

Elton Trade Limited
Financial Statements
1996/97



262822.6

Directors

O Evdokimenko
H Barbash

Registered Office

47 Brunswick Place
London N1 6EE
England

Bankers

Ulster Bank Limited
Connswater Branch
Arches Retail Park
Belfast BT5 4AF
Ireland

ELTON TRADE LIMITED
FINANCIAL STATEMENTS
1996/97

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ELTON TRADE LIMITED**Profit and Loss Account****For the Year Ended 31 July 1997**

| | | 1997 | 1996 |
|--|------|---------|--------|
| | Note | £Stg | £Stg |
| Commission Receivable | | 46,567 | 45,597 |
| Bank Interest Receivable | | 1,501 | 1,494 |
| | | ----- | ----- |
| | | 48,068 | 47,091 |
| | | ----- | ----- |
| Administrative Expenses | | | |
| Accountancy Fees | | 1,200 | 1,200 |
| Professional Fees | | 699 | 2,943 |
| Director's Fees | | 9,570 | - |
| Rent | | 5,400 | - |
| Telecommunications, Postage and Stationery | | 4,595 | 9,251 |
| Heating, Water and Electricity | | 785 | - |
| Bank Charges and Interest | | 2,372 | 2,389 |
| Travelling Expenses | | 18,833 | 11,068 |
| Insurance | | 660 | - |
| General Expenses | | 1,160 | 22 |
| Commission Paid | | - | 14,010 |
| Provision for Exchange Losses | | 2,783 | - |
| Depreciation | | 1,553 | 1,553 |
| Suspense | | - | 2,512 |
| | | ----- | ----- |
| | | 49,610 | 44,948 |
| | | ----- | ----- |
| (Loss)/Profit before Taxation | | (1,542) | 2,143 |
| Taxation | 2 | 391 | 514 |
| | | ----- | ----- |
| | | (1,933) | 1,629 |
| Retained Profit at Beginning of Year | | 4,101 | 2,472 |
| | | ----- | ----- |
| Retained Profit at End of Year | | 2,168 | 4,101 |
| | | ===== | ===== |

The company has no recognised gains or losses, other than the loss for the year as shown above.

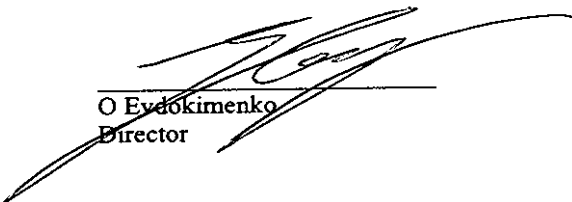
ELTON TRADE LIMITED**Balance Sheet****At 31 July 1997**

| | | 1997 | | 1996 |
|---|------|--------|---------|-----------------|
| | Note | £Stg | £Stg | £Stg |
| Fixed Assets | | | | |
| Office Equipment | 3 | 1,740 | | 2,393 |
| Computer Equipment | 3 | 3,299 | | 4,199 |
| | | | | <u> </u> |
| | | | 5,039 | 6,592 |
| | | | | <u> </u> |
| Current Assets | | | | |
| Accrued Income | | 187 | | - |
| Cash at Bank | | 90,792 | | 17,805 |
| | | | | <u> </u> |
| | | 90,979 | | 17,805 |
| | | | | <u> </u> |
| Creditors: Amounts falling due within One Year | | | | |
| Shareholder's Loan | 4 | 30,335 | | 14,445 |
| Clients' Accounts | 5 | 57,283 | | - |
| Accrued Charges | | 4,127 | | 3,872 |
| Corporation Tax | | 905 | | 779 |
| | | | | <u> </u> |
| | | 92,650 | | 19,096 |
| | | | | <u> </u> |
| Net Current Liabilities | | | (1,671) | (1,291) |
| | | | | <u> </u> |
| | | | 3,368 | 5,301 |
| | | | | <u> </u> |
| Shareholders' Funds | | | | |
| Share Capital | 6 | | 1,200 | 1,200 |
| Profit and Loss Account | | | 2,168 | 4,101 |
| | | | | <u> </u> |
| | | | 3,368 | 5,301 |
| | | | | <u> </u> |

In drawing up these unaudited financial statements, the directors confirm that:

- for the year ended 31 July 1997 the company was entitled to the exemption under sub-section (1) of Section 249A of the Companies Act, 1985;
- no notice from members requiring an audit has been deposited under Section 249B(2) of the Companies Act, 1985; and
- they acknowledge their responsibility for:
 - (a) ensuring the company keeps accounting records which comply with Section 221;
 - (b) 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 Companies Act relating to accounts, so far as applicable to the company; and
 - (c) preparing the accounts in accordance with the special provisions in Part VII of the Companies Act, 1985 relating to small companies.

The financial statements on pages 1 to 4 were approved by the Board of Directors on 5 June 1998 and were signed on its behalf by:


O Eydokimenko
Director


H Barbash
Director

ELTON TRADE LIMITED

Notes to The Financial Statements

For the Year Ended 31 July 1997

1 Accounting Policies

(a) Accounting Convention

The financial statements are prepared under the historical cost convention.

(b) Turnover and Profit

Turnover represents commissions receivable and is accounted for on the receipt of clients' monies into the company's bank accounts.

(c) Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is calculated to write down the value of tangible fixed assets less any residual value by equal annual instalments over their estimated useful lives. A charge equivalent to a full year's depreciation is provided for during the year in which the asset is first brought into use, while no depreciation is charged during the year the asset is disposed of or scrapped.

The rate of depreciation used are based on the following estimated useful lives:

| | Years |
|-------------------------------|-------------------------------|
| Office and Computer Equipment | 6 ² / ₃ |

(d) Foreign Currency Translation

Transactions denominated in foreign currencies are recorded at the average rate of exchange prevailing during the year. Monetary assets and liabilities expressed in foreign currencies are translated at the rates of exchange prevailing at the balance sheet date. Translation differences are dealt with through the profit and loss account.

2 Taxation

The charge for corporation tax is calculated at the rate of 25% on the taxable profits for the year.

ELTON TRADE LIMITED

Notes to The Financial Statements

For the Year Ended 31 July 1997

3 Tangible Fixed Assets

| | Total | Office Equipment | Computer Equipment |
|-----------------------|--------------|-----------------------------|-------------------------------|
| | £Stg | £Stg | £Stg |
| Cost | | | |
| At 01.08.96 | 10,351 | 4,352 | 5,999 |
| | ----- | ----- | ----- |
| At 31.07.97 | 10,351 | 4,352 | 5,999 |
| | ----- | ----- | ----- |
| Depreciation | | | |
| At 01.08.96 | 3,759 | 1,959 | 1,800 |
| Charge for Year | 1,553 | 653 | 900 |
| | ----- | ----- | ----- |
| At 31.07.97 | 5,312 | 2,612 | 2,700 |
| | ----- | ----- | ----- |
| Net Book Value | | | |
| At 31.07.97 | 5,039 | 1,740 | 3,299 |
| | ===== | ===== | ===== |
| At 31.07.96 | 6,592 | 2,393 | 4,199 |
| | ===== | ===== | ===== |

4 Shareholder's Loan

This balance is unsecured, interest free and repayable on demand.

5 Clients' Accounts

These amounts represent monies held in trust on behalf of third parties.

6 Share Capital

| | 1997/96 |
|---------------------------------|----------------|
| | £Stg |
| Authorised | |
| Ordinary Shares of £Stg1 each | 1,200 |
| | ===== |
| Issued and Fully Paid Up | 1,200 |
| | ===== |