

GOLDEN EAGLE INTERNATIONAL LIMITED

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FINANCIAL ACCOUNTS FOR THE  
YEAR ENDED 31ST JULY 1998

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GRAHAM COHEN & CO. LIMITED  
ACCOUNTANTS



GOLDEN EAGLE INTERNATIONAL LIMITED

DIRECTORS:

R Siha  
A Siha

SECRETARY:

A Siha

REGISTERED OFFICE:

16 South End  
Croydon  
Surrey  
CR0 1DN

REGISTERED NUMBER:

2601888

BANKERS:

Midland Bank plc  
67 George Street  
Richmond  
Surrey  
TW9 1HG

ACCOUNTANTS:

Graham Cohen & Co. Limited  
Accountants  
16 South End  
Croydon  
Surrey  
CR0 1DN

GOLDEN EAGLE INTERNATIONAL LIMITED

FINANCIAL ACCOUNTS  
FOR THE YEAR ENDED 31ST JULY 1998

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The following page does not form part of the Statutory Accounts

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1. Trading and Profit and Loss Account

GOLDEN EAGLE INTERNATIONAL LIMITED  
REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST JULY 1998

The directors present their annual report with the accounts of the company for the year ended 31st July 1998.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was property management.

**DIRECTORS**

The directors in office in the year and their beneficial interests in the company's issued ordinary share capital were as follows:

	Ordinary Shares of £1 each	
	<u>31st July 1998</u>	<u>1st August 1997</u>
R Siha	100	100
A Siha	-	-

**DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial accounts 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 accounts 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 accounts 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 accounts 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.

Continued.....

GOLDEN EAGLE INTERNATIONAL LIMITED  
REPORT OF THE DIRECTORS (CONTINUED)

FOR THE YEAR ENDED 31ST JULY 1998

SMALL COMPANY EXEMPTIONS

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

Signed on behalf of the  
board of directors

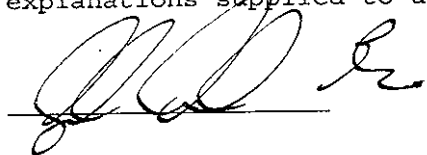
A Siha

A Siha  
Secretary

Date: 10th May 1999

ACCOUNTANTS' REPORT  
ON THE UNAUDITED FINANCIAL STATEMENTS TO THE DIRECTORS OF  
GOLDEN EAGLE INTERNATIONAL LIMITED

As described on the balance sheet you are responsible for the preparation of the financial accounts for the year ended 31st July 1998, set out on pages 4 to 9, and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited financial accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.



GRAHAM COHEN & CO. LIMITED  
Accountants

16 South End  
Croydon  
Surrey  
CR0 1DN

14.5.1999

GOLDEN EAGLE INTERNATIONAL LIMITEDPROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST JULY 1998

	<u>Notes</u>	<u>1998</u>		<u>1997</u>	
		£	£	£	£
TURNOVER	2	176,330		132,341	
Cost of Sales		30,085		22,620	
<u>GROSS PROFIT</u>		146,245		109,721	
Net Operating Expenses					
Administrative Expenses		129,008		79,475	
<u>OPERATING PROFIT</u>	3	17,237		30,246	
		17,237		30,246	
Interest Receivable and Similar Income		50		144	
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</u>		17,287		30,390	
Interest Payable		425		-	
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		16,862		30,390	
Tax on Ordinary Activities	4	3,045		7,038	
<u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>		13,817		23,352	
Dividends	10	-		14,000	
<u>RETAINED PROFIT FOR THE YEAR</u>		£ 13,817		£ 9,352	
<u>STATEMENT OF RETAINED EARNINGS</u>					
Retained Profit Brought Forward		31,403		22,051	
Retained Profit for the Year		13,817		9,352	
<u>RETAINED PROFIT CARRIED FORWARD</u>		£ 45,220		£ 31,403	

The notes on pages 7 to 9 form part of these accounts.

