



**Inprojex International (UK) Limited**

Report and Financial Statements

Year Ended

31 March 2003



**BDO**  
BDO Stoy Hayward  
Chartered Accountants

**Inprojex International (UK) Limited**

**Annual report and financial statements for the year ended 31 March 2003**

---

**Contents**

**Page:**

1	Report of the directors
3	Report of the independent auditors
5	Profit and loss account
6	Statement of total recognised gains and losses
7	Balance sheet
8	Cash flow statement
9	Notes forming part of the financial statements

---

**Directors**

Mrs M. Rime  
Mr G. Rime  
Mr B. A. Abbou

**Secretary and registered office**

C H Registrars Limited, 35 Old Queen Street, London SW1H 9JD

**Company number**

1200465

**Auditors**

BDO Stoy Hayward LLP, Emerald House, East Street, Epsom Surrey, KT17 1HS

## **Inprojex International (UK) Limited**

### **Report of the directors for the year ended 31 March 2003**

---

The directors present their report together with the audited financial statements for the year ended 31 March 2003.

#### **Results and dividends**

The profit and loss account is set out on page 5 and shows the loss for the year.

#### **Principal activities, review of business and future developments**

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

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 of the company during the year were:

Mrs M. Rime  
Mr G. Rime  
Mr B. A. Abbou

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

#### **Donations**

The company made charitable donations of £500 (2002: £1,350) during the year.

#### **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 year. 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; and
- 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.

**Inprojex International (UK) Limited**

**Report of the directors for the year ended 31 March 2003 (*Continued*)**

---

**Auditors**

On 31 December 2003, BDO Stoy Hayward, the company's auditors, transferred its business to BDO Stoy Hayward LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. Accordingly BDO Stoy Hayward resigned as auditors on that date and the directors appointed BDO Stoy Hayward LLP as its successor. A resolution to re-appoint BDO Stoy Hayward LLP as auditors will be proposed at the next annual general meeting.

**On behalf of the board**

Mr B. A. Abbou



**Director**

Date: 29-04-2004

## **Inprojex International (UK) Limited**

### **Report of the independent auditors**

---

#### **To the shareholders of Inprojex International (UK) Limited**

We have audited the financial statements of Inprojex International (UK) Limited for the year ended 31 March 2003 on pages 5 to 19 which have been prepared under the accounting policies set out on pages 9 to 10.

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

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

#### *Basis of audit opinion*

We conducted our audit in accordance with United Kingdom 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.

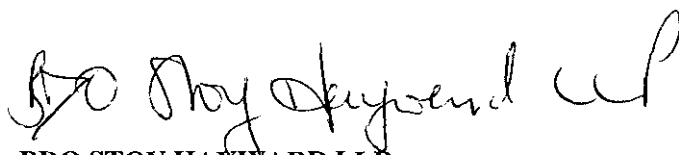
**Inprojex International (UK) Limited**

**Report of the independent auditors (*Continued*)**

---

*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 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**BDO STOY HAYWARD LLP**

*Chartered Accountants  
and Registered Auditors  
Epsom*

Date: 29 April 2004

**Inprojex International (UK) Limited**

**Profit and loss account for the year ended 31 March 2003**

	Note	2003 £	2002 As restated £
<b>Turnover</b>	2	<b>1,834,875</b>	1,003,167
Cost of sales		<u>1,377,534</u>	<u>713,109</u>
<b>Gross profit</b>		<b>457,341</b>	290,058
Distribution costs		<b>169,589</b>	70,351
Administrative expenses		<b>455,239</b>	431,414
		<u>(167,487)</u>	<u>(211,707)</u>
Other operating income		<u>20,000</u>	<u>20,000</u>
<b>Operating loss</b>	3	<b>(147,487)</b>	(191,707)
Loss on disposal of fixed assets	5	<b>(6,958)</b>	(68,129)
		<u>(154,445)</u>	<u>(259,836)</u>
<b>Loss on ordinary activities before interest and other income</b>		<b>(154,445)</b>	(259,836)
Income from other fixed asset investments		<b>648</b>	1,126
Other interest receivable and similar income	8	<b>24,561</b>	36,498
Interest payable and similar charges	9	<b>(194)</b>	(134)
		<u>(129,430)</u>	<u>(222,346)</u>
<b>Loss on ordinary activities before taxation</b>		<b>(129,430)</b>	(222,346)
Taxation on loss on ordinary activities	10	-	(4,266)
		<u>(129,430)</u>	<u>(226,612)</u>
<b>Loss on ordinary activities after taxation</b>		<b>(129,430)</b>	(226,612)

All amounts relate to continuing activities.

The notes on pages 9 to 19 form part of these financial statements.

