C. NO 03184821

SONIK PRODUCTS LIMITED

(Incorporated - 11th April 1996)

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

30TH APRIL 1997

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SONIK PRODUCTS LIMITED

(Incorporated - 11th April 1996)

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FOR THE PERIOD ENDED 30TH APRIL 1997

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SONIK PRODUCTS LIMITED

FINANCIAL STATEMENTS FOR THE PERIOD ENDED

30TH APRIL 1997

Directors:

R. N. Kanbi

Secretary:

R. R. Kanbi

Registered Office:

140-142 High Street
Harlesden
London
NW10 4SP

Registered Number:

03184821 (England and Wales)

Accountants:

C. Jay & Co.
Certified Accountants
99a Cobbold Road
Willesden
LONDON
NW10 9SL

Bankers:

Barclays Bank PLC
8/9 Hanover Square
London
W1A 42W

SONIK PRODUCTS LIMITED

RESPONSIBILITIES OF DIRECTORS

FOR THE PERIOD ENDED 30TH APRIL 1997

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 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.

Directors are also responsible for determining whether, in respect of the year, the Company meets the condition of exemption from an audit of the accounts set out in S.249 A of the Companies Act 1985 and for determining whether, in respect of the year, the exemption is not available for any reasons set out in S.249 B.

If in respect of the year, the availability of the exemption from an audit of the accounts is conditional upon directors causing a report in respect of these accounts to be prepared for the purposes of S.249 A (2), directors are responsible for deciding whether that report shall be made and for appointing us as reporting accountants to make that report to the shareholders of the Company.

SONIK PRODUCTS LIMITED

FOR THE PERIOD ENDED 30TH APRIL 1997

RESPONSIBILITIES OF THE REPORTING ACCOUNTANTS

We shall plan our work on the basis that a report for that purpose of S249 (2) is required for the year, unless you inform us in writing that either:

a) The Company requires an audit of the accounts, or

b) The Company requires neither an audit nor such a report.

Should you instruct us to carry out an audit, then a separate letter of engagement will be required.

Should you inform us that the company requires neither an audit nor a report, then we shall have no responsibilities to the company, except those specifically agreed upon between us in respect of other professional services.

As reporting accountants, we have a statutory responsibility to report to the shareholders of the company whether in our opinion:

a) The accounts are in agreement with the accounting records kept by the company under S221 of the Companies Act 1985.

b) Having regard only to, and on the basis of, the information contained in those accounting records, the accounts have been drawn up in a manner consistent with the accounting requirements specified in Section 249C (6) of the Act, so far as they are applicable to the Company.

We also have a statutory responsibility to state that, having regard only to, and on the basis of, the information contained in the accounting records kept by the company under S221, in our opinion the company satisfied the condition for the exemption from an audit of the accounts specified in section 249A(4) of the Act and did not, at any time within the year, fall within any of the categories, specified in section 249B(1), of the companies not entitled to the exemption.

We do not have any responsibility to report whether any shareholder of the company has notified the company that he or she requires an audit, consequently we have no responsibility to carry out any work in respect of this manner.

Should our work had us to conclude that the company is not entitled to exemption from an audit of the accounts, or should we unable to reach a conclusion on this matter, then we will not issue any report and notify you in writing of the reasons. In these circumstances, if appropriate, we will discuss with you the need to appoint an auditor.

SONIK PRODUCTS LIMITED

REPORT OF THE DIRECTORS (CONT...)

FOR THE PERIOD ENDED 30TH APRIL 1997

The Directors submit their annual report and the financial statements of the Company for the period ended 30th April 1997.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of Wholesale Distribution of Health and Beauty Products.

STATE OF AFFAIRS

The Directors are satisfied with the state of the Company's trading for the year under review and look forward to the future with confidence.

DIVIDENDS

The Directors do not recommend the payment of a dividend.

FIXED ASSETS

All movements are shown in the attached financial statements.

EXPORTS

The exports of the year amounted to £9308.

DONATIONS

There were no political or charitable donations made by the company during the year.

SONIK PRODUCTS LIMITED

REPORT OF THE DIRECTORS (CONT...)

FOR THE PERIOD ENDED 30TH APRIL 1997

DIRECTORS AND THEIR INTERESTS

The Directors who served during the year had the following interests in the Company's shares.

	No. of Shares
R. N. Kanbi	1

CLOSE COMPANY

The Directors are of the opinion from the information available to them that the Company is a close Company as defined by the Income and Corporation Taxes Act 1988.

SMALL COMPANIES EXEMPTION

The directors have taken advantage fo special exemption conferred by Part 2, of schedule 8 to the Companies Act 1985.

DATE .....

R.R.KANBI.....

Signed on behalf of the Board.

ACCOUNTANTS REPORT TO THE SHAREHOLDERS ON UNAUDITED ACCOUNTS OF

SONIK PRODUCTS LIMITED

FOR THE PERIOD ENDED 30TH APRIL 1997

We report on the Accounts for the period ended 30th April 1997, set out on Pages 6 to 10.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND ACCOUNTANTS

The company's directors are responsible for the preparation of Accounts and they consider that the Company is exempt from our audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

BASIS OF OPINION

Our work was conducted in accordance with the statement of standards for reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company and making such limited enquiries of the officers of the company as we considered necessary for the purpose of this report. These procedures provide only the assurance expressed in our opinion.

OPINION

In our opinion:

a) The accounts are in agreement with the accounting records kept by the company under S221 of the Companies Act 1985.
b) Having regard only to, and on the basis of, the information contained in these accounting records that:
The Accounts have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act.
The company satisfied the condition of exemption from an audit of the company for the year specified in Section 249A(4) of the Act and did not, at any time within the year, fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1).

