

**REGISTRAR'S COPY**

**COMPANY NUMBER** 1200465

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

**Report and Financial Statements**

**Year ended  
31 March 1999**



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

**Annual report and financial statements for the year ended 31 March 1999**

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## **DIRECTORS**

G. Rime  
F. D. Paulus  
B. A. 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 1999**

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The directors submit their report together with the audited financial statements for the year ended 31 March 1999.

### **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. 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. D. Paulus  
B. A. Abbou

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

### **DONATIONS**

The company made charitable donations of £3,082 during the year.

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

## **DIRECTORS' REPORT (continued)**

**Year ended 31 March 1999**

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### **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.

### **YEAR 2000 COMPLIANCE**

The directors have previously reported on the programme that was established during 1999 to address the impact of the Year 2000 on our business. They can confirm that the company achieved an acceptable state of readiness. No material adverse effects on the company's operations or financial results arose from Year 2000 compliance failures, either within the company itself or at third parties.

The directors do not consider that any significant residual risks, uncertainties or liabilities to third parties remain as a result of the Year 2000 issue and do not anticipate further material expenditure on system modifications.

### **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.

On behalf of the Board



**G. RIME**  
Director

Date:

*28 January 2000*

# **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 12 which have been prepared under the accounting policies set out on page 7.

#### *Respective responsibilities of directors and auditors*

As described on page 2 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.

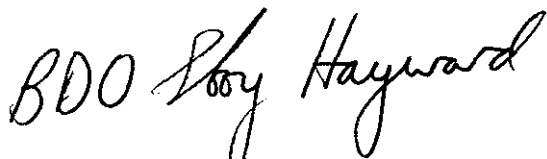
#### *Basis of opinion*

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 1999 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: 31<sup>st</sup> January 2000

**INPROJEX INTERNATIONAL (U.K.) LIMITED****PROFIT AND LOSS ACCOUNT****Year ended 31 March 1999**

	Note	1999 £	1998 £
<b>TURNOVER</b>	2	4,069,626	3,331,186
Cost of sales		2,720,395	2,435,440
<b>GROSS PROFIT</b>		1,349,231	895,746
Selling and distribution costs		594,541	431,385
Administrative expenses		469,032	396,422
		285,658	67,939
Other operating income	3	66,097	85,708
<b>OPERATING PROFIT</b>	4	351,755	153,647
Interest payable		(45,645)	(137,253)
Interest receivable		177,321	187,072
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		483,431	203,466
Taxation on profit on ordinary activities	7	(146,724)	(53,000)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		336,707	150,466
Retained profit brought forward		733,475	583,009
<b>RETAINED PROFIT CARRIED FORWARD</b>		1,070,182	733,475

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 12 form part of these financial statements.

**INPROJEX INTERNATIONAL (U.K.) LIMITED****BALANCE SHEET****31 March 1999**

	Note	1999	1998
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	8	13,103	13,701
<b>CURRENT ASSETS</b>			
Stocks	9	83,989	204,868
Debtors	10	1,683,221	123,768
Cash at bank and in hand		2,072,464	3,492,322
		<u>3,839,674</u>	<u>3,820,958</u>
<b>CREDITORS: amounts falling due within one year</b>	11	<u>2,732,595</u>	<u>3,051,184</u>
<b>NET CURRENT ASSETS</b>		<u>1,107,079</u>	<u>769,774</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,120,182</u>	<u>783,475</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	50,000	50,000
Profit and loss account		1,070,182	733,475
<b>SHAREHOLDERS' FUNDS</b>		<u>1,120,182</u>	<u>783,475</u>

All shareholders' funds are in respect of equity interests.

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



**G. RIME**  
Director

Date of approval:

28 January 2000

# INPROJEX INTERNATIONAL (UK) LIMITED

## CASH FLOW STATEMENT

31 March 1999

	Note	1999 £	1998 £
<b>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>	14(a)	(1,818,076)	(65,676)
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Interest paid		(45,645)	(137,253)
Interest received		177,321	187,072
<b>NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		131,676	49,819
<b>TAXATION - UK corporation tax paid</b>		(53,000)	(34,530)
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>			
Purchase of tangible fixed assets		(6,404)	(6,866)
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENTS</b>		(6,404)	(6,866)
<b>NET CASH OUTFLOW BEFORE USE OF LIQUID RESOURCES AND FINANCING</b>		(1,745,804)	(57,253)
<b>MANAGEMENT OF LIQUID RESOURCES</b>			
Short term deposits		1,493,740	(1,441,942)
<b>DECREASE IN CASH</b>	14(b)	(252,064)	(1,499,195)

## RECONCILIATION OF NET CASH OUTFLOW TO MOVEMENT IN NET FUNDS

	1999 £	1998 £
Decrease in cash in the period	(252,064)	(1,499,195)
Cash outflow from increase in liquid resources	(1,493,740)	1,441,942
<b>Change in net funds resulting from cash flows</b>	(1,745,804)	(57,253)
Net funds at 1 April	3,468,744	3,525,997
Net funds at 31 March	1,722,940	3,468,744

The notes on pages 7 to 12 form part of these financial statements.