**Inprojex International (UK) Limited**

**Statement of total recognised gains and losses for the year ended 31 March 2003**

---

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>As restated £</b>
Loss for the financial year	<b>(129,430)</b>	<b>(226,612)</b>
Prior year adjustment (Note: 8)	<b>(22,898)</b>	<b>—————</b>
	<b>—————</b>	
<b>Total gains and losses recognised since last financial statements</b>	<b>(152,328)</b>	
	<b>—————</b>	

The notes on pages 9 to 19 form part of these financial statements.

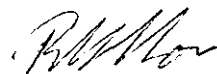


**Inprojex International (UK) Limited**

**Balance sheet at 31 March 2003**

	Note	2003 £	2003 £	2002 As restated £	2002 As restated £
<b>Fixed assets</b>					
Tangible assets	11		6,301		9,320
Fixed asset investments	12		14,455		25,022
			<u>20,756</u>		<u>34,342</u>
<b>Current assets</b>					
Stocks	13	34,316		10,255	
Debtors	14	561,728		159,613	
Cash at bank and in hand		413,090		858,179	
		<u>1,009,134</u>		<u>1,028,047</u>	
<b>Creditors: amounts falling due within one year</b>	15	544,558		447,627	
		<u></u>		<u></u>	
<b>Net current assets</b>			464,576		580,420
			<u></u>		<u></u>
<b>Total assets less current liabilities</b>			485,332		614,762
			<u></u>		<u></u>
<b>Capital and reserves</b>					
Called up share capital	16		50,000		50,000
Profit and loss account	17		435,332		564,762
			<u></u>		<u></u>
<b>Equity shareholders' funds</b>	18		485,332		614,762
			<u></u>		<u></u>

The financial statements were approved by the Board on 29-04-2004.



Mr B. A. Abbou  
Director

The notes on pages 9 to 19 form part of these financial statements.

**Inprojex International (UK) Limited**

**Cash flow statement for the year ended 31 March 2003**

	Note	2003 £	2003 £	2002 £	2002 £
<b>Net cash outflow from operating activities</b>	21		(470,495)		(488,587)
<b>Returns on investments and servicing of finance</b>					
Interest received		24,561		36,498	
Interest paid		(194)		(134)	
Investment income		648		1,126	
<b>Net cash inflow from returns on investments and servicing of finance</b>			25,015		37,490
<b>Taxation</b>					
Corporation tax refunded/(paid)			-		1,438
<b>Capital expenditure and financial investment</b>					
Payments to acquire tangible fixed assets		(3,285)		(2,536)	
Payments to acquire fixed asset investments		-		(448)	
Receipts from sale of tangible fixed assets		-		2,000	
Receipts from sale of fixed asset investments		3,676		-	
<b>Net cash inflow/(outflow) from capital expenditure and financial investment</b>			391		(984)
<b>Cash outflow before management of liquid resources</b>			(445,089)		(450,643)
<b>Management of liquid resources</b>					
Cash paid out of other bank deposits			493,382		287,832
<b>Increase/(decrease) in cash</b>	22		48,293		(162,811)

The notes on pages 9 to 19 form part of these financial statements.

## Inprojex International (UK) Limited

Notes forming part of the financial statements for the year ended 31 March 2003

---

### 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	- over length of the lease
Fixtures, fittings and equipment	- 10% per annum
Computer equipment	- 25% per annum

#### *Valuation of investments*

Investments held as fixed assets are stated at cost less any provision for impairment.

#### *Stocks*

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.

#### *Foreign currency*

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the profit and loss account.

#### *Deferred taxation*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

- - Deferred tax balances are discounted.
- There is no material impact in respect of deferred tax for prior years.

Deferred tax balances are discounted.

#### *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.

## Inprojex International (UK) Limited

Notes forming part of the financial statements for the year ended 31 March 2003 (Continued)

### 1 Accounting policies (continued)

#### *Impairment of fixed assets and goodwill*

The need for any fixed asset impairment write-down is assessed by comparison of the carrying value of the asset against the higher of realisable value and value in use.

#### *Liquid resources*

For the purposes of the cash flow statement, liquid resources are defined as current asset investments and short term deposits.

#### *Restatement of prior year figures*

The prior year figures have been re-stated to correct the over-statement of bank interest receivable and cash at bank (see note 8).

### 2 Turnover

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

	2003 £	2002 £
Africa	1,649,569	823,118
Europe	2,477	180,049
Rest of the world	182,829	-
	<u>1,834,875</u>	<u>1,003,167</u>

### 3 Operating loss

	2003 £	2002 As restated £
This is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	6,304	6,968
Hire of other assets - operating leases	16,335	15,644
Audit services	18,613	13,328
Exchange differences	24,320	2,601
Profit on disposal of fixed assets	(67)	(2,000)
	<u></u>	<u></u>

**Inprojex International (UK) Limited****Notes forming part of the financial statements for the year ended 31 March 2003 (Continued)****4 Employees**

Staff costs (including directors) consist of:

	2003 £	2002 £
Wages and salaries	270,974	272,464
Social security costs	26,705	29,146
	<u>297,679</u>	<u>301,610</u>

The average number of employees (including directors) during the year was 8 (2002 - 9), including executive directors.