GOLDEN EAGLE INTERNATIONAL LIMITEDBALANCE SHEET  
AS AT 31ST JULY 1998

	<u>Notes</u>	<u>1998</u>	<u>1997</u>
		£	£
<b>FIXED ASSETS</b>			
Tangible Assets	6	16,861	7,257
<b>CURRENT ASSETS</b>			
Stock		18,442	-
Debtors	7	119,891	112,078
Cash at Bank and in Hand		1,172	12,313
		<u>139,505</u>	<u>124,391</u>
<b>CREDITORS : Amounts Falling</b>			
Due within One Year	8	(111,046)	(100,145)
<b>NET CURRENT ASSETS</b>		<u>28,459</u>	<u>24,246</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>£ 45,320</u>	<u>£ 31,503</u>
<b>CAPITAL AND RESERVES</b>			
Share Capital	9	100	100
Profit and Loss Account		45,220	31,403
<b><u>TOTAL SHAREHOLDERS' FUNDS</u></b>		<u>£ 45,320</u>	<u>£ 31,503</u>

continued .....



GOLDEN EAGLE INTERNATIONAL LIMITEDBALANCE SHEET

(continued)

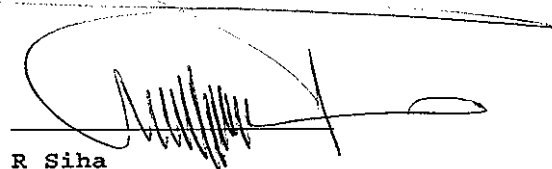
AS AT 31ST JULY 1998

The directors consider that for the year ended 31st July 1998 the company was entitled to exemption under subsection 1 of section 249A of the Companies Act 1985. No member or members have deposited a notice requesting an audit for the current financial year under subsection 2 of section 249B of the Act.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985 and preparing accounts 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 its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company.

These accounts are 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 1999).

Signed on behalf of the  
board of directors

A handwritten signature in dark ink, appearing to be 'R Siha', is written over a horizontal line. The signature is stylized with a large loop at the beginning and a series of vertical strokes.

R Siha  
Director

Approved by the board: 10th May 1999

The notes on pages 7 to 9 form part of these accounts.

GOLDEN EAGLE INTERNATIONAL LIMITEDNOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31ST JULY 1998**1. ACCOUNTING POLICIES****Basis of Accounting**

The accounts have been prepared under the historical cost convention.

**Turnover**

Turnover represents the net invoiced sales of goods and services, excluding VAT.

**Tangible Fixed Assets**

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

Office Equipment	25% reducing balance
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**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 the transaction.

**Cash Flow Statement**

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it qualifies as a small company under the Companies Act 1985.

**2. TURNOVER**

The Turnover and Profit (1997 - Profit) before taxation for the year is attributable to the principal activity of the Company which is property management.

In the opinion of the Directors, 28% of the company's turnover is attributable to geographical markets outside the UK. (1997 17%).

**3. OPERATING PROFIT**

The Operating Profit (1997 - Profit) is stated after charging:

	<u>1998</u>	<u>1997</u>
	£	£
Depreciation of Tangible Fixed Assets	<u>4,344</u>	<u>2,422</u>

GOLDEN EAGLE INTERNATIONAL LIMITEDNOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31ST JULY 1998**4. TAXATION**

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

	<u>1998</u>	<u>1997</u>
	£	£
Corporation Tax	3,045	7,038

Corporation tax has been charged on the profit at 21% (1997 23%).

The charge for the year has been increased by expenditure not allowable for taxation.

