

ORIENTAL (NEWSPAPERS) LIMITED
FINANCIAL STATEMENTS
FOR
31ST MAY 2000

Company Registration Number 02816623

RAEI & CO
Chartered Certified Accountants & Registered Auditor
18 Forty Avenue
Wembley
Middlesex
HA9 8JP



ORIENTAL (NEWSPAPERS) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST MAY 2000

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ORIENTAL (NEWSPAPERS) LIMITED

THE DIRECTOR'S REPORT

YEAR ENDED 31ST MAY 2000

The director has pleasure in presenting his report and the financial statements of the company for the year ended 31st May 2000.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was publishing of Nimrooz weekly Newspaper.

THE DIRECTOR AND HIS INTERESTS IN SHARES OF THE COMPANY

The director who served the company during the year together with his beneficial interests in the shares of the company was as follows:

	Ordinary Shares of £1 each	
	At 31 May 2000	At 1 June 1999
MR P ESFAHANI	<u>34</u>	<u>34</u>

DIRECTOR'S RESPONSIBILITIES

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the director is required to select suitable accounting policies, as described on page 6, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The director must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. The director is 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.

AUDITOR

A resolution to re-appoint Raci & Co as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

ORIENTAL (NEWSPAPERS) LIMITED

THE DIRECTOR'S REPORT *(continued)*

YEAR ENDED 31ST MAY 2000

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:

Signed by order of the director

MR AFSHIN ESFAHANIHA
Company Secretary

Approved by the director on

A handwritten signature in black ink, appearing to be 'Afshin Esfahaniha', is written over the text 'Approved by the director on'.

ORIENTAL (NEWSPAPERS) LIMITED**AUDITOR'S REPORT TO THE SHAREHOLDERS****YEAR ENDED 31ST MAY 2000**

I have audited the financial statements on pages 4 to 8 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTOR AND THE AUDITOR

As described on page 1, the company's director is responsible for the preparation of the financial statements. It is my responsibility to form an independent opinion, based on my audit, on those statements and to report my opinion to you.

BASIS OF OPINION

I conducted my 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 judgements made by the director 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.

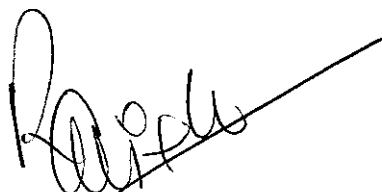
I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In my opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st May 2000 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

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ORIENTAL (NEWSPAPERS) LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31ST MAY 2000**

	Note	2000 £	1999 £
TURNOVER		436,695	336,072
Cost of sales		301,636	216,982
GROSS PROFIT		135,059	119,090
Distribution Costs		8,593	19,016
Administrative expenses		96,414	78,317
OPERATING PROFIT	2	30,052	21,757
Tax on profit on ordinary activities	3	(6,640)	(4,128)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		23,412	17,629
Equity dividends paid		32,542	8,869
(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR		(9,130)	8,760
Balance brought forward		12,846	4,086
Balance carried forward		3,716	12,846

The notes on pages 6 to 8 form part of these financial statements.

ORIENTAL (NEWSPAPERS) LIMITED**BALANCE SHEET****31ST MAY 2000**

	Note	2000	1999
		£	£
FIXED ASSETS			
Tangible assets	4	10,930	14,599
CURRENT ASSETS			
Debtors	5	85,479	36,116
Cash at bank and in hand		1,373	2,610
		<u>86,852</u>	<u>38,726</u>
CREDITORS: Amounts falling due within one year	6	<u>(93,966)</u>	<u>(40,379)</u>
NET CURRENT LIABILITIES		<u>(7,114)</u>	<u>(1,653)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,816</u>	<u>12,946</u>
CAPITAL AND RESERVES			
Called-up equity share capital	8	100	100
Profit and Loss Account		3,716	12,846
SHAREHOLDERS' FUNDS		<u>3,816</u>	<u>12,946</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

These financial statements were approved and signed by the director on


MR PARVIZ ESPAHANI

ORIENTAL (NEWSPAPERS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST MAY 2000****1. ACCOUNTING POLICIES****Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Turnover

The turnover shown in the Profit and Loss Account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	- 20% Straight Line
Motor Vehicles	- 20% Straight Line
Equipment	- 20% Straight Line

2. OPERATING PROFIT

Operating profit is stated after charging:

	2000	1999
	£	£
Director's emoluments	7,520	4,452
Depreciation	10,217	4,586
Auditor's fees	700	-
	<u> </u>	<u> </u>

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000	1999
	£	£
Corporation Tax based on the results for the year at 20% (1999 - 20%)	6,640	4,128
	<u> </u>	<u> </u>

ORIENTAL (NEWSPAPERS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST MAY 2000****4. TANGIBLE FIXED ASSETS**

	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
COST				
At 1st June 1999	35,716	4,700	4,121	44,537
Additions	-	-	6,548	6,548
At 31st May 2000	<u>35,716</u>	<u>4,700</u>	<u>10,669</u>	<u>51,085</u>
DEPRECIATION				
At 1st June 1999	27,733	1,175	1,030	29,938
Charge for the year	7,143	940	2,134	10,217
At 31st May 2000	<u>34,876</u>	<u>2,115</u>	<u>3,164</u>	<u>40,155</u>
NET BOOK VALUE				
At 31st May 2000	<u>840</u>	<u>2,585</u>	<u>7,505</u>	<u>10,930</u>
At 31st May 1999	<u>7,983</u>	<u>3,525</u>	<u>3,091</u>	<u>14,599</u>

5. DEBTORS

	2000 £	1999 £
Trade debtors	84,582	36,116
VAT recoverable	897	-
	<u>85,479</u>	<u>36,116</u>

6. CREDITORS: Amounts falling due within one year

	2000 £	1999 £
Bank loans and overdrafts	19,864	3,254
Trade creditors	61,060	19,394
Other creditors including taxation:		
Corporation Tax	8,884	5,345
PAYE and social security	3,958	4,192
VAT	-	2,994
Other creditors	-	4,200
	<u>12,842</u>	<u>16,731</u>
Accruals and deferred income	200	1,000
	<u>93,966</u>	<u>40,379</u>

ORIENTAL (NEWSPAPERS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST MAY 2000****7. RELATED PARTY TRANSACTIONS**

The company was under the control of Mr P Esfahani throughout the current and previous year. Mr P Esfahani is the managing director and majority shareholder.

No transactions with related parties were undertaken such as required to be disclosed under Financial Reporting Standard 8.

8. SHARE CAPITAL**Authorised share capital:**

	2000	1999
	£	£
10,000 Ordinary shares of £1.00 each	10,000	10,000

Allotted, called up and fully paid:

	2000	1999
	£	£
Ordinary share capital	100	100