

REGISTRAR'S COPY

COMPANY NUMBER 1200465

**INPROJEX INTERNATIONAL (U.K.) LIMITED**

**Financial Statements**

**Year ended  
31 March 1997**



# **INPROJEX INTERNATIONAL (U.K.) LIMITED**

**Annual Report and Financial Statements for the Year ended 31 March 1997**

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## **DIRECTORS**

G. Rime  
F. Paulus  
B. Abbou

## **SECRETARY AND REGISTERED OFFICE**

B. J. Jackson  
35 Old Queen Street  
London  
SW1

## **COMPANY NUMBER**

1200465

## **AUDITORS**

BDO Stoy Hayward  
Willoughby House  
439 Richmond Road  
Nr Richmond Bridge  
Middlesex  
TW1 2HA

# **INPROJEX INTERNATIONAL (U.K.) LIMITED**

## **DIRECTORS' REPORT** **Year ended 31 March 1997**

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The directors submit their report together with the audited financial statements for the year ended 31 March 1997.

### **RESULTS AND DIVIDENDS**

The profit and loss account is set out on page 4 and shows the profit for the year.

The directors do not recommend the payment of a dividend.

### **PRINCIPAL ACTIVITIES**

During the year the company continued trading as exporters and importers and as U.K. agents for the parent company.

### **REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS**

The directors consider the results for the year to be satisfactory, the company's agents in Nigeria having won a substantial contract of approximately US \$5.5 million from Port Harcourt Refining Company for the overhaul and supply of spares for their steam turbines to be carried out over the next 1-3 years, funds for which have been received in advance - Inprojex benefiting with the supply of spares and manpower over that period. The company also has plans to extend its markets to the CIS states of Uzbekistan and Azerbaijan having visited these countries and established contacts as well as taking part in a DTI sponsored "Festival of Britain" in Uzbekistan from 5 - 12 October 1997 promoting products and services. There have been no events since the balance sheet date which materially affect the position of the company.

### **DIRECTORS**

The directors who served during the year were as follows:

G. Rime  
F. Paulus  
B. Abbou

No director had any interest in the share capital of the company.

### **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 steps for the prevention and detection of fraud and other irregularities.

**INPROJEX INTERNATIONAL (U.K.) LIMITED**

**DIRECTORS' REPORT (continued)**

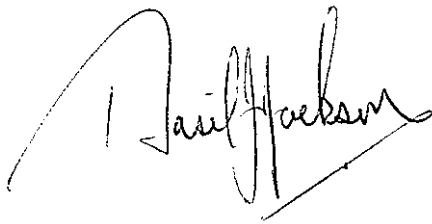
**Year ended 31 March 1997**

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**AUDITORS**

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the board

A handwritten signature in black ink, appearing to read 'B. J. Jackson', with a large, sweeping initial 'B'.

**B. J. JACKSON**  
Secretary

Date: 21 January 1998

# INPROJEX INTERNATIONAL (U.K.) LIMITED

## REPORT OF THE AUDITORS

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To the members of Inprojex International (U.K.) Limited

We have audited the financial statements on pages 4 to 11 which have been prepared under the accounting policies set out on page 7.

### *Respective responsibilities of directors and auditors*

As described on page 1 the company's directors are 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 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 March 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**BDO STOY HAYWARD**

*Chartered Accountants and Registered Auditors*

**RICHMOND UPON THAMES**

Date: 29 January 1998

**INPROJEX INTERNATIONAL (U.K.) LIMITED****PROFIT AND LOSS ACCOUNT**

Year ended 31 March 1997

	Note	1997 £	1996 £
<b>TURNOVER</b>	2	2,063,690	928,327
Cost of sales		1,436,349	666,657
<b>GROSS PROFIT</b>		627,341	261,670
Selling and distribution costs		292,368	132,911
Administrative expenses		283,745	251,932
		51,228	(123,173)
Other operating income	3	68,191	104,404
Exchange (losses)/gains in respect of cash balances		(19,080)	62,413
<b>OPERATING PROFIT</b>	4	100,339	43,644
Interest payable		(12,486)	-
Interest receivable		46,938	58,724
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		134,791	102,368
Taxation on profit on ordinary activities	6	34,530	26,727
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		100,261	75,641
Retained profit brought forward		482,748	407,107
<b>RETAINED PROFIT CARRIED FORWARD</b>		583,009	482,748

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

There are no movements on shareholders' funds apart from the profit for the year.

