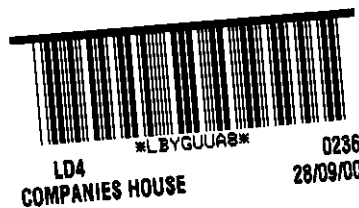




HS INVESTMENTS (UK) LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1999



GERALD EDELMAN
CHARTERED ACCOUNTANTS

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HS INVESTMENTS (UK) LIMITED

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HS INVESTMENTS (UK) LIMITED

AUDITORS' REPORT TO HS INVESTMENTS (UK) LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 4, together with the financial statements of the company for the year ended 31 December 1999 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of the director and auditors

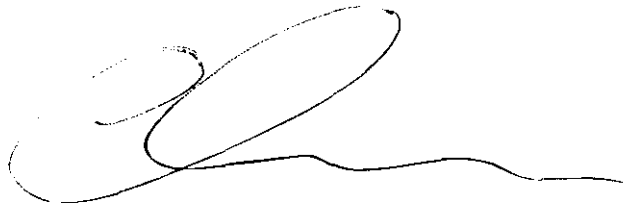
The director is responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 4 are properly prepared in accordance with those provisions.



Gerald Edelman

19 September 2000

Chartered Accountants
Registered Auditor

25 Harley Street
London
W1G 9BR

HS INVESTMENTS (UK) LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 DECEMBER 1999

	Notes	1999 £	£	1998 £	£
Fixed assets					
Tangible assets	2		29,162		438
Current assets					
Debtors		342,265		100,325	
Cash at bank and in hand		229,107		22,942	
		<u>571,372</u>		<u>123,267</u>	
Creditors: amounts falling due within one year		<u>(177,668)</u>		<u>(31,728)</u>	
Net current assets			<u>393,704</u>		<u>91,539</u>
Total assets less current liabilities			<u>422,866</u>		<u>91,977</u>
Creditors: amounts falling due after more than one year			<u>(23,249)</u>		<u>-</u>
			<u>399,617</u>		<u>91,977</u>
Capital and reserves					
Called up share capital	3		2		2
Profit and loss account			<u>399,615</u>		<u>91,975</u>
Shareholders' funds			<u>399,617</u>		<u>91,977</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the board on 19 September 2000


H Verahnamian
Director

HS INVESTMENTS (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1999

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	15% reducing balance basis
Motor vehicles	25% reducing balance basis

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2 Fixed assets

	Tangible assets £
Cost	
At 1 January 1999	438
Additions	37,986
	<hr/>
At 31 December 1999	38,424
	<hr/>
Depreciation	
At 1 January 1999	-
Charge for the year	9,262
	<hr/>
At 31 December 1999	9,262
	<hr/>
Net book value	
At 31 December 1999	29,162
	<hr/>
At 31 December 1998	438
	<hr/>

HS INVESTMENTS (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 1999

3	Share capital	1999 £	1998 £
	Authorised		
	1,000 Ordinary shares of £ 1 each	1,000	1,000
		<u> </u>	<u> </u>
	Allotted, called up and fully paid		
	2 Ordinary shares of £ 1 each	2	2
		<u> </u>	<u> </u>

4 Related party transactions

Included in creditors is the sum of £1474 (1998: £35,000 debit) due to H. Verahramian.

Also included in creditors is the sum of £70,000 due to S. Verahramian the sister of H. Verahramian.