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Report of the Director and
Unaudited Financial Statements for the Year Ended 31 July 2006
for
Panally Limited

TUESDAY



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Panally Limited

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for the Year Ended 31 July 2006**

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Panally Limited

Company Information
for the Year Ended 31 July 2006

DIRECTOR	G Avakyan
SECRETARY:	R Shahlo
REGISTERED OFFICE:	48 Queen Anne Street London W1G 9JJ
REGISTERED NUMBER:	5193074 (England and Wales)
ACCOUNTANTS:	S H Landes LLP 5th Floor Walmar House 288 Regent Street London W1B 3AL
BANKERS	AS AIZKRAUKLES BANKA Elizabetes iela 23 Riga LV 1010 Latvija

Panally Limited

**Report of the Director
for the Year Ended 31 July 2006**

The director presents her report with the financial statements of the company for the year ended 31 July 2006

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of acting as agent for the supply of sugar and holding of the shares in companies in Uzbekistan

DIRECTOR

G Avakyan was the sole director during the year under review

The director holding office at 31 July 2006 did not hold any beneficial interest in the issued share capital of the company at 1 August 2005 or 31 July 2006

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the financial statements in accordance with applicable law and regulations

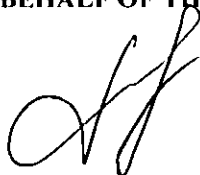
Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these financial statements, the director is 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 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 her to ensure that the financial statements comply with the Companies Act 1985. She 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.

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 Shahlo - Secretary

17 August 2007

Panally Limited

Profit and Loss Account
for the Year Ended 31 July 2006

		Year Ended 31 7 06 \$	Period 29 7 04 to 31 7 05 \$
TURNOVER	2	36,890	-
Administrative expenses		30 683	-
		<u>6,207</u>	-
Other operating income		52 682	-
OPERATING PROFIT	3	58 889	-
Interest receivable and similar income		172	-
		<u>59 061</u>	-
Interest payable and similar charges	4	12 867	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		46,194	-
Tax on profit on ordinary activities	5	10 536	-
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>35,658</u>	-

The notes form part of these financial statements

Panally Limited

Balance Sheet

31 July 2006

	Notes	31 7 06 \$	\$	31 7 05 \$	\$
FIXED ASSETS					
Investments	6		451 000		-
Investment property	7		74 181		-
			<u>525 181</u>		<u>-</u>
CURRENT ASSETS					
Debtors	8	847 353		4	
Cash at bank		51 023		-	
		<u>898,376</u>		<u>4</u>	
CREDITORS					
Amounts falling due within one year	9	1 387,895		-	
		<u>1 387,895</u>		<u>-</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>(489,519)</u>		<u>4</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>35,662</u>		<u>4</u>
CAPITAL AND RESERVES					
Called up share capital	10		4		4
Profit and loss account	11		35,658		-
			<u>35,662</u>		<u>4</u>
SHAREHOLDERS' FUNDS			<u>35,662</u>		<u>4</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 July 2006

The members have not required the company to obtain an audit of its financial statements for the year ended 31 July 2006 in accordance with Section 249B(2) of the Companies Act 1985

The director acknowledges her responsibilities for

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) 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 January 2005)

The financial statements were approved by the director on 17 August 2007 and were signed by



G Avakyan - Director

The notes form part of these financial statements

Panally Limited

Notes to the Financial Statements
for the Year Ended 31 July 2006

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 January 2005)

The financial statements are expressed in US Dollars

Going concern

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The basis is dependent upon continued support of the ultimate controlling party. The ultimate controlling party has agreed to provide financial support to the company and its subsidiary for a period of at least twelve months from the date of approval of the financial statements.

Exemption from preparing consolidated financial statements

The financial statements contain information about Panally Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 248 of the Companies Act 1985 from the requirements to prepare consolidated financial statements.

Turnover

Turnover represents net invoiced sales of services excluding value added tax.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into US dollars at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into US dollars at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Investments

Investment in subsidiary is stated at cost less any provision for impairment.