The notes on pages 7 to 11 form part of these financial statements.

**INPROJEX INTERNATIONAL (U.K.) LIMITED**

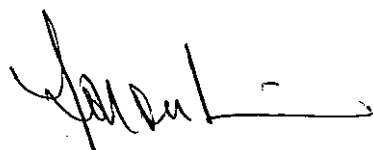
**BALANCE SHEET**

**31 March 1997**

	Note	1997	1996
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	7	16,733	9,948
<b>CURRENT ASSETS</b>			
Stocks	8	180,949	-
Debtors	9	909,990	257,340
Cash at bank and in hand		3,525,997	681,251
		<u>4,616,936</u>	<u>938,591</u>
<b>CREDITORS: amounts falling due within one year</b>	10	<u>4,000,660</u>	<u>415,791</u>
<b>NET CURRENT ASSETS</b>		<u>616,276</u>	<u>522,800</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>633,009</u>	<u>532,748</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	50,000	50,000
Profit and loss account		583,009	482,748
<b>SHAREHOLDERS' FUNDS</b>		<u>633,009</u>	<u>532,748</u>

All shareholders' funds are in respect of equity interests.

These financial statements were approved by the board and signed on its behalf by:



**F D PAULUS**  
Director

Date of approval:

21ST JANUARY 1998

The notes on pages 7 to 11 form part of these financial statements.

**INPROJEX INTERNATIONAL (U.K.) LIMITED**

**CASH FLOW STATEMENT**

Year ended 31 March 1997

	Note	1997	1996
		£	£
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	13(a)	2,853,624	(526,202)
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Interest paid		(12,486)	
Interest received		46,938	58,724
<b>NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		34,452	58,724
<b>TAXATION</b>			
UK corporation tax		(26,727)	(36,601)
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>			
Purchase of tangible fixed assets		(16,603)	(308)
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENTS</b>		(16,603)	(308)
<b>NET CASH INFLOW/(OUTFLOW) BEFORE USE OF LIQUID RESOURCES AND FINANCING</b>		2,844,746	(504,387)
<b>MANAGEMENT OF LIQUID RESOURCES</b>			
Cash transferred into other bank deposits		(1,528,684)	117,969
<b>INCREASE/(DECREASE) IN CASH</b>	13(c)	1,316,062	(386,418)



NOTES ON THE FINANCIAL STATEMENTS

31 March 1997

1 ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

**Turnover**

Turnover represents sales to outside customers at invoiced amount.

**Depreciation**

Depreciation is provided to write off the cost less estimated residual values, of all fixed assets, evenly over their expected useful lives. It is calculated at the following rates:

Short leasehold property and improvements to leaseholds	-	over length of lease
Fixtures, fittings and equipment	-	10% per annum
Motor vehicles	-	25% per annum
Computer equipment	-	25% per annum

**Stock**

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

**Leased assets**

Rentals paid under "operating leases" are charged to the profit and loss account on a straight line basis over the term of the lease.

**Foreign currency transactions**

Foreign currency transactions are translated at the rates ruling on the date of the transaction. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. All exchange gains or losses are taken to the profit and loss account.

2 TURNOVER

Turnover is wholly attributable to the principal activity of the company and derived from sales in:

	1997 £	1996 £
Africa	1,974,858	769,421
Europe	88,832	158,906
	<u>2,063,690</u>	<u>928,327</u>

**INPROJEX INTERNATIONAL (U.K.) LIMITED****NOTES ON THE FINANCIAL STATEMENTS (continued)****31 March 1997****3 OTHER OPERATING INCOME**

	1997 £	1996 £
Fees receivable	48,191	84,404
Fees receivable from holding company	20,000	20,000
	<u>68,191</u>	<u>104,404</u>

**4 OPERATING PROFIT**

Is stated after charging:

Depreciation	9,818	4,632
Auditors' remuneration	9,659	9,050
Directors' emoluments	51,289	45,745
Exchange loss/(gain) trading	15,414	(10,440)
Exchange loss/(gain) on cash balances	19,080	(62,413)
	<u>95,250</u>	<u>(13,426)</u>

**5 EMPLOYEES**

Staff costs (excluding directors) consist of:

Wages and salaries	78,627	76,137
Social security costs	11,738	10,990
	<u>90,365</u>	<u>87,127</u>

The average monthly number of employees during the year was 5 (1996: 4) .