C. Jay & Co

C. JAY & CO.
Reporting Accountants.

Date 21st January 1998

SONIK PRODUCTS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 30TH APRIL 1997

	Notes	1997 £
TURNOVER	(2)	160543
Cost of Sales		136610
GROSS PROFIT		23933
Administrative Costs		2677
Financial Costs		10693
		13370
PROFIT ON ORDINARY ACTIVITIES	(3)	10563
Taxation on Ordinary Activities	(7)	2510
RETAINED PROFIT CARRIED FORWARD		£ 8053

The Notes on pages 9 to 12 form an integral part of these Accounts.

SONIK PRODUCTS LIMITED

BALANCE SHEET AS AT 30TH APRIL 1997

	Notes	1997 £
FIXED ASSETS		
Tangible Assets	(10)	11865
CURRENT ASSETS		
Stocks	(1e)	70237
Debtors	(11)	13245
Cash at Bank and in Hand		14651
		98133
CREDITORS Amounts falling due within on year	(12)	81943
NET CURRENT ASSETS		16190
		28055
CREDITORS:	(13)	
Amounts falling due after more than one year		20000
		£ 8055
CAPITAL AND RESERVES		£
Called Up Share Capital	(14)	2
Profit and Loss Account		8053
		£ 8055

In the preparation of the Company's annual Accounts, the directors have taken advantage of special exemptions applicable to small companies, provided by Part 1 of schedule 8 and have done so on the grounds that, in their opinion, the company qualifies as a small company.

The Directors have also made the following assertion in order to take advantage of the exemption from the statutory audit requirements.

a) The company was entitled to exemption under S249A(2).
b) No member or members have requested an audit under S249B(2).
c) Company keeps accounting records which comply with S221 of the Companies Act 1985, and
d) Accounts prepared give a true and fair view of the state of affairs of the company in accordance with S226, and which otherwise comply with the requirements of the Act relating to accounts.

.....) DIRECTOR .....) DIRECTOR

The Notes on pages 9 to 12 form an integral part of these Accounts.

SONIK PRODUCTS LIMITED

NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 30TH APRIL 1997

1) ACCOUNTING POLICIES

a) The Accounts have been prepared under the historic cost convention.
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.

b) Turnover represents the net amount of invoices to customers less credit notes for goods returned, excluding VAT.

c) Depreciation has been provided on fixed assets on the book value of the asset concerned, at the rate of 25%.

d) No provision is made for taxation deferred in respect of material timing differences. In the opinion of the Directors, there is reasonable probability that the liability will not arise in the foreseeable future.

e) Stock is valued at the lower of cost and net realisable value.

f) The Accounts have been prepared on a going concern basis, with the understanding that the financial support from the Company's Bankers, Directors and financiers will continue to be provided.

2) TURNOVER

The turnover and profit before taxation is attributable to the Company's principal activity, namely Health & Beauty Products.

3) OPERATING PROFIT

The operating Profit is stated after charging:

	1997 £
Depreciation of tangible Fixed Assets	3955
Accountants Remuneration	800

4) STAFF COSTS

Staff Costs, including directors remuneration, were as follow:

	1997 £
Wages & Salaries	NIL
Social Security Costs	NIL
	NIL

The average number of employees, including directors, during the year were as follows:

Office and Administration	2

SONIK PRODUCTS LIMITED

NOTES TO THE ACCOUNTS (CONT....)

FOR THE PERIOD ENDED 30TH APRIL 1997

5) DIRECTORS REMUNERATION

	1997
	£
For Management	NIL
Directors Fees	NIL
	NIL

Included in the above are emoluments paid to:

	1997
	£
The Chairman	NIL
Highest Paid Director	NIL

6) INTEREST PAYABLE

	1997
	£
On Bank Overdrafts & Loans Repayable within 5 years, not by instalments	NIL
Repayable after more than 5 years	NIL

7) TAXATION

	1997
	£
U.K. Corporation Tax	2510

Accountants Report on Page 6.

These Notes form an integral part of the Accounts.

SONIK PRODUCTS LIMITED

NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 30TH APRIL 1997

8) No Material Post Balance Sheet Events have occured that could significantly affect the True and Fair view of the Financial Statements.

9) In the Opinion of the Directors there are no contingent liabilities at the Balance Sheet date.

10) FIXED ASSETS

	Motor Vehicles	Office Equipment	Total
	£	£	£
COST	15620	200	15820
Balance 30/4/97	15620	200	15820
DEPRECIATION:			
Charge for the year	3905	50	3955
Balance 30/4/97	3905	50	3955
NET BOOK VALUE			
At 30th April 1997	11715	150	11865

These Notes form an integral part of the Accounts.

SONIK PRODUCTS LIMITED

NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 30TH APRIL 1997

11) DEBTORS

	1997 £
Amounts due within one year:	
Trade Debtors	13245
	13245

12) CREDITORS - AMOUNTS DUE WITHIN ONE YEAR

	1997 £
Trade Creditors	36468
VAT Payable	10120
Directors Current Account	5696
Sundry Creditors	13100
H.P. Creditors	14049
Corporation Tax	2510
	£ 81943

13) CREDITORS - AMOUNT DUE AFTER MORE THAN ONE YEAR

	1997 £
(Shareholders Loans are Interest free with no set repayment date)	20000

14) CALLED UP SHARE CAPITAL

	1997 £
Authorised:	
1000 Shares of £1 Each	1000
	£
Allotted, Issued and Fully paid	
2 Shares of £1 Each	2

Accountants Report on Page 6.

These Notes form an integral part of the Accounts.