**5 Loss on disposal and impairment of fixed asset investments**

	2003 £	2002 £
Loss on disposal of fixed asset investments	-	57,262
Impairment on fixed asset investments	6,958	10,867
	<u>6,958</u>	<u>68,129</u>

**6 Directors' remuneration**

	2003 £	2002 £
Directors' emoluments	99,565	95,204

**7 Income from other fixed asset investments**

	2003 £	2002 £
Income from other investments	648	1,126

**Inprojex International (UK) Limited**Notes forming part of the financial statements for the year ended 31 March 2003 (*Continued*)**8 Other interest receivable and similar income**

	2003	2002
	£	As restated £
Bank deposits	24,561	36,498

Due to an accounting error in the prior year, interest receivable arising on the company's bank deposits was over-stated by £22,898 in the financial statements. Accordingly, the prior year's figures for bank deposit interest receivable and cash at bank have been re-stated to correct this error.

**9 Interest payable and similar charges**

	2003	2002
	£	£
Bank loans and overdrafts	194	134

**Inprojex International (UK) Limited**

**Notes forming part of the financial statements for the year ended 31 March 2003 (Continued)**

**10 Taxation on loss on ordinary activities**

	2003 £	2002 As restated £
<i>UK Corporation tax</i>		
Adjustment in respect of previous periods	-	213
<i>Foreign tax</i>		
Current tax on foreign income for the year	-	4,053
	<hr/>	<hr/>
Total current tax	-	4,266
	<hr/>	<hr/>

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	2003 £	2002 As restated £
Loss on ordinary activities before tax	(129,430)	(222,346)
	<hr/>	<hr/>
Loss on ordinary activities at the standard rate of corporation tax in the UK of 30% (2002 - 30%)	(38,829)	(66,704)
Effect of:		
Expenses not deductible for tax purposes	1,318	1,419
Capital allowances for period in excess of depreciation	3,931	5,145
Relief of losses	(13)	-
Double tax relief	-	(1,217)
Adjustment to tax charge in respect of previous periods	-	213
Deferred tax asset not provided	33,787	61,696
Tax free income	(194)	(339)
Tax on foreign income	-	4,053
	<hr/>	<hr/>
Current tax charge for period	-	4,266
	<hr/>	<hr/>

The comparative figures have been re-stated in response to the accounting error as explained at note 8. Accordingly, the loss on ordinary activities at the standard rate of corporation tax has been re-stated by £6,870 from its previously reported position of £59,834. This has been offset by an increase in the deferred tax asset not provided from its previously reported position of £54,826. Overall, there is no change to the tax charge for the previous year.

**Inprojex International (UK) Limited**

**Notes forming part of the financial statements for the year ended 31 March 2003 (*Continued*)**

**11 Tangible fixed assets**

	<b>Leasehold land and buildings £</b>	<b>Fixtures and fittings £</b>	<b>Office equipment £</b>	<b>Total £</b>
<i>Cost</i>				
At 1 April 2002	5,999	38,873	61,096	105,968
Additions	-	-	3,285	3,285
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2003	<b>5,999</b>	<b>38,873</b>	<b>64,381</b>	<b>109,253</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 April 2002	5,840	37,655	53,153	96,648
Provided for the year	159	475	5,670	6,304
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2003	<b>5,999</b>	<b>38,130</b>	<b>58,823</b>	<b>102,952</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 March 2003	-	743	5,558	6,301
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2002	159	1,218	7,943	9,320
	<hr/>	<hr/>	<hr/>	<hr/>



**Inprojex International (UK) Limited****Notes forming part of the financial statements for the year ended 31 March 2003 (Continued)****12 Fixed asset investments**

	<b>Listed investments</b>	
	<b>£</b>	
<i>Cost or valuation</i>		
At 1 April 2002		25,022
Disposals		(3,609)
Impairment adjustment		(6,958)
		<hr/>
At 31 March 2003		<b>14,455</b>
		<hr/>
	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Listed investments:		
Market value	<b>14,455</b>	25,022
	<hr/>	<hr/>

**13 Stocks**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Finished goods and goods held for resale	<b>34,316</b>	10,255
	<hr/>	<hr/>

There is no material difference between the replacement cost of stocks and the amounts stated above.

