EFEL PROCESSING LIMITED

ACCOUNTS FOR THE YEAR ENDED

30TH SEPTEMBER 1994

Company No. 949755

LIEBERMAN & CO
Accountants
189 Regent Street
London W1R 8AT

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COMPANIES HOUSE 30/08/95

EFEL PROCESSING LIMITED

DIRECTORS' REPORT 30TH SEPTEMBER 1994

The directors present their report together with the audited accounts for the year ended 30th September 1994.

PRINCIPAL ACTIVITIES

The principal activities of the company continued to be that of processing plastic materials and property investment.

DIRECTORS AND THEIR INTERESTS

The directors who held office during the year and their interests in the shares of the company were:-

	Ordinary Shares of £1 each	
	1994	1993
SHMAYA LEW	NIL	NIL
SHLOMO LEW	NIL	NIL

Shlomo Lew is a director of the holding company, which is a company limited by guarantee.

CHARITABLE CONTRIBUTIONS

During the year charitable payments of £2,750 (1993 NIL) were made.

This report has been prepared taking advantage of special exemptions applicable to small companies under the Companies Act 1985.

BY ORDER OF THE BOARD

S LEW - Chairman

29 Aug 1995

AUDITORS' REPORT TO THE SHAREHOLDERS OF

EFEL PROCESSING LIMITED

We have audited the accounts on pages 4 to 9 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 7.

Respective Responsibilities Of Directors And Auditors

As described on page 7 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned 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 accounts are free from material misstatement, whether caused by fraud or other irregularity or error. However, the evidence available to us was limited because we did not attend the stock take. There were no other satisfactory audit procedures that we could adopt to confirm that stocks were properly recorded. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Qualified Opinion Arising From Limitation In Audit Scope

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning stocks, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30th September 1994 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

(continued overleaf)

AUDITORS' REPORT TO THE SHAREHOLDERS OF

EFEL PROCESSING LIMITED

In respect alone of the limitation on our work relating to stocks:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether proper records had been maintained.

LIEBERMAN & CO
REGISTERED AUDITORS
189 Regent Street
London
W1R 8AT

29 Aug 1995

EFEL PROCESSING LIMITED

BALANCE SHEET AS AT 30TH SEPTEMBER 1994

	Notes		1994		1993
FIXED ASSETS	4		371,050		118,361
CURRENT ASSETS					
Stock	1b)viii)	131,200		192,000	
Debtors and Prepayments		400,925		289,798	
Cash at Bank and in Hand		518		1,188	
		532,643		482,986	
CREDITORS: amounts falling due within one year	6	55,122		10,295	
Net Current Assets			477,521		472,691
			£ 848,571		£ 591,052
CAPITAL AND RESERVES					
Share Capital	7		10,000		10,000
Revaluation Reserve	8		254,739		-
Capital Reserve			972,139		972,139
Profit and Loss Account			(388,307)		(391,087)
			£ 848,571		£ 591,052

Advantage has been taken of the exemptions conferred by Part I of Schedule 8 of the Companies Act 1985, as in the opinion of the directors, the company is entitled to those exemptions on the basis that it qualifies as a small company.

S LEW - DIRECTOR

29/Aug 1995

EFEL PROCESSING LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 30TH SEPTEMBER 1994

	1994	1993
Profit/(Loss) for the Year	2,780	(925)
Unrealised Surplus on Revaluation of Properties	254,739	-
Total Recognised Gains and Losses Relating to the Year	519,257	(925)

Reconciliation Of Movements In Shareholders' Funds

	Capital Reserve	Revaluation Reserve	Profit & Loss Account	Share Capital	Total
Brought Forward	972,139	-	(391,087)	10,000	591,052
Realised Profits			2,780		2,780
Unrealised Revaluation Surplus		254,739			254,739
Carried Forward	972,139	254,739	(388,307)	10,000	848,571

EFEL PROCESSING LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH SEPTEMBER 1994

