

**Report of the Directors and
Financial Statements
for the Year Ended 31 December 2000
for
BONNYPACK (SCOTLAND) LIMITED**



BONNYPACK (SCOTLAND) LIMITED

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for the Year Ended 31 December 2000**

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BONNYPACK (SCOTLAND) LIMITED

**Company Information
for the Year Ended 31 December 2000**

DIRECTORS:

H ALI
M Z ALI
A SATTAR
M HAYAT

SECRETARY:

A SATTAR

REGISTERED OFFICE:

26 WEST STREET
GLASGOW
G5 8BD

REGISTERED NUMBER:

SCO60880

AUDITORS:

BALLANTYNE & COMPANY
CHARTERED CERTIFIED ACCOUNTANTS
REGISTERED AUDITORS
60 ST ENOCH SQUARE
GLASGOW
G1 4AG

BONNYPACK (SCOTLAND) LIMITED

Report of the Directors for the Year Ended 31 December 2000

The directors present their report with the financial statements of the company for the year ended 31 December 2000.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of wholesale merchants, dealing in china, crystal, radio, television and other miscellaneous items.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2000.

DIRECTORS

The directors during the year under review were:

M ASLAM	- deceased 18.2.00
H ALI	
M Z ALI	
A SATTAR	
M HAYAT	

The beneficial interests of the directors holding office on 31 December 2000 in the issued share capital of the company were as follows:

	31.12.00	1.1.00
Ordinary £1 shares		
H ALI	10	10
M Z ALI	-	-
A SATTAR	100	100
M HAYAT	100	100

STATEMENT OF 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;
- 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.

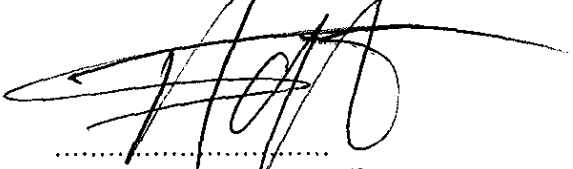
BONNYPACK (SCOTLAND) LIMITED

**Report of the Directors
for the Year Ended 31 December 2000**

AUDITORS

The auditors, BALLANTYNE & COMPANY, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

A large, stylized handwritten signature in black ink, appearing to be 'A SATTAR', written over a horizontal dotted line.

.....
A SATTAR - SECRETARY

Dated: 1/6/01

BONNYPACK (SCOTLAND) LIMITED

**Report of the Auditors to the Shareholders of
BONNYPACK (SCOTLAND) LIMITED**

We have audited the financial statements on pages five to thirteen which have been prepared under the historical cost convention and the accounting policies set out on page ten.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**BALLANTYNE & COMPANY
CHARTERED CERTIFIED ACCOUNTANTS
REGISTERED AUDITORS
60 ST ENOCH SQUARE
GLASGOW
G1 4AG**

Dated: 1/6/01

BONNYPACK (SCOTLAND) LIMITED

**Profit and Loss Account
for the Year Ended 31 December 2000**

31.12.99			31.12.00
<u>£</u>		Notes	<u>£</u>
8,560,974	TURNOVER		8,462,436
<u>6,644,371</u>	Cost of sales		<u>6,545,681</u>
1,916,603	GROSS PROFIT		1,916,755
<u>893,149</u>	Administrative expenses		<u>946,884</u>
1,023,454	OPERATING PROFIT	3	969,871
<u>-</u>	Dividend received	4	<u>23,340</u>
1,023,454			993,211
<u>117,698</u>	Interest receivable and similar income		<u>187,972</u>
1,141,152	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,181,183
<u>355,096</u>	Tax on profit on ordinary activities	5	<u>354,657</u>
786,056	PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		826,526
<u>3,530,523</u>	Retained profit brought forward		<u>4,316,579</u>
<u><u>£4,316,579</u></u>	RETAINED PROFIT CARRIED FORWARD		<u><u>£5,143,105</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

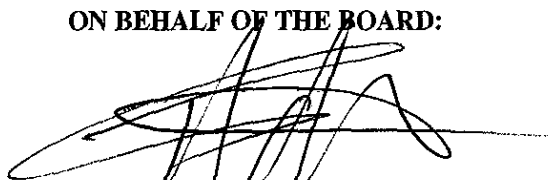
The notes form part of these financial statements