**Inprojex International (UK) Limited**

**Notes forming part of the financial statements for the year ended 31 March 2003 (Continued)**

**14 Debtors**

	2003 £	2002 £
Trade debtors	189,745	103,561
Other debtors	371,983	56,052
	<u>561,728</u>	<u>159,613</u>

All amounts shown under debtors fall due for payment within one year.

**15 Creditors: amounts falling due within one year**

	2003 £	2002 £
Trade creditors	198,943	106,237
Amounts owed to group undertakings	9,424	6,729
Taxation and social security	-	7,820
Other creditors	264,047	291,552
Accruals and deferred income	72,144	35,289
	<u>544,558</u>	<u>447,627</u>

**16 Share capital**

	2003 £	Authorised 2002 £	Allotted, called up and fully paid 2003 £	2002 £
<i>Equity share capital</i>				
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

**Inprojex International (UK) Limited**

**Notes forming part of the financial statements for the year ended 31 March 2003 (Continued)**

**17 Reserves**

	<b>Profit and loss account £</b>
At 1 April 2002 as previously stated	587,660
Prior year adjustment	(22,898)
	<hr/>
At 1 April 2002 as restated	564,762
Loss for the year	(129,430)
	<hr/>
At 31 March 2003	<b>435,332</b>
	<hr/>

**18 Reconciliation of movements in shareholder's funds**

	<b>2003 £</b>	<b>2002 As restated £</b>
Loss for the year	(129,430)	(226,612)
	<hr/>	<hr/>
Opening shareholder's funds as previously stated	637,660	841,374
Prior year adjustment (Note: 8)	(22,898)	-
	<hr/>	<hr/>
Opening shareholder's funds as restated	614,762	841,374
	<hr/>	<hr/>
Closing shareholder's funds	<b>485,332</b>	614,762
	<hr/>	<hr/>

**Inprojex International (UK) Limited**Notes forming part of the financial statements for the year ended 31 March 2003 (*Continued*)**19 Commitments under operating leases**

The company had annual commitments under non-cancellable operating leases as set out below:

	<b>2003</b>	<b>2002</b>
	<b>Land and</b>	<b>Land and</b>
	<b>buildings</b>	<b>buildings</b>
	<b>£</b>	<b>£</b>
Operating leases which expire:		
In two to five years	<b>16,896</b>	16,896

**20 Related party disclosures**

The company owed the parent undertaking £9,335 at 31 March 2002 (2002: £6,729). The company received a fee of £20,000 from the parent company for management services during the year.

**21 Reconciliation of operating loss to net cash outflow from operating activities**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Operating loss	<b>(154,445)</b>	(259,836)
Exceptional item - (profit)/loss on disposal of fixed asset investments	<b>6,958</b>	68,129
Operating loss before exceptional items	<b>(147,487)</b>	(191,707)
Depreciation of tangible fixed assets	<b>6,304</b>	6,968
Profit on sale of tangible fixed assets	<b>(67)</b>	(2,000)
Increase in stocks	<b>(24,061)</b>	(255)
Increase in debtors	<b>(402,115)</b>	(51,867)
Increase/(decrease) in creditors	<b>94,325</b>	(274,578)
Decrease in amounts due from group undertakings	<b>-</b>	18,123
Increase in the amounts due to group undertakings	<b>2,606</b>	6,729
Net cash outflow from operating activities	<b>(470,495)</b>	(488,587)

**Inprojex International (UK) Limited****Notes forming part of the financial statements for the year ended 31 March 2003 (Continued)****22 Reconciliation of net cash flow to movement in net funds**

	<b>2003 £</b>	<b>2002 £</b>
Increase/(decrease) in cash	<b>48,293</b>	(1,179,025)
Cash (inflow)/outflow from changes in liquid resources	<b>(493,382)</b>	728,382
Movement in net funds	<b>(445,089)</b>	(450,643)
Opening net funds	<b>858,179</b>	1,308,822
Closing net funds	<b>413,090</b>	858,179

**23 Analysis of net funds**

	<b>At 1 April 2002 £</b>	<b>Cash flow £</b>	<b>At 31 March 2003 £</b>
Cash at bank and in hand	129,797	48,293	<b>178,090</b>
Current asset investments	728,382	(493,382)	<b>235,000</b>
Total	<b>858,179</b>	<b>(445,089)</b>	<b>413,090</b>

As explained at note 8, the opening balance in respect of cash at bank and in hand has been re-stated to correct an accounting error in respect of bank deposit interest receivable in the prior year. Accordingly, cash at bank and in hand has been reduced by £22,898 from its previously reported position of £881,077.

**24 Ultimate parent company and parent undertaking of larger group**

At 31 March 2002, the ultimate parent company is Inprojex - Establishment - Industrial Projects and Export Promotion, which is incorporated in Liechtenstein.