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

## **NOTES ON THE FINANCIAL STATEMENTS**

**31 March 1999**

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### **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 external customers at invoiced amounts less value added tax on sales.

#### **Depreciation**

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

Short leasehold property and improvements to leasehold	-	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.

#### **Deferred taxation**

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, to the extent that it is probable that a liability or asset will crystallise.

# INPROJEX INTERNATIONAL (U.K.) LIMITED

## NOTES ON THE FINANCIAL STATEMENTS (continued) 31 March 1999

### 2 TURNOVER

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

	1999 £	1998 £
Africa	3,897,989	3,331,186
Europe	81,460	-
Japan	90,177	-
	<u>4,069,626</u>	<u>3,331,186</u>

### 3 OTHER OPERATING INCOME

Fees receivable	46,097	65,708
Fees receivable from holding company	20,000	20,000
	<u>66,097</u>	<u>85,708</u>

### 4 OPERATING PROFIT

Is stated after charging:

Depreciation	7,002	9,898
Auditors' remuneration	14,144	8,500
Exchange losses	37,836	34,060
Operating lease rentals - other	14,460	15,602
	<u></u>	<u></u>

### 5 DIRECTORS' EMOLUMENTS

Directors' emoluments	<u>105,174</u>	<u>79,907</u>
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### 6 EMPLOYEES

Staff costs (excluding directors) consist of:

Wages and salaries	146,303	112,332
Social security costs	15,580	15,485
	<u>161,883</u>	<u>127,817</u>

The average monthly number of employees during the year was 8 (1998: 6), including executive directors.

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

**NOTES ON THE FINANCIAL STATEMENTS (continued)**  
**31 March 1999**

**7 TAXATION**

	1999 £	1998 £
UK corporation tax	146,724	53,000

**8 TANGIBLE FIXED ASSETS**

	Short leasehold property £	Fixtures, fittings and equipment £	Motor vehicles £	Computer equipment £	Total £
<b>Cost</b>					
At 1 April 1998	5,999	37,586	18,847	36,358	98,790
Additions	-	786	-	5,618	6,404
At 31 March 1999	5,999	38,372	18,847	41,976	105,194
<b>Depreciation</b>					
At 1 April 1998	4,608	35,856	18,847	25,778	85,089
Charge for the year	308	425	-	6,269	7,002
At 31 March 1999	4,916	36,281	18,847	32,047	92,091
<b>Net book value:</b>					
At 31 March 1999	1,083	2,091	-	9,929	13,103
At 31 March 1998	1,391	1,730	-	10,580	13,701

**9 STOCKS**

	1999 £	1998 £
Finished goods and goods held for resale	83,989	204,868

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

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

## **NOTES ON THE FINANCIAL STATEMENTS (continued)**

**31 March 1999**

### **10 DEBTORS**

**Amounts receivable within one year:**

	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Trade debtors	1,634,945	111,935
Other debtors	48,276	11,833
	<u>1,683,221</u>	<u>123,768</u>

### **11 CREDITORS**

**Amounts falling due within one year:**

Bank overdrafts	349,524	23,578
Trade creditors	1,345,666	98,238
Corporation tax	146,724	53,000
Other creditors	823,469	2,820,876
Accruals and deferred income	51,955	43,156
Amount due to parent undertaking	15,257	12,336
	<u>2,732,595</u>	<u>3,051,184</u>

### **12 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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### **13 COMMITMENTS UNDER OPERATING LEASES**

As at 31 March 1999 the company had annual commitments under non-cancellable operating leases for land and buildings of £15,000 (1998: £15,000 ) expiring in between two and five years.

**INPROJEX INTERNATIONAL (U.K.) LIMITED****NOTES ON THE FINANCIAL STATEMENTS (continued)**  
**31 March 1999****14 NOTES ON THE CASH FLOW STATEMENT****a) Reconciliation of operating profit to net cash outflow  
from operating activities**

	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Operating profit	351,755	153,647
Depreciation charges	7,002	9,898
Decrease/(increase) in stock and work in progress	120,879	(23,919)
(Increase)/decrease in debtors	(1,559,453)	743,412
Decrease in creditors	(741,180)	(1,003,860)
Change in amounts due from group undertakings	2,921	55,146
	<u>(1,818,076)</u>	<u>(65,676)</u>

**b) Analysis of changes in net funds**

	<b>Opening balance</b>	<b>Cashflow</b>	<b>Closing balance</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash in hand and at bank	401,415	73,882	475,297
Overdrafts	(23,578)	(325,946)	(349,524)
	<u>377,837</u>	<u>(252,064)</u>	<u>125,773</u>
Other bank deposits	3,090,907	(1,493,740)	1,597,167
Total	<u>3,468,744</u>	<u>(1,745,804)</u>	<u>1,722,940</u>

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

**NOTES ON THE FINANCIAL STATEMENTS (continued)**

**31 March 1999**

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**15 RELATED PARTY TRANSACTIONS**

The company owed £15,257 to the parent undertaking at 31 March 1999 (1998: £12,336). The company received a fee of £20,000 from the parent undertaking for management services during the year.

**16 ULTIMATE PARENT COMPANY**

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