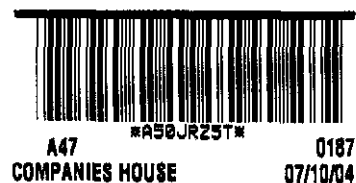


**COMPANIES HOUSE COPY
FOR SIGNATURE**

**AROMGIFT LIMITED
ABBREVIATED FINANCIAL STATEMENTS
31 DECEMBER 2002**

Registered Number 3693768 England and Wales



BRASSINGTON & CO
Chartered Accountants
600 High Road
Woodford Green
Essex IG8 OPS

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

We have examined the abbreviated financial statements on pages 3 to 6, together with the financial statements of the Company for the year ended 31 December 2002 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 3 to 6 are properly prepared in accordance with those provisions.

OTHER INFORMATION

On XXXX 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 2002, and our audit report was as follows:

We have audited the financial statements on pages 5 to 12 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out on pages 7 and 8.

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 page 2, the Company's Director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Director's Report is not 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 directors' 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)

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom 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 Directors 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 and performed 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. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

GOING CONCERN

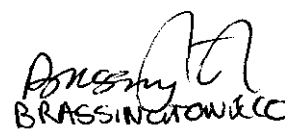
In forming our opinion, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the informal agreements made by the Company with its trade creditors for extended credit terms. In view of the significance of the fact that the preparation of the financial statements on the going concern basis assumes that certain of the Company's trade creditors continue with their informal agreement to extended credit terms, we consider this should be drawn to your attention but our opinion is not qualified in this respect.

OPINION

In our opinion the financial statements give a true and fair view of the Company's state of affairs as at 31 December 2002 and of its loss for the year then ended, and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

600 High Road
Woodford Green
Essex IG8 0PS

4 October 2004


BRASSINACOWICK
Chartered Accountants
and Registered Auditors

ABBREVIATED BALANCE SHEET

31 DECEMBER 2002

		2002	2001
	Note	£	£
	3		
FIXED ASSETS			
Tangible assets		473,661	79,122
CURRENT ASSETS			
Stocks		2,289,530	1,859,464
Debtors		1,801,137	1,109,592
Cash at bank and in hand		63,216	1,247
		<u>4,153,883</u>	<u>2,970,303</u>
CREDITORS: Amounts falling due within one year		<u>(3,684,982)</u>	<u>(2,302,374)</u>
NET CURRENT ASSETS		468,901	667,929
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>942,562</u>	<u>747,051</u>
CREDITORS: Amounts falling due after more than one year		-	(787,863)
PROVISIONS FOR LIABILITIES AND CHARGES		<u>(9,667)</u>	<u>(3,917)</u>
		<u>932,895</u>	<u>(44,729)</u>
CAPITAL AND RESERVES			
Called-up share capital	4	1,063,498	2
Profit and loss account		<u>(130,603)</u>	<u>(44,731)</u>
SHAREHOLDERS' FUNDS(including non-equity interests)		932,895	(44,729)

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 by the Director

on: 4/10/04

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2002

1. GOING CONCERN

The Director is aware that the Company is reliant on the ongoing informal agreement of certain of its trade creditors to 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 terms outside those originally agreed will continue. The Director continues to negotiate informal agreements with certain trade and other creditors for extended credit terms.

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 June 2002).

Turnover

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

Cash flow statements

The Directors have 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.

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 2002

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 directors consider 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

	Tangible Assets £
COST	
At 1 January 2002	138,978
Additions	488,199
Disposals	(112,899)
At 31 December 2002	<u><u>514,278</u></u>
DEPRECIATION	
At 1 January 2002	59,856
Charge for year	46,527
On disposals	(65,766)
At 31 December 2002	<u><u>40,617</u></u>
NET BOOK VALUE	
At 31 December 2002	<u><u>473,661</u></u>
At 31 December 2001	<u><u>79,122</u></u>

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2002

4. SHARE CAPITAL

	2002 £	2001 £
Authorised share capital:		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid:		
	2002 £	2001 £
Ordinary share capital	<u>2</u>	<u>2</u>

5. TRANSACTIONS WITH RELATED PARTIES CONTROLLED BY THE DIRECTOR

During the year the Company entered into transactions with related parties under the control of Mr E Avakian and his associates as follows:

	Holmbury Limited £	Oriani – Consultador ia E. Servicos & DA £	Gold Coin Joaillier SA Geneva £	Gold Coin SARL Lebanon £	Intervog Limited £
COST					
Sales made to related party	239,200	-	98,105	-	55,328
Goods purchased from related party	-	-	206,325	-	-
Royalty payments due to related party for use of “Avakian” trademark	-	82,895	-	-	-
Payments due to/(from) related party for services rendered	-	(73,838)	-	-	(49,218)
Loan interest payable to related party	37,185	-	-	-	-
Amount transferred to Non equity shareholder’s funds (see note 14)	1,063,496	-	-	-	-
Amount owed by/(to) related party at 31.12.2002	-	(509,088)	87,018	119,889	114,229
Non equity shareholder’s funds	(1,063,496)	-	-	-	-

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.