

Company Registration No. 4486344

DORSTAN HOLDING LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2003

29568-B-2003

Registered Office
86 Jermyn Street, St. James
London
SW1Y 6AW



DORSTAN HOLDING LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2003

The directors present their report and financial statements for the period ended 31 December 2003.

Principal activity

The principal activity of the company is that of an investment company.

The company was incorporated on 15 July 2002.

Review of the business and future developments

The directors consider that the results of the company are satisfactory and that the company is expected to continue at its present levels in the future.

Results and dividends

The results for the period are set out on page 3.

No dividends have been declared or paid during the period.

Post balance sheet events

The company's interest in PETA d.o.o. Ljubljana decreased from 28% to 17% during 2004 following an increase in the issued share capital of the associate, which the company did not subscribe to.

Directors

The following directors have held office since 15 July 2002:

B Donati	(Appointed 15 July 2002)
Tadco Directors Limited	(Appointed 15 July 2002 and resigned 18 July 2002)
W R Hawes	(Appointed 18 July 2002)
T Lane	(Appointed 18 July 2002)

The directors have no interest in the issued share capital of the company.

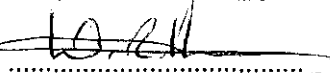
Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

On behalf of the board



W R Hawes (Director)

Date: 30/09/04..

MeesPierson Intertrust

ACCOUNTANTS' REPORT TO THE DIRECTORS ON THE ACCOUNTS OF DORSTAN HOLDING LIMITED

We report on the accounts for the period ended 31 December 2003.

As described on the balance sheet you are responsible for the preparation of the accounts for the period ended 31 December 2003, set out on pages 3 to 9 and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities from the accounting records and information and explanations supplied to us.

Our procedures consisted of comparing the accounts with the accounting records kept by the company and making such enquiries of the officers and other officials of the company as we considered necessary for the purposes of this report.

In our opinion the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985.

Mees Pierson Intertrust Ltd.
MeesPierson Intertrust Limited

30/09/04

MeesPierson Intertrust Limited

P.O. Box 227, Clinch's House, Lord Street, Douglas, Isle of Man, IM99 1RZ

Telephone +44 1624-683229, Fax +44 1624-612624

MeesPierson Intertrust Limited registered in the Isle of Man, Company Registration No. 28731

Licensed by the Isle of Man Financial Supervision Commission as a Corporate Service Provider

Directors: M.C. Cundy, B. Deconinck, M.W. Denton, P.N. Eckersley, S.E. McGowan, S.J. Turner

Internet: www.meespiersonintertrust.com, E-mail: mail@meespiersonintertrust.com

DORSTAN HOLDING LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 2003**

	Notes	Period ended 31 December 2003 £
Administrative expenses		(11,660)
Operating loss	2	(11,660)
Other interest receivable and similar income	3	17,601
Interest payable and similar charges	4	(14,822)
Loss on ordinary activities before taxation		(8,881)
Tax on loss on ordinary activities	5	-
Loss on ordinary activities after taxation	11	(8,881)
Loss carried forward at 31 December 2003		(8,881)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

DORSTAN HOLDING LIMITED


**BALANCE SHEET
AS AT 31 DECEMBER 2003**

	Notes	2003 £	£
Fixed assets			
Investments	6		400,827
Current assets			
Debtors	7	8,067	
Cash at bank and in hand		4,379	
		<u>12,446</u>	
Creditors: amounts falling due within one year	8	<u>(52,292)</u>	
Net current liabilities			<u>(39,846)</u>
Total assets less current liabilities			<u>360,981</u>
Creditors: amounts falling due after more than one year	9		<u>(368,862)</u>
			<u>(7,881)</u>
Capital and reserves			
Called up share capital	10		1,000
Profit and loss account	11		<u>(8,881)</u>
Shareholders' funds - equity interests	12		<u>(7,881)</u>

In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

The financial statements were approved by the Board on30/09/04...



W R Hawes
Director

DORSTAN HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2003

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards.

The financial statements have been prepared on the going concern basis. This is considered appropriate as the ultimate beneficial shareholders will continue to provide financial support to the company for the foreseeable future.

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

1.2 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.3 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.4 Foreign currency translation

The company's accounting records are maintained in Pounds Sterling.

