

SUN OIL LIMITED
FINANCIAL STATEMENTS
31ST AUGUST 1998

Company Registration Number 3010238

BHAGANI & CO
Chartered Accountants & Registered Auditors
Station House
11 Masons Avenue
Harrow
Middlesex HA3 5AH



SUN OIL LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31ST AUGUST 1998

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SUN OIL LIMITED

THE DIRECTOR'S REPORT

YEAR ENDED 31ST AUGUST 1998

The director has pleasure in presenting his report and the financial statements of the company for the year ended 31st August 1998.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was general trading.

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The director has not recommended a dividend.

THE DIRECTOR AND HIS INTERESTS IN SHARES OF THE COMPANY

The director who served the company during the year was as follows:

Mr. Raminder Ranger

The company is a wholly owned subsidiary and the interests of group directors are disclosed in the accounts of the parent company.

DIRECTOR'S RESPONSIBILITIES

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the director is required to:

select suitable accounting policies, as described on page 6, 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; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

SUN OIL LIMITED

THE DIRECTOR'S REPORT *(continued)*

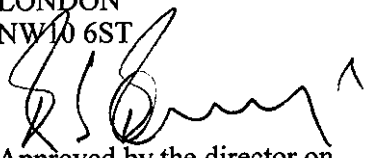
YEAR ENDED 31ST AUGUST 1998

AUDITORS

A resolution to re-appoint Bhagani & Co as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:

UNIT B3
ST LEONARDS ROAD
LONDON
NW10 6ST



Approved by the director on12.12.1998

Signed by order of the director

D. R. Shah.

MR DIVYANSU SHAH
Company Secretary

SUN OIL LIMITED

AUDITORS' REPORT TO THE SHAREHOLDER

YEAR ENDED 31ST AUGUST 1998

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTOR AND THE AUDITORS

As described on page 1, the company's director is responsible for the preparation of the 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 director 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 company's state of affairs as at 31st August 1998 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Station House
11 Masons Avenue
Harrow
Middlesex HA3 5AH


BHAGANI & CO
Chartered Accountants
& Registered Auditors

15 Dec 1998

SUN OIL LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31ST AUGUST 1998

	Note	1998 £	1997 £
TURNOVER	2	1,259,207	150,557
Cost of sales		1,187,051	141,430
GROSS PROFIT		<u>72,156</u>	<u>9,127</u>
Distribution costs		24,040	25,274
Administrative expenses		9,530	2,356
OPERATING PROFIT/(LOSS)	3	<u>38,586</u>	<u>(18,503)</u>
Tax on profit/(loss) on ordinary activities	5	8,103	-
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>30,483</u>	<u>(18,503)</u>
Balance brought forward		(18,503)	-
Balance carried forward		<u>11,980</u>	<u>(18,503)</u>

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

SUN OIL LIMITED**BALANCE SHEET****31ST AUGUST 1998**

	Note	1998		1997	
		£	£	£	£
CURRENT ASSETS					
Stocks	6	60,375		20,155	
Debtors	7	104,893		23,896	
Cash at bank and in hand		10,160		17,989	
		<u>175,428</u>		<u>62,040</u>	
CREDITORS: Amounts falling due within one year	8	<u>(153,448)</u>		<u>(70,543)</u>	
NET CURRENT ASSETS/(LIABILITIES)			21,980		(8,503)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>21,980</u>		<u>(8,503)</u>
CAPITAL AND RESERVES					
Called-up equity share capital	10		10,000		10,000
Profit and loss account	11		11,980		(18,503)
SHAREHOLDER'S FUNDS / (DEFICIENCY)	12		<u>21,980</u>		<u>(8,503)</u>

These financial statements were approved and signed by the director on 12.12.1998



MR. RAMINDER RANGER
Director

SUN OIL LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST AUGUST 1998****1. ACCOUNTING POLICIES****Basis of accounting**

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

Cash flow statement

The director has taken advantage of the exemption in Financial Reporting Standard No 1 from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cashflow statement.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Goodwill

Purchased goodwill is written off immediately against reserves. Goodwill which is generated by the activities of the company is not recognised as an asset in the balance sheet and the associated costs are written off to the profit and loss account when they are incurred.

Stocks

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

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	1998 £	1997 £
United Kingdom	<u>1,259,207</u>	<u>150,557</u>

3. OPERATING PROFIT/LOSS

Operating profit/loss is stated after charging:

	1998 £	1997 £
Director's emoluments	-	-
Auditors' remuneration - as auditors	<u>1,750</u>	<u>1,500</u>

4. PARTICULARS OF EMPLOYEES

No salaries or wages have been paid to employees, including the director, during the year.

SUN OIL LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST AUGUST 1998****5. TAX ON PROFIT/LOSS ON ORDINARY ACTIVITIES**

	1998 £	1997 £
Corporation tax based on the results for the year at 21% (1997 - 21%)	<u>8,103</u>	<u>-</u>

6. STOCKS

	1998 £	1997 £
Stock	<u>60,375</u>	<u>20,155</u>

7. DEBTORS

	1998 £	1997 £
Trade debtors	66,946	23,706
VAT recoverable	4,004	-
Prepayments and accrued income	<u>33,943</u>	<u>190</u>
	<u>104,893</u>	<u>23,896</u>

8. CREDITORS: Amounts falling due within one year

	1998		1997	
	£	£	£	£
Trade creditors		86,045		23,522
Other creditors including taxation and social security:				
Corporation tax	8,103		-	
VAT	-		1,091	
SAL Forwarding Loan	<u>42,742</u>		<u>44,430</u>	
		50,845		45,521
Accruals and deferred income		<u>16,558</u>		<u>1,500</u>
		<u>153,448</u>		<u>70,543</u>

9. RELATED PARTY TRANSACTIONS

Related Party	Relationship	£
Sea Air & Land Forwarding Limited	Ultimate Holding Company	672,427

The company had turnover of £672,427 with Sea Air & Land Forwarding Limited during the year.

SUN OIL LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST AUGUST 1998****10. SHARE CAPITAL****Authorised share capital:**

	1998	1997
	£	£
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

Allotted, called up and fully paid:

	1998	1997
	£	£
Ordinary share capital	<u>10,000</u>	<u>10,000</u>

11. PROFIT AND LOSS ACCOUNT

	1998	1997
	£	£
Balance brought forward	(18,503)	-
Retained profit/(loss) for the financial year	<u>30,483</u>	<u>(18,503)</u>
Balance carried forward	<u>11,980</u>	<u>(18,503)</u>

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	1998	1997
	£	£
Profit/(Loss) for the financial year	30,483	(18,503)
Opening shareholder's equity funds	<u>(8,503)</u>	<u>10,000</u>
Closing shareholder's equity funds	<u>21,980</u>	<u>(8,503)</u>

13. ULTIMATE PARENT COMPANY

The ultimate holding company is Sea Air & Land Forwarding Limited.