**5. DIRECTORS' REMUNERATION**

	<u>1998</u>	<u>1997</u>
	£	£
Directors' Emoluments	6,490	7,693

**6. TANGIBLE FIXED ASSETS**

	Land & Buildings	Plant & Machinery etc	TOTAL
	£	£	£
<b>COST</b>			
At 1st August 1997	-	17,675	17,675
Additions in year	3,850	10,097	13,947
At 31st July 1998	3,850	27,772	31,622
<b>DEPRECIATION</b>			
At 1st August 1997	-	10,418	10,418
Charge for the year	-	4,344	4,344
At 31st July 1998	-	14,762	14,762
<b>NET BOOK VALUE</b>			
At 31st July 1998	3,850	13,011	16,861
At 31st July 1997	-	7,257	7,257

**7. DEBTORS**

	<u>1998</u>	<u>1997</u>
	£	£
Amounts due within one year:		
Trade Debtors	34,026	12,261
Amounts due from Related Undertakings:		
Montcalm Limited	85,265	96,317
Other Debtors	600	3,500
	119,891	112,078

GOLDEN EAGLE INTERNATIONAL LIMITEDNOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31ST JULY 19988. CREDITORS: Amounts Falling  
Due within One Year

	<u>1998</u>	<u>1997</u>
	£	£
Bank Overdrafts and Loans	33,901	14,197
Trade Creditors	32,123	35,980
Social Security and Other Taxes	307	1,918
Other Creditors	44,715	48,050
	<u>111,046</u>	<u>100,145</u>
Included in Other Creditors:		
Corporation Tax	5,133	10,537
Accruals	39,032	23,474
Director's Loan Account: R Siha	550	39
Proposed Dividend	-	14,000
	<u>44,715</u>	<u>48,050</u>

9. SHARE CAPITAL

	<u>1998</u>	<u>1997</u>
	£	£
Authorised Ordinary £1 Shares	1,000	1,000
Allotted, Called-up and Fully Paid	<u>100</u>	<u>100</u>

All of the above are equity shares.

10. DIVIDENDS

	<u>1998</u>	<u>1997</u>
	£	£
Dividends - Proposed	<u>-</u>	<u>14,000</u>

11. RELATED PARTIES

The company is controlled by Mr R Siha, director. Mr R Siha and Mrs A Siha, directors, also hold a controlling interest in Montcalm Limited.

GOLDEN EAGLE INTERNATIONAL LIMITEDTRADING AND PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST JULY 1998

	<u>1998</u>		<u>1997</u>	
	£	£	£	£
Commissions Receivable		76,508		51,402
Commissions on Sales		1,613		-
Rents Received		64,432		52,316
Export Sales		32,400		22,389
Miscellaneous Income		1,377		6,234
		<hr/>		<hr/>
		176,330		132,341
 <b>COST OF SALES</b>				
Export Purchases	48,527		22,620	
Closing Stock	(18,442)		-	
	<hr/>		<hr/>	
		30,085		22,620
 <b>GROSS PROFIT</b>		<hr/>		<hr/>
		146,245		109,721
 Bank Interest Received		50		144
		<hr/>		<hr/>
		146,295		109,865
 <b>LESS OVERHEADS</b>				
Office Costs	3,331		935	
Salaries and Wages	31,636		13,231	
Social Security Costs	2,140		394	
Motor Running Expenses	2,250		2,184	
Repairs and Renewals	6,074		6,629	
Telephone Charges	9,258		7,724	
Entertaining	285		211	
Postage, Printing and Stationery	3,643		4,208	
Advertising	4,352		557	
Travelling	488		274	
Heating and Lighting	1,399		748	
Insurances	1,225		1,379	
Rent and Rates	20,687		20,534	
Bank Charges	6,034		2,360	
Loss on Foreign Exchange	37		420	
Legal and Professional Fees	291		1,017	
Hire Purchase Interest	374		-	
Other Interest	51		-	
Bad Debts	18,859		-	
Sundry Expenses	351		974	
Directors' Emoluments	6,490		7,693	
Accountants' Fees	5,834		5,581	
Depreciation Office Equipment	4,344		2,422	
	<hr/>		<hr/>	
		129,433		79,475
 <b>NET PROFIT FOR THE YEAR</b>		<hr/>		<hr/>
		£ 16,862		£ 30,390

This page does not form part of the statutory accounts.