BONNYPACK (SCOTLAND) LIMITED

Balance Sheet 31 December 2000

31.12.99				31.12.00	
£	£		Notes	£	£
		FIXED ASSETS:			
	1,404,800	Tangible assets	6		1,394,030
		CURRENT ASSETS:			
460,293		Stocks	7	453,204	
351,183		Debtors	8	393,508	
4,290,107		Cash at bank and in hand		4,828,101	
	5,101,583				5,674,813
		CREDITORS: Amounts falling due within one year	9		1,914,738
	2,178,804				
		NET CURRENT ASSETS:			3,760,075
	2,922,779				
		TOTAL ASSETS LESS CURRENT LIABILITIES:			
	£4,327,579				£5,154,105
		CAPITAL AND RESERVES:			
	11,000	Called up share capital	10		11,000
	4,316,579	Profit and loss account			5,143,105
		SHAREHOLDERS' FUNDS:	12		£5,154,105
	£4,327,579				

ON BEHALF OF THE BOARD:



.....
A SATTAR, DIRECTOR

Approved by the Board on 1/6/01

The notes form part of these financial statements

BONNYPACK (SCOTLAND) LIMITED

**Cash Flow Statement
for the Year Ended 31 December 2000**

31.12.99			31.12.00
<u>£</u>		Notes	<u>£</u>
1,181,566	Net cash inflow from operating activities	1	766,683
117,698	Returns on investments and servicing of finance	2	211,312
(426,946)	Taxation		(390,096)
(9,800)	Capital expenditure	2	(49,905)
<u>£862,518</u>	Increase in cash in the period		<u>£537,994</u>
	Reconciliation of net cash flow to movement in net funds	3	
<u>862,518</u>	Increase in cash in the period		<u>537,994</u>
<u>862,518</u>	Change in net funds resulting from cash flows		<u>537,994</u>
<u>862,518</u>	Movement in net funds in the period		<u>537,994</u>
<u>3,427,589</u>	Net funds at 1 January		<u>4,290,107</u>
<u><u>£4,290,107</u></u>	Net funds at 31 December		<u><u>£4,828,101</u></u>

The notes form part of these financial statements

BONNYPACK (SCOTLAND) LIMITED

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2000**

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31.12.00 £	31.12.99 £
Operating profit	969,871	1,023,454
Depreciation charges	60,775	57,450
Profit on sale of fixed assets	(100)	-
Decrease/(Increase) in stocks	7,089	(13,293)
(Increase)/Decrease in debtors	(42,325)	16,065
(Decrease)/Increase in creditors	(228,627)	97,890
Net cash inflow from operating activities	766,683	1,181,566

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31.12.00 £	31.12.99 £
Returns on investments and servicing of finance		
Interest received	187,972	117,698
Exceptional items	23,340	-
Net cash inflow for returns on investments and servicing of finance	211,312	117,698
Capital expenditure		
Purchase of tangible fixed assets	(51,105)	(9,800)
Sale of tangible fixed assets	1,200	-
Net cash outflow for capital expenditure	(49,905)	(9,800)

The notes form part of these financial statements

BONNYPACK (SCOTLAND) LIMITED

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2000**

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.00 £	Cash flow £	At 31.12.00 £
Net cash:			
Cash at bank and in hand	4,290,107	537,994	4,828,101
	<u>4,290,107</u>	<u>537,994</u>	<u>4,828,101</u>
 Total	 <u>4,290,107</u>	 <u>537,994</u>	 <u>4,828,101</u>
Analysed in Balance Sheet			
 Cash at bank and in hand	 <u>4,290,107</u>		 <u>4,828,101</u>
	<u>4,290,107</u>		<u>4,828,101</u>

The notes form part of these financial statements

BONNYPACK (SCOTLAND) LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2000

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

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.

Heritable property	-	2% straight line
Fixtures and fittings	-	25% on reducing balance
Motor vehicles	-	25% on reducing balance

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 directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. STAFF COSTS

	31.12.00	31.12.99
	£	£
Wages and salaries	583,426	542,588
Other pension costs	81,000	92,000
	<u>664,426</u>	<u>634,588</u>

The average monthly number of employees during the year was as follows:

	31.12.00	31.12.99
Administration	4	4
Sales staff	36	36
	<u>40</u>	<u>40</u>

BONNYPACK (SCOTLAND) LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2000

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.12.00	31.12.99
	£	£
Depreciation - owned assets	60,775	57,450
Profit on disposal of fixed assets	(100)	-
Auditors' remuneration	4,040	3,750
	<u> </u>	<u> </u>
Directors' emoluments	55,495	49,785
	<u> </u>	<u> </u>

4. EXCEPTIONAL ITEMS

This relates to dividend income received in the year in respect of the BCCI Liquidation.

5. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	31.12.00	31.12.99
	£	£
UK corporation tax	354,657	355,096
	<u> </u>	<u> </u>

UK corporation tax has been charged at 30% (1999 - 30%).