**6 TAXATION**

	1997 £	1996 £
UK corporation tax	<u>34,530</u>	<u>26,727</u>

# INPROJEX INTERNATIONAL (U.K.) LIMITED

## NOTES ON THE FINANCIAL STATEMENTS (continued) 31 March 1997

### 7 TANGIBLE FIXED ASSETS

	Short leasehold property £	Fixtures, fittings and equipment £	Motor vehicles £	Computer equipment £	Total £
<b>Cost</b>					
At 1 April 1996	5,999	33,572	18,847	16,903	75,321
Additions	-	555	-	16,048	16,603
At 31 March 1997	5,999	34,127	18,847	32,951	91,924
<b>Depreciation</b>					
At 1 April 1996	3,992	28,684	18,847	13,850	65,373
Charge for the year	308	3,413	-	6,097	9,818
At 31 March 1997	4,300	32,097	18,847	19,947	75,191
<b>Net Book Value</b>					
At 31 March 1997	1,699	2,030	-	13,004	16,733
At 31 March 1996	2,007	4,888	-	3,053	9,948

### 8 STOCKS

	1997 £	1996 £
Finished goods and goods held for resale	180,949	-

The replacement value of stocks is not significantly different from cost.

### 9 DEBTORS

Trade debtors	851,375	246,196
Amounts due from parent undertaking	42,810	5,459
Other debtors	15,805	5,685
	909,990	257,340

# INPROJEX INTERNATIONAL (U.K.) LIMITED

## NOTES ON THE FINANCIAL STATEMENTS (continued) 31 March 1997

### 10 CREDITORS: Amounts falling due within one year

	1997 £	1996 £
Trade creditors	468,171	125,681
Corporation Tax	34,530	26,727
Other creditors	3,478,911	244,408
Accruals and deferred income	19,048	18,975
	<u>4,000,660</u>	<u>415,791</u>

### 11 SHARE CAPITAL

Authorised, allotted, called up and fully paid 50,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
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### 12 COMMITMENTS UNDER OPERATING LEASES

As at 31 March 1997 the company had annual commitments under non-cancellable operating leases for land and buidings of £15,000 (1996: £15,000 ) expiring in more than five years.

### 13 NOTES ON THE CASH FLOW STATEMENT

#### a) Reconciliation of operating profit to net cash inflow from operting activities

	1997 £	1996 £
Operating profit	100,339	43,644
Depreciation charges	9,818	4,632
(Increase)/decrease in stock and work in progress	(180,949)	32,003
(Increase)/decrease in debtors	(615,299)	318,278
Increase/(decrease) in creditors	3,577,066	(921,512)
Increase in amounts due from group undertakings	(37,351)	(3,247)
	<u>2,853,624</u>	<u>(526,202)</u>

**INPROJEX INTERNATIONAL (U.K.) LIMITED**

**NOTES ON THE FINANCIAL STATEMENTS (continued)**  
**31 March 1997**

**13 NOTES ON THE CASH FLOW STATEMENT (continued)**

<b>b) Reconciliation of net cash flow to movement in net funds</b>		<b>1997</b>
		<b>£</b>
Increase in cash in the period		1,316,062
Cash outflow from increase in liquid resources		1,528,684
Change in net funds resulting from cash flows		2,844,746
Net funds at 1 April 1996		681,251
Net funds at 31 March 1997		3,525,997

<b>c) Analysis of changes in net funds</b>		<b>Opening balance £</b>	<b>Cashflow £</b>	<b>Closing balance £</b>
Cash in hand and at bank		434,969	1,316,062	1,751,031
Other bank deposits		246,282	1,528,684	1,774,966
Total		681,251	2,844,746	3,525,997

**14 ULTIMATE PARENT COMPANY**

The ultimate parent company is Inprojex - Establishment - Industrial Projects and Export Promotion, which is incorporated in Liechtenstein.

**15 CONTINGENT LIABILITIES**

The company has guaranteed possible claims of its customers arising as a result of the improper fulfilment of the company's contractual obligations. At 31 March 1997 the amount of the guarantees was £12,223.