	Notes	1994		1993	
		Processing	Property Investment	Processing	Property Investment
Turnover	1 b) ii)	141,885	65,904	194,627	46,491
Costs of Turnover	1 b) iii)	133,686	10,990	175,615	9,254
		8,199	54,914	19,012	37,237
Loss on Disposal of Motor Vehicle		(85)		-	
Distribution Costs		(285)		(1,302)	
			7,829		17,710
			62,743		54,947
Administrative Expenses			54,826		54,761
			7,917		186
Interest on Late Payment of VAT			438		-
Net Profit for the Year	2		7,479		186
Tax on Profit on Ordinary Activities	3		1,949		1,111
			5,530		(925)
Payment under Deed of Covenant			2,750		-
Net Profit for the Year			2,780		(925)
Balance Brought Forward			(391,087)		(390,162)
Balance Carried Forward			(388,307)		(391,087)

EFEL PROCESSING LIMITED

NOTES TO THE ACCOUNTS

30TH SEPTEMBER 1994

1 BASIS OF PREPARATION OF THE ACCOUNTS

a) Statement of directors' responsibility for preparing the accounts.

The directors are required by law to prepare financial statements for each financial period 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 the profit or loss for that period.

The directors confirm that appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made, in the preparation of the accounts for the year ended 30th September 1994. The directors also confirm that applicable accounting standards have been followed.

The directors are responsible for maintaining adequate accounting records, for safeguarding the assets of the company and for taking reasonable steps to prevent and detect fraud and other irregularities.

b) Accounting convention and policies.

i) The accounts have been prepared under the historical cost convention as modified by the revaluation of certain assets.

ii) Turnover represents net amounts invoiced and all rents and similar charges receivable.

iii) Costs of Turnover represents all expenses directly attributable to the turnover.

iv) Land and Buildings have been revalued at market value by the directors as at the year end.

v) Depreciation is charged on Machinery and Fixtures at 15% per annum by the reducing balance method. This is calculated to reduce the value of the assets over their useful lives to their residual values.

vi) All activities were continuing.

vii) No tax has been credited in respect of the transfer to revaluation reserve.

viii) Stocks have been valued at the lower of cost and net realisable value.

EFEL PROCESSING LIMITED

NOTES TO THE ACCOUNTS

30TH SEPTEMBER 1994

2 NET PROFIT FOR THE YEAR		1994	1993
This is stated after charging:-			
Auditors Remuneration		800	700
Depreciation		1,965	2,150
Directors Remuneration		11,500	11,500
3 TAXATION			
Income Tax @ 25%		917	510
Corporation Tax @ 25%		950	601
Interest on Overdue Tax		82	-
		1,949	1,111
4 TANGIBLE ASSETS			
Land and Buildings - at Cost		105,261	105,261
- at Valuation		360,000	
Machinery, Fixtures & Motor Vehicle			
- Cost Brought Forward	133,474		
Disposals	12,440		
Cost Carried Forward	121,034		
Depreciation Brought Forward	120,374		
Charge for the Year	1,950		
Adjustment for Disposals	(12,340)		
Carried Forward	109,984		
- Net Book Value		11,050	13,100
		371,050	118,361
5 DEBTORS AND PREPAYMENTS			
Trade Debtors		260,996	156,380
Sundry Debtors and Prepayments		139,929	133,418
		400,925	289,798

EFEL PROCESSING LIMITED

NOTES TO THE ACCOUNTS

30TH SEPTEMBER 1994

	1994	1993
6 CREDITORS: amounts falling due within one year		
Bank Overdraft	11,870	-
Trade Creditors	14,478	-
Amounts Owed to Group Companies	15,500	-
Tax (including Social Security)	9,479	1,191
Other Creditors and Accruals	3,795	9,104
	55,122	10,295
7 SHARE CAPITAL		
Authorise, Issued and Fully Paid Up 10,000 £1 Ordinary Shares	10,000	10,000
8 REVALUATION RESERVE		
Cost of Freehold Property	105,261	-
Revaluation	360,000	-
	254,739	-

9 The ultimate holding company is Amskill Limited, a company limited by guarantee and incorporated in England and Wales.