2 TURNOVER

During the year under review Panally Limited supplied the food in the agency capacity as follow

	2006	2005
Gross value of sales throughput	\$3 913,500	\$Nil
Gross value of purchases throughput	\$3 689 000	\$Nil

Panally Limited the agent charges Takilant Limited, the principal 1% commissions based on the total contract value

In the opinion of the director 100% of turnover is attributable to markets outside the UK

Panally Limited

Notes to the Financial Statements - continued
for the Year Ended 31 July 2006

3 OPERATING PROFIT

The operating profit is stated after charging

	Year Ended 31 7 06 \$	Period 29 7 04 to 31 7 05 \$
Director's emoluments and other benefits etc	4,800	-

4 INTEREST PAYABLE AND SIMILAR CHARGES

Interest payable and similar charges includes the following

	Year Ended 31 7 06 \$	Period 29 7 04 to 31 7 05 \$
Loan interest payable	12,867	-

5 TAXATION

Analysis of the tax charge

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

	Year Ended 31 7 06 \$	Period 29 7 04 to 31 7 05 \$
Current tax		
Foreign withholding tax	10,536	-
Tax on profit on ordinary activities	10 536	-

6 FIXED ASSET INVESTMENTS

	Shares in group undertakings \$
COST	
Additions	451 000
At 31 July 2006	451 000
NET BOOK VALUE	
At 31 July 2006	451.000

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2006**

6 FIXED ASSET INVESTMENTS - continued

The company's investments at the balance sheet date in the share capital of companies include the following

JV "ASIA RIANTA"

Country of incorporation Uzbekistan

Nature of business Duty Free shop

	%	
Class of shares	holding	
Ordinary	51 00	31 12 05
		\$
Aggregate capital and reserves		646,173
Profit for the year		<u>86 776</u>

OJSC "ACICFRU"

Country of incorporation Uzbekistan

Nature of business Clothing manufacture

	%	
Class of shares	holding	
Ordinary	96 89	31 12 05
		\$
Aggregate capital and reserves		173 673
Profit for the year		<u>14,872</u>

FLLC "ASKLEPIY"

Country of incorporation Unknown

Nature of business Distributor of pharmaceutical products

	%	
Class of shares	holding	
Ordinary	50 00	31 12 05
		\$
Aggregate capital and reserves		658 129
Profit for the year		<u>75 396</u>

7 INVESTMENT PROPERTY

COST

Additions	<u>74 181</u>
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At 31 July 2006	<u>74 181</u>
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NET BOOK VALUE

At 31 July 2006	<u><u>74 181</u></u>
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Panally Limited

Notes to the Financial Statements - continued
for the Year Ended 31 July 2006

8	DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR			31 7 06	31 7 05
				\$	\$
	Trade debtors			7,353	-
	Amounts owed by group undertakings			-	4
	Prepayments and accrued income			840,000	-
				<u>847,353</u>	<u>4</u>
9	CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR			31 7 06	31 7 05
				\$	\$
	Amounts owed to group undertakings			1 377,665	-
	Tax			1 471	-
	Accruals and deferred income			8,759	-
				<u>1 387,895</u>	<u>-</u>
10	CALLED UP SHARE CAPITAL				
	Authorised				
	Number	Class	Nominal value	31 7 06	31 7 05
				£	£
	1 000	Ordinary	£1	<u>1 000</u>	<u>1 000</u>
	Allotted issued and fully paid				
	Number	Class	Nominal value	31 7 06	31 7 05
				\$	\$
	2	Ordinary	£1	<u>4</u>	<u>4</u>
11	RESERVES				Profit and loss account
					\$
	Profit for the year				<u>35,658</u>
	At 31 July 2006				<u>35 658</u>
12	ULTIMATE PARENT COMPANY				

The company's immediate holding company is Takilant Limited a company incorporated in Gibraltar. There is no legal requirement for the immediate parent entity to prepare consolidated financial statements.

Panally Limited

Notes to the Financial Statements - continued
for the Year Ended 31 July 2006

13 RELATED PARTY DISCLOSURES

Included in creditors due within one year are the following balances due to related party

	2006	2005
Takilant Limited	\$1,377 665	\$Nil

During the year the company received loans totalling \$551,220 from Takilant Limited

During the year the company was charged interest of \$12 867 (2005 \$Nil) by Takilant Limited in respect of the above loan

The above company is related party due to being the company's holding entity

The company provided rental services to FLLC "ASKLEPIY" to the value of \$12,364 on normal commercial terms
At the balance sheet date the amount due to the company was \$5,299

The above company is related party due to being the company's subsidiary

14 ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Ms G Avakyan by virtue of 100% shareholdings in issued share capital of the holding company

Chartered Accountants' Report to the Director
on the Unaudited Financial Statements of
Panally Limited

In accordance with our terms of engagement and in order to assist you to fulfil your duties under the Companies Act 1985 we have compiled the financial statements of the company for the year ended 31 July 2006 which comprise the Profit and Loss Account the Balance Sheet and the related notes from the accounting records and information and explanations you have given to us

This report is made to the company's director as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the company's director that we have done so, and state those matters that we have agreed to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the company and the company's director as a body for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England & Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the Balance Sheet as at 31 July 2006 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not therefore express any opinion on the financial statements.



S H Landes LLP
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17 August 2007

This page does not form part of the statutory financial statements