

Silkroot Trading Company Limited

**Financial Statements
for the Year Ended
31 December 2003**

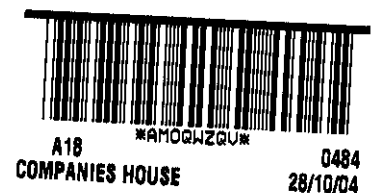
**Company Number : 04131474
Registered in England and Wales**

Index

Page 1.	Company Information
Page 2.	Report of the Director
Page 3.	Profit and Loss Account
Page 4.	Balance Sheet
Pages 5 to 6.	Notes to the Accounts

The following page does not form part of these accounts

Page 7.	Accountants' Report
Page 8.	Detailed trading profit and loss account



1.
SILKROOT TRADING COMPANY LIMITED

COMPANY INFORMATION

Directors

Sam Hedayati
Haleh Hedayati

Secretary

Sam Hedayati

Registered Office

Unit 7
2 Olaf Street
Kensington
London W11 4BE

Accountants

INFORMA UK
7 Peoples Hall
2 Olaf Street
London W11 4BE

Principle Bankers

HSBC bank plc

SILKROOT TRADING COMPANY LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in presenting their report and financial statements for the year ended 31 December 2003.

Principal activities

The principal activity of the company throughout the year was that of the rent of the office equipment and business management.

Directors and their interests

The directors who served the company during the year and their interests in the membership rights of the company are set out below.

	Ordinary Shares	
	31 December 2003	31 December 2002
Mrs H Hedayati	0	0
Mr S Hedayati	1	1

Directors' Responsibilities

Company law requires the directors to prepare accounts for each financial year 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 the profit or loss of the company for that year. In preparing those accounts, the directors are required to:

- * Select suitable accounting policies and then apply them consistently;
- * Make judgements that are reasonable and prudent;
- * Follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act. They are 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.

In preparing the above report, the directors have taken advantage of special exemptions applicable to small companies.

This director's report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By Order of the Board
authorised signatory

Corporate Director or Secretary

Son Hedayati

Date: 26.12. 2004

3.
SILKROOT TRADING COMPANY LIMITED

**Profit and Loss Account
For the year ended 31 December 2003**

	Note	<u>2003</u> £	<u>2002</u> £
TURNOVER	2	18,000	-
Cost of sales		(4,886)	-
GROSS PROFIT		<u>13,114</u>	<u>-</u>
Administrative expenses		(2,212)	-
OPERATING PROFIT (LOSS)	3	<u>10,902</u>	<u>-</u>
Other Income		-	-
PROFIT (LOSS) on ordinary activities before taxation		<u>10,902</u>	<u>-</u>
TAXATION		-	-
PROFIT (LOSS) for the financial year after taxation		<u>10,902</u>	<u>-</u>
Dividends Payable		(10,900)	-
RETAINED LOSS/PROFIT		<u>-</u>	<u>-</u>
Carried Forward		<u><u>2</u></u>	<u><u>-</u></u>

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than profit or loss for the above financial year.

The notes on pages 5 to 6 form part of these accounts.

4.

SILKROOT TRADING COMPANY LIMITED**Balance Sheet
At 31 December 2003**

	Notes	<u>2003</u> £	<u>2002</u> £
FIXED ASSET			
Tangible assets	4	1,832	-
CURRENT ASSETS			
Debtors	5	10,000	1
Cash at bank and in hand		3,719	-
		<u>13,719</u>	<u>1</u>
CREDITORS			
Amounts falling due within one year	6	(15,548)	-
NET CURRENT ASSETS/LIABILITIES		<u>(1,829)</u>	<u>1</u>
NET ASSETS/LIABILITIES		<u><u>3</u></u>	<u><u>1</u></u>
CAPITAL AND RESERVES			
Called up share capital	7	1	1
Profit and loss account		<u>2</u>	<u>-</u>
	8	<u><u>3</u></u>	<u><u>1</u></u>

The Directors confirm that:

a) for the year ended 31 December 2003 the Company was entitled to the exemption under section 249a(1);

b) no member has requested an audit under section 249b(2);

c) it is the directors responsibility to keeping the books and records of the company under section 221 the Companies Act 1985 and to ensure that the accounts show a true and fair view of the company's activity in accordance with section 226 and in compliance with the Companies Act 1985.

This director's report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The accounts are approved on behalf of the Board of Directors by:

Director

Mr S Hedayati

Approved: 26.10. 2004

The notes on pages 5 to 6 form part of these accounts.

SILKROOT TRADING COMPANY LIMITED

Notes to the Accounts 31 December 2003

1. ACCOUNTING POLICIES

Accounting conventions:

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Turnover:

Turnover represents net invoiced sales of goods and services, excluding VAT.

Tangible fixed assets:

Depreciation is provided after taking account of any grants receivable, at the following annual rates in order to write off each asset over its estimated useful life:

Office Equipment	33% on cost
------------------	-------------

2. TURNOVER

Turnover attributable to geographical markets within the United Kingdom amounted to 100%.

3. OPERATING PROFIT

The operating Profit is stated after charging:	<u>2003</u>	<u>2002</u>
Depreciation	<u>902</u>	<u>-</u>

4. TANGIBLE FIXED ASSETS

	<u>Office Equipment</u>	<u>Total</u>
<u>Cost</u>		
At 1 January 2003	-	-
Additions	<u>2,734</u>	<u>2,734</u>
At 31 December 2003	<u>2,734</u>	<u>2,734</u>
<u>Depreciation</u>		
At 1 January 2003	-	-
Charge for the year	<u>902</u>	<u>902</u>
At 31 December 2004	<u>902</u>	<u>902</u>
<u>Net book value</u>		
At 31 December 2003	1,832	1,832
At 31 December 2002	-	-

6.

SILKROOT TRADING COMPANY LIMITED**Notes to the accounts****31 December 2003****5. Debtors**

	<u>2003</u>	<u>2002</u>
	<u>£</u>	<u>£</u>
Trade Debtors	10,000	-
Other Debtors	-	1
	<u>10,000</u>	<u>1</u>

6. Creditors: Amounts falling due within one year.

	<u>2003</u>	<u>2002</u>
	<u>£</u>	<u>£</u>
Trade Creditors	176	-
Other Creditors	14,872	-
Accruals	500	-
	<u>15,548</u>	<u>-</u>

7. CALLED UP SHARE CAPITAL

	<u>2003</u>	<u>2002</u>
	<u>£</u>	<u>£</u>
Authorised		
1000 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
Allotted and fully paid		
2 Ordinary shares of £1 each	1	1
	<u>1</u>	<u>1</u>

8. RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS

	<u>2003</u>	<u>2002</u>
	<u>£</u>	<u>£</u>
Profit (loss) for the financial year after taxation	10,902	-
Dividends	(10,900)	-
	<u>-</u>	<u>-</u>
Other recognised gains relating to the year	-	-
New share capital subscribed	-	-
	<u>-</u>	<u>-</u>
Opening shareholders' funds at 1 January	1	1
	<u>-</u>	<u>-</u>
Closing shareholders' funds at 31 December	3	1
	<u>-</u>	<u>-</u>