

COMPANIES HOUSE COPY  
FOR SIGNATURE

**AROMGIFT LIMITED**  
**ABBREVIATED FINANCIAL STATEMENTS**  
**31 DECEMBER 2005**

Registered Number 3693768 England and Wales

MONDAY



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LD4

13/08/2007

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COMPANIES HOUSE

**AUDITORS' REPORT TO THE COMPANY PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985**

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We have examined the abbreviated financial statements on pages 4 to 8, together with the financial statements of the Company for the year ended 31 December 2005 prepared under Section 226 of the Companies Act 1985

**RESPECTIVE RESPONSIBILITIES OF THE DIRECTOR AND THE AUDITORS**

The Director is responsible for preparing the abbreviated financial statements 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 financial statements prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

**BASIS OF OPINION**

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the Company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements 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 financial statements prepared in accordance with sections 246(5) and (6) of the Act, and the abbreviated financial statements on pages 4 to 8 are properly prepared in accordance with those provisions.

**OTHER INFORMATION**

On 8 August 2007 we reported, as auditors of the Company, to the shareholders on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31 December 2005, and our audit report was as follows:

*We have audited the financial statements of Aromgift Limited for the year ended 31 December 2005 on pages 6 to 13 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), under the historical cost convention and the accounting policies set out on pages 8 and 9.*

*This report is made solely to the Company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.*

**RESPECTIVE RESPONSIBILITIES OF THE DIRECTOR AND THE AUDITORS**

*As described on pages 2 and 3, the Company's Director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).*

*It is our responsibility to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).*

*We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Director's Report is consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Director's remuneration and transactions with the Company is not disclosed.*

*We read the Director's Report and consider the implications for our report if we become aware of any apparent misstatements within it.*

**AUDITORS' REPORT TO THE COMPANY PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985 (continued)**

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***BASIS OF AUDIT OPINION***

*We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board, except that the scope of our audit work was limited as explained below*

*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*

*We planned 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. However, the evidence available to us was limited because we were unable to seek written confirmation from trade debtors having a carrying amount of £1,517,400 due to limitations placed on the scope of our work by the Director of the Company. As a result of this we have been unable to obtain sufficient appropriate audit evidence concerning the recoverability of trade debtors*

*Because of the significance of the carrying value of trade debtors, we have been unable to form a view on the financial statements*

*In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements*

*We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard – Provisions Available for Small Entities, in the circumstances set out in note 13 to the financial statements*

***OPINION: DISCLAIMER ON VIEW GIVEN BY THE FINANCIAL STATEMENTS***

*Because of the possible effect of the limitation in evidence available to us, we are unable to form an opinion as to whether the financial statements*

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the Company's affairs at 31 December 2005 and of its profit for the year then ended, and*
- have been properly prepared in accordance with the Companies Act 1985*

*In respect solely of the limitation of our work referred to above*

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit*

*Notwithstanding our disclaimer on the view given by the financial statements, in our opinion the information given in the Director's Report is consistent with the financial statements*

**AUDITORS' REPORT TO THE COMPANY PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985 (continued)**

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**EMPHASIS OF MATTER**

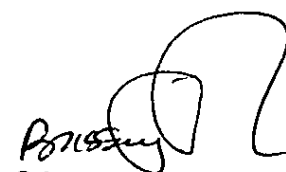
*Without qualifying our opinion, we draw attention to Note 1 to the financial statements concerning*

- a *the Company's reliance on the ongoing informal agreement of certain of its trade creditors, the extended credit taken by certain clients, the reliance on the ongoing financial support of Director, his associates and the ultimate parent company*
- b *the Director's decision to state stock at cost, given that items of jewellery have been held in stock for a considerable period of time, and remain unsold*

*In view of the significance of these matters to the preparation of the financial statements on the going concern basis, we consider they should be drawn to your attention*

600 High Road  
Woodford Green  
Essex IG8 0PS

8 August 2007

  
**BRASSINGTON & CO**  
Chartered Accountants  
and Registered Auditors

## ABBREVIATED BALANCE SHEET

31 DECEMBER 2005

	Note	2005	2004
		£	£
<b>FIXED ASSETS</b>	<b>3</b>		
Tangible assets		349,238	421,763
<b>CURRENT ASSETS</b>			
Stocks		1,306,200	1,431,753
Debtors		2,346,201	1,610,573
Cash at bank and in hand		18,120	23,475
		<u>3,670,521</u>	<u>3,065,801</u>
<b>CREDITORS: Amounts falling due within one year</b>		<u>(2,816,612)</u>	<u>(2,770,636)</u>
<b>NET CURRENT ASSETS</b>		853,909	295,165
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,203,147</u>	<u>716,928</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	<b>4</b>	2	2
Non equity shareholder's funds	<b>5</b>	1,908,830	1,503,040
Profit and loss account		(705,685)	(786,114)
<b>SHAREHOLDERS' FUNDS</b>		<u>1,203,147</u>	<u>716,928</u>

These abbreviated financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

SIGNED BY THE DIRECTOR



E AVAKIAN

)  
 ) Approved and authorised for issue by the Director  
 )  
 ) on 08/08/2007  
 )

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2005

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**1. GOING CONCERN AND STOCK****Going Concern**

The Director is aware that the Company is reliant on the ongoing informal agreement of certain of its trade creditors to credit terms outside those originally agreed. In addition, certain clients take extended credit, which, at its discretion, the Company permits. In preparing the financial statements, the Director has assumed that the informal agreement of certain of its trade creditors to credit terms outside those originally agreed will continue. The Director continues to negotiate informal agreements with certain trade and other creditors for extended credit terms.