Transactions in other currencies are converted at the rate ruling at the date of the transaction. Current assets and liabilities are converted at the rate of exchange ruling at the balance sheet date. Any material gains or losses resulting from the conversion are taken to the profit and loss account.

1.5 Group accounts

The company has taken advantage of the exemption in Financial Reporting Standard No 9 not to disclose amounts relating to the associate on the grounds that it is exempt from preparing consolidated financial statements.

2	Operating loss	2003
		£
	Operating loss is stated after charging:	
	Accountancy	588
		<hr/>
3	Other interest receivable and similar income	2003
		£
	Other interest	16,799
	Profit on foreign exchange	802
		<hr/>
		17,601
		<hr/>

DORSTAN HOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2003**

4	Interest payable and similar charges	2003
		£
	On other loans wholly repayable within 5 years	14,822
		<u>14,822</u>
5	Taxation	2003
		£
	Domestic current year tax	
	Corporation tax at 30.00%	-
	Current tax charge	<u>-</u>
	Factors affecting the tax charge for the period	
	Loss on ordinary activities before taxation	<u>(8,881)</u>
	Loss on ordinary activities before taxation multiplied by the standard rate of corporation tax of 30.00%	<u>(2,664)</u>
	Effects of:	
	Non deductible expenses	225
	Losses not recognised for accounting purposes	2,439
		<u>2,664</u>
	Current tax charge	<u>-</u>

On the basis of these financial statements no provision has been made for corporation tax.

DORSTAN HOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2003**

6 Fixed asset investments

	Shares in participating interests £	Loans to participating interests £	Total £
Cost			
At 15 July 2002	-	-	-
Additions	31,965	368,862	400,827
	<u>31,965</u>	<u>368,862</u>	<u>400,827</u>
At 31 December 2003	31,965	368,862	400,827
	<u>31,965</u>	<u>368,862</u>	<u>400,827</u>
At 14 July 2002	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Participating interests			
PETA d.o.o. Ljubjana	Slovenia	Ordinary	28

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Principal Activity	Capital and reserves £	Profit for the year £
PETA d.o.o. Ljubjana	Trading in natural cotton	2,417,735	536,668
		<u>2,417,735</u>	<u>536,668</u>

7 Debtors	2003
	£
Other debtors	8,067
	<u>8,067</u>

8 Creditors: amounts falling due within one year	2003
	£
Other creditors	36,044
Accruals and deferred income	16,248
	<u>52,292</u>

DORSTAN HOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2003**

9	Creditors: amounts falling due after more than one year	2003
		£
	Other loans	368,862
		<u>368,862</u>
	Analysis of loans	
	Not wholly repayable within five years by instalments:	
	Other loans	368,862
		<u>368,862</u>
	Instalments not due within five years	-
		<u>-</u>
	Loan maturity analysis	
	In more than two years but not more than five years	368,862
		<u>368,862</u>
10	Share capital	2003
		No.
	Authorised	
	10,000 ordinary shares of £1 each	10,000
		<u>10,000</u>
	Allotted, called up and fully paid	£
	1,000 ordinary shares of £1 each	1,000
		<u>1,000</u>
	During the period the company issued a further 999 ordinary shares of £1 each at par value to increase working capital.	
11	Statement of movements on profit and loss account	Profit and loss account
		£
	Retained loss for the period	(8,881)
		<u>(8,881)</u>

DORSTAN HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2003

12 Reconciliation of movements in shareholders' funds	2003
	£
Loss for the financial period	(8,881)
<i>Proceeds from issue of shares</i>	<i>1,000</i>
	<hr/>
Net depletion in shareholders' funds	(7,881)
Opening shareholders' funds	-
	<hr/>
Closing shareholders' funds	<u>(7,881)</u>

13 Contingent liabilities

There were no known contingent liabilities at the balance sheet date.

14 Capital commitments

There were no major capital commitments as at the balance sheet date

15 Employees

Number of employees

There were no employees during the period apart from the directors. The directors received no remuneration during the period.

16 Post balance sheet events

The company's interest in PETA d.o.o. Ljubljana decreased from 28% to 17% during 2004 following an increase in the issued share capital of the associate, which the company did not subscribe to.