ON ORDINARY PROFITS

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

Tax on franked investment income

<u>1997</u>	<u>1996</u>
<u>£</u>	<u>£</u>
250,000	49,875

4. DIVIDENDS

Dividend paid

<u>1997</u>	<u>1996</u>
<u>£</u>	<u>£</u>
1,000,000	199,500

ALI INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1997

5. FIXED ASSET INVESTMENTS

	<u>1997</u> £	<u>1996</u> £
Investments in subsidiaries:		
Shares at cost	1,004	1,004
	<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 1997 - £341,106

Profit for the year ended 31 December 1997 - £222,564

Ali International Trading Limited

A wholesaler of foodstuffs and other items.

Issued share capital - £2

Holding 100%

Capital and reserves at 31 December 1997 - £20,289

Profit for the year ended 31 December 1997 - £183,462

Indirect holding through subsidiary:

Awaz Multimedia Company Limited

A publisher of newspapers.

Issued share capital - £100

Holding 100%

Capital and reserves at 31 December 1997 deficit - (£1,994,750)

Profit for the year ended 31 December 1997 - £60,157

6. DEBTORS

	<u>1997</u> £	<u>1996</u> £
Other debtors	1,000	1,000
	<u>£ 1,000</u>	<u>£ 1,000</u>

These amounts are all due within one year.

ALI INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1997

**7. CREDITORS - AMOUNTS FALLING DUE
WITHIN ONE YEAR**

Other creditors

<u>1997</u>	<u>1996</u>
<u>£</u>	<u>£</u>
1,004	1,004
<u>£ 1,004</u>	<u>£ 1,004</u>

8. CALLED-UP SHARE CAPITAL

Ordinary shares of £1 each

<u>Authorised</u>	<u>Allotted, called-up and fully paid</u>	
<u>£</u>	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
1,000	1,000	1,000