The Director is also aware that the Company is reliant on the ongoing financial support of himself and his associates, that are deemed to control Aromgift Limited, and the ongoing financial support of the Company's immediate and ultimate parent company Holmbury Limited.

**Stock**

Although items of jewellery have been held in stock for a considerable period of time, and remain unsold the Director considers it appropriate to state stock at cost as he considers that it will be sold in the future at its normal retail price, and therefore in his opinion the net realisable value is no lower than cost.

**2 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 January 2005).

**Turnover**

Turnover represents amounts derived from the provision of goods and services, exclusive of Value Added Tax.

**Cash flow statements**

The Director has taken advantage of the exemption not to produce a cash flow statement on the grounds that the Company meets the requirements of a small company.

**Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

**Depreciation**

Depreciation is provided on the following basis to write off the cost of tangible fixed assets, over their estimated useful lives. The annual rates are:

Shop fixtures and fittings	20% straight line
Office furniture	20% straight line
Equipment	20% straight line

Short leasehold buildings and improvements to buildings are amortised over the life of the lease.

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Stocks include items purchased with reservation of title but exclude consignment stocks that remain the legal property of third parties.

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as incurred.

(continued)

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2005

**2. ACCOUNTING POLICIES (continued)****Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,

Deferred tax assets are recognised only to the extent that the Director considers that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

**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. Exchange differences are taken into account in arriving at the operating profit

**3 TANGIBLE FIXED ASSETS**

	<b>Tangible Assets £</b>
<b>COST</b>	
At 1 January 2005	645,804
Additions	21,831
<b>At 31 December 2005</b>	<u>667,635</u>
<b>DEPRECIATION</b>	
At 1 January 2005	224,041
Charge for year	94,356
<b>At 31 December 2005</b>	<u>318,397</u>
<b>NET BOOK VALUE</b>	
<b>At 31 December 2005</b>	<u>349,238</u>
At 31 December 2004	<u>421,763</u>

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2005

## 4 SHARE CAPITAL

	2005 £	2004 £
<b>Authorised share capital</b>		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Allotted, called up and fully paid:</b>		
	2005 £	2004 £
Ordinary share capital	<u>2</u>	<u>2</u>

## 5 NON EQUITY SHAREHOLDER'S FUNDS

	2005 £	2004 £
Shareholder's loans brought forward	1,503,040	1,440,098
Additional loans	315,540	94,053
Loans repaid	(20,139)	(46,795)
Interest	58,782	46,994
Exchange differences	<u>51,607</u>	<u>(31,310)</u>
Shareholder's loans	<u>1,908,830</u>	<u>1,503,040</u>

In 2004, the Company agreed with its holding company Holmbury Limited that the variable funding of the Company should be subject to a formal loan agreement. Under the terms of this formal agreement the loans are classified as non equity shareholder's loans under capital and reserves. The holding company shall only have the right to seek repayment of the loans in part or full, and the Company shall only be able to make repayment of the loans in part or full, to the extent that the audited shareholders' funds (including non-equity interests) exceed the amount of £200,002.

## 6. ULTIMATE HOLDING COMPANY AND CONTROLLING PARTY

Holmbury Limited held the entire share capital of Aromgift Limited and is the immediate and ultimate parent company of Aromgift Limited. Holmbury Limited was under the control of Mr E Avakian and his associates throughout the year and therefore Mr E Avakian and his associates are deemed to control Aromgift Limited. Holmbury Limited is incorporated in Gibraltar and its registered office is Suite E, Regal House, Queensway, Gibraltar. Holmbury Limited does not prepare consolidated accounts.

## 7. AUDITING PRACTICES BOARD ETHICAL STANDARD - PROVISION OF NON AUDIT SERVICES

In common with many other businesses of the size and nature of the Company, the Company uses the auditors to provide certain tax advice, to assist with the compilation and submission of certain returns to the tax authorities and to assist with the compilation of the financial statements.



## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2005

## 8 TRANSACTIONS WITH THE DIRECTOR

During the year the Company entered into transactions with related parties in which Mr E Avakian and his associates have a material interest as follows

	Holmby Limited	Oriani – Consultad- oria E Servicos & DA	Gold Coin Joallier SA Geneva	Gold Coin SARL Lebanon	Intervog Limited	Richebourg LLC	Piantelli Limited and Avakian Limited	Piantelli Giordli SA Softrade Limited
	£	£	£	£	£	£	£	£
Sales made to related party	-	-	7,883	-	21,668	-	-	-
Goods purchased from related party	-	-	33,283	-	15,739	-	-	347,599
Royalty payments due to related party for use of "Avakian" trademark	-	87,853	-	-	-	-	-	-
Payments due to related party for services rendered	-	-	86,394	-	-	-	-	-
Payments (from) related party for services rendered	-	-	(29,864)	-	(73,418)	(7,039)	-	-
Loan interest payable to related party	58,782	-	-	-	-	-	-	-
Amount owed by/(to) related party at 31 12 2005	-	(725,330)	280,564	167,182	240,575	19,062	315	(120,942)
Non equity shareholder's funds	(1,908,830)	-	-	-	-	-	-	-