6. TANGIBLE FIXED ASSETS

	Totals	Heritable property	Fixtures and fittings	Motor vehicles
	£	£	£	£
COST:				
At 1 January 2000	1,962,156	1,494,394	374,356	93,406
Additions	51,105	-	3,105	48,000
Disposals	(25,761)	-	-	(25,761)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2000	1,987,500	1,494,394	377,461	115,645
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
DEPRECIATION:				
At 1 January 2000	557,356	177,294	316,256	63,806
Charge for year	60,775	29,900	14,750	16,125
Eliminated on disposals	(24,661)	-	-	(24,661)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2000	593,470	207,194	331,006	55,270
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET BOOK VALUE:				
At 31 December 2000	1,394,030	1,287,200	46,455	60,375
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 1999	1,404,800	1,317,100	58,100	29,600
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

BONNYPACK (SCOTLAND) LIMITED

**Notes to the Financial Statements
for the Year Ended 31 December 2000**

7. STOCKS

	31.12.00	31.12.99
	£	£
Stock	453,204	460,293
	<u> </u>	<u> </u>

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

	31.12.00	31.12.99
	£	£
Trade debtors	60,185	28,430
Prepayments	33,323	22,753
Due by associated company	300,000	300,000
	<u> </u>	<u> </u>
	393,508	351,183
	<u> </u>	<u> </u>

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

	31.12.00	31.12.99
	£	£
Trade creditors	1,120,564	1,354,037
Directors loan account	131,044	115,150
Social security & other taxes	337,993	327,330
Taxation	229,657	265,096
Accrued expenses	95,480	117,191
	<u> </u>	<u> </u>
	1,914,738	2,178,804
	<u> </u>	<u> </u>

10. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.00	31.12.99
			£	£
11,000	Ordinary	£1	11,000	11,000
			<u> </u>	<u> </u>

11. CONTINGENT LIABILITIES

Guarantee in favour of Customs & Excise for £20,000.

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.00	31.12.99
	£	£
Profit for the financial year	826,526	786,056
	<u> </u>	<u> </u>
Net addition to shareholders' funds	826,526	786,056
Opening shareholders' funds	4,327,579	3,541,523
	<u> </u>	<u> </u>
Closing shareholders' funds	5,154,105	4,327,579
	<u> </u>	<u> </u>
Equity interests	5,154,105	4,327,579
	<u> </u>	<u> </u>

BONNYPACK (SCOTLAND) LIMITED

**Notes to the Financial Statements
for the Year Ended 31 December 2000**

13. HERITABLE PROPERTY

Heritable Property includes a property the subject of a 125 year ground lease. This property has, with consent, been incorporated into the extended warehouse as part of the substantial redevelopment carried out during 1993.

BONNYPACK (SCOTLAND) LIMITED

**Trading and Profit and Loss Account
for the Year Ended 31 December 2000**

31.12.99			31.12.00	
£	£		£	£
	8,560,974	Sales		8,462,436
		Cost of sales:		
	6,644,371	Purchases		6,545,681
	1,916,603	GROSS PROFIT		1,916,755
		Other income:		
	117,698	Interest received		187,972
	2,034,301			2,104,727
		Expenditure:		
49,785		Directors' remuneration	55,495	
492,803		Wages	527,931	
92,000		Pensions	81,000	
3,158		Telephone	3,254	
3,594		Advertising and stationery	3,999	
7,818		Motor and travelling expenses	9,813	
6,807		Repairs and renewals	9,009	
3,695		Sundry expenses	5,687	
3,750		Auditors remuneration	4,040	
-		Bad debts	1,729	
98,834		Rates	101,533	
16,287		Insurance	16,530	
12,383		Light and heat	16,697	
	790,914			836,717
	1,243,387			1,268,010
		Finance costs:		
	44,785	Bank charges		49,492
	1,198,602			1,218,518
		Depreciation:		
29,900		Property	29,900	
17,700		Fixtures and fittings	14,750	
9,850		Motor vehicles	16,125	
	57,450			60,775
	1,141,152			1,157,743
		Profit on disposal of fixed assets:		
	-	Motor vehicles		100
	1,141,152	Carried forward		1,157,843

This page does not form part of the statutory financial statements

BONNYPACK (SCOTLAND) LIMITED**Trading and Profit and Loss Account
for the Year Ended 31 December 2000**

31.12.99		31.12.00	
£	£	£	£
1,141,152	Brought forward	1,157,843	
	Exceptional items:		
-	Dividend received	23,340	
<u>£1,141,152</u>	NET PROFIT	<u>£1,181,183</u>	

This page does not form part of the statutory financial statements