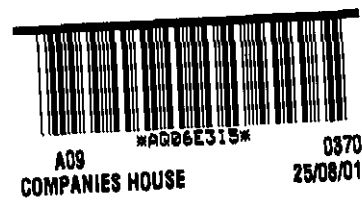


**Report of the Director and
Financial Statements
for the Period 11 August 1999 to 31 August 2000
for
QualiThai Products Limited**



QualiThai Products Limited

**Contents of the Financial Statements
for the Period 11 August 1999 to 31 August 2000**

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QualiThai Products Limited

Company Information
for the Period 11 August 1999 to 31 August 2000

DIRECTOR: R H Bush

SECRETARY: V A Bush & I D Campbell

REGISTERED OFFICE: 45 Cissbury Road
Worthing
West Sussex
BN14 9LF

REGISTERED NUMBER: 3823621 (England and Wales)

ACCOUNTANTS: Ghiaci & Goodhand Limited
Chartered Accountants
197 - 201 Church Road
Hove
East Sussex
BN3 2AH

QualiThai Products Limited

**Report of the Director
for the Period 11 August 1999 to 31 August 2000**

The director presents his report with the financial statements of the company for the period 11 August 1999 to 31 August 2000.

INCORPORATION

The company was incorporated on 11 August 1999 and commenced trading on 4 December 1999.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of the retail of Thai furniture and other products.

DIRECTOR

R H Bush was the sole director during the period under review.

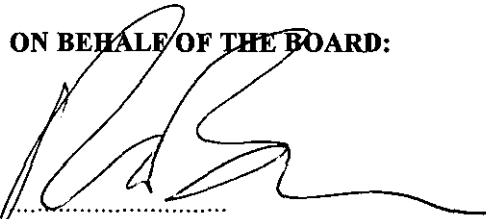
His beneficial interest in the issued share capital of the company was as follows:

	31.8.00	11.8.99
Ordinary £1.00 shares	70	70

The director, being eligible, offers himself for election at the forthcoming first Annual General Meeting.

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

ON BEHALF OF THE BOARD:



R H Bush - DIRECTOR

Dated: 24/8/01.

QualiThai Products Limited
Profit and Loss Account
for the Period 11 August 1999 to 31 August 2000

	Notes	£
TURNOVER		49,753
Cost of sales		23,916
GROSS PROFIT		25,837
Administrative expenses		44,998
OPERATING LOSS	2	(19,161)
Interest payable and similar charges		571
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(19,732)
Tax on loss on ordinary activities		-
LOSS FOR THE FINANCIAL PERIOD AFTER TAXATION		(19,732)
DEFICIT CARRIED FORWARD		<u>£(19,732)</u>

The notes form part of these financial statements

QualiThai Products Limited

Balance Sheet 31 August 2000

	Notes	£	£
FIXED ASSETS:			
Tangible assets	3		4,115
CURRENT ASSETS:			
Stocks		37,165	
Debtors	4	5,079	
Cash at bank and in hand		387	
		<u>42,631</u>	
CREDITORS: Amounts falling due within one year	5	66,378	
		<u></u>	
NET CURRENT LIABILITIES:			(23,747)
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>£(19,632)</u>
CAPITAL AND RESERVES:			
Called up share capital	7		100
Profit and loss account			(19,732)
SHAREHOLDERS' FUNDS:			<u>£(19,632)</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the period ended 31 August 2000.

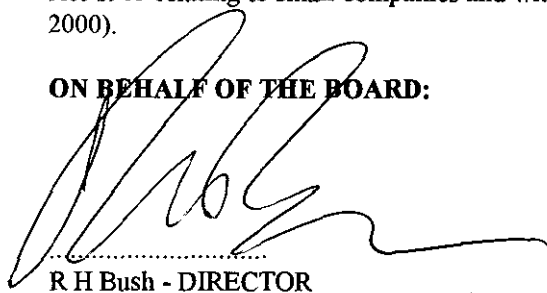
The members have not required the company to obtain an audit of its financial statements for the period ended 31 August 2000 in accordance with Section 249B(2) of the Companies Act 1985.

The director acknowledges his responsibilities for:

- ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

ON BEHALF OF THE BOARD:



R H Bush - DIRECTOR

Approved by the Board on 24/8/01

The notes form part of these financial statements

QualiThai Products Limited

Notes to the Financial Statements for the Period 11 August 1999 to 31 August 2000

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold property	- over the remaining term of the lease
Plant and machinery	- 25% on cost
Fixtures and fittings	- 10% on cost
Computer equipment	- 33% on cost

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the director, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

2. OPERATING LOSS

The operating loss is stated after charging:

	£
Depreciation - owned assets	997
	<u> </u>
Director's emoluments and other benefits etc	-
	<u> </u>

QualiThai Products Limited

**Notes to the Financial Statements
for the Period 11 August 1999 to 31 August 2000**

3. TANGIBLE FIXED ASSETS

	Leasehold property	Plant and machinery	Fixtures and fittings	Computer equipment	Totals
	£	£	£	£	£
COST:					
Additions	2,121	848	51	2,092	5,112
At 31 August 2000	2,121	848	51	2,092	5,112
DEPRECIATION:					
Charge for period	424	177	1	395	997
At 31 August 2000	424	177	1	395	997
NET BOOK VALUE:					
At 31 August 2000	1,697	671	50	1,697	4,115

**4. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	£
Prepayments & accrued income	5,079

**5. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	£
Bank loans and overdrafts	13,718
Trade creditors	9,578
Loan - L Wigg	495
Loan - A Warren	15,000
Loan - B Wood	15,000
Director's current account	3,930
V.A.T. Control	1,896
Social security & other taxes	501
Accrued expenses	6,260
	66,378

6. OPERATING LEASE COMMITMENTS

The following payments are committed to be paid within one year:

	£
Expiring:	
Between one and five years	22,000

QualiThai Products Limited

**Notes to the Financial Statements
for the Period 11 August 1999 to 31 August 2000**

7. CALLED UP SHARE CAPITAL

Authorised:		Nominal value:	£
Number:	Class:		
1,000	Ordinary	£1.00	<u>1,000</u>

Allotted, issued and fully paid:		Nominal value:	£
Number:	Class:		
100	Ordinary	£1.00	<u>100</u>