
INPROJEX INTERNATIONAL (UK) LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 MARCH 2006**

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INPROJEX INTERNATIONAL (UK) LIMITED

COMPANY INFORMATION

DIRECTORS	Mrs M Rime Mr G Rime Mr B A Abbou
SECRETARY	C H Registrars Limited
COMPANY NUMBER	1200465
REGISTERED OFFICE	35 Old Queen Street London SW1H 9JD
ACCOUNTANTS	Barnes Roffe LLP Chartered Accountants 3 Brook Business Centre Cowley Mill Road Uxbridge UB8 2FX

INPROJEX INTERNATIONAL (UK) LIMITED

CONTENTS

	Page
Directors' report	1
Accountants' report	2
Profit and loss account	3
Balance sheet	4
Notes to the financial statements	5 - 9

INPROJEX INTERNATIONAL (UK) LIMITED

DIRECTORS' REPORT
For the year ended 31 March 2006

The directors present their report and the financial statements for the year ended 31 March 2006.

PRINCIPAL ACTIVITIES

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

DIRECTORS

The directors who served during the year were:

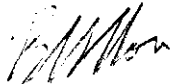
Mrs M Rime
Mr G Rime
Mr B A Abbou

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on

15/01/07

and signed on its behalf.



Mr B A Abbou
Director

**ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS
ON THE UNAUDITED FINANCIAL STATEMENTS OF INPROJEX INTERNATIONAL (UK) LIMITED**

In accordance with the engagement letter dated 21 December 2006, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company 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 board of directors, 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 board of directors 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 board of directors, 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 and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of the financial statements.

You have acknowledged on the balance sheet for the year ended 31 March 2006 your duty to ensure that the company has kept proper accounting records and to prepare the 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.

Barnes Roffe LLP

Barnes Roffe LLP

Chartered Accountants

3 Brook Business Centre
Cowley Mill Road
Uxbridge
UB8 2FX

16/1/07

INPROJEX INTERNATIONAL (UK) LIMITED

PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2006

	Note	2006 £	2005 £
TURNOVER	1	3,098,721	890,127
Cost of sales		<u>(2,129,898)</u>	<u>(557,170)</u>
GROSS PROFIT		968,823	332,957
Selling and distribution costs		<u>(315,238)</u>	<u>(67,649)</u>
Administrative expenses		<u>(468,721)</u>	<u>(411,856)</u>
Other operating income		<u>20,000</u>	<u>20,000</u>
OPERATING PROFIT/(LOSS)	2	204,864	(126,548)
Income from other fixed asset investments		<u>2,730</u>	<u>1,007</u>
Interest receivable		<u>20,035</u>	<u>10,530</u>
Interest payable		<u>(2,122)</u>	<u>(417)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		225,507	(115,428)
TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES	4	(83,532)	80,032
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		<u>£ 141,975</u>	<u>£ (35,396)</u>

The notes on pages 5 to 9 form part of these financial statements.

INPROJEX INTERNATIONAL (UK) LIMITED

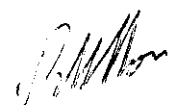
BALANCE SHEET
As at 31 March 2006

		2006		2005	
	Note	£	£	£	£
FIXED ASSETS					
Tangible fixed assets	5		3,886		6,443
Investments	6		14,581		14,581
			<u>18,467</u>		<u>21,024</u>
CURRENT ASSETS					
Debtors	7	146,238		372,849	
Cash at bank and in hand		691,255		1,004,892	
		<u>837,493</u>		<u>1,377,741</u>	
CREDITORS: amounts falling due within one year	8	(410,964)		(1,095,744)	
NET CURRENT ASSETS			<u>426,529</u>		<u>281,997</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>£ 444,996</u>		<u>£ 303,021</u>
CAPITAL AND RESERVES					
Called up share capital	10		50,000		50,000
Profit and loss account	11		394,996		253,021
SHAREHOLDERS' FUNDS			<u>£ 444,996</u>		<u>£ 303,021</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(1) of the Companies Act 1985 and members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2) of the Act. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 March 2006 and of its profit for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to the financial statements so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

The financial statements were approved by the board on 15/01/07 and signed on its behalf.



Mr B A Abbou
Director

The notes on pages 5 to 9 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2006

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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).

1.2 Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective January 2005).

1.3 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of Value Added Tax and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

S/Term Leasehold Property	-	over the length of the lease
Plant & Machinery	-	10% - 25% straight line

1.5 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on the straight line basis over the lease term.

1.6 Deferred taxation

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

1.7 Foreign currencies

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

1.8 Valuation of investments

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

INPROJEX INTERNATIONAL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2006

2. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging/(crediting):

	2006 £	2005 £
Depreciation of tangible fixed assets: - owned by the company	3,792	4,187
(Gains)/losses on exchange	31,194	(4,332)
	<u> </u>	<u> </u>

3. DIRECTORS' REMUNERATION

	2006 £	2005 £
Aggregate emoluments	£ 109,422	£ 98,850
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2006

4. TAXATION

	2006 £	2005 £
Analysis of tax charge in year		
Current tax (see note below)		
UK corporation tax charge on profits of the year	3,500	-
Deferred tax		
Origination and reversal of timing differences	80,032	(80,032)
Total deferred tax (see note 9)	80,032	(80,032)
Tax on profit/(loss) on ordinary activities	£ 83,532	£ (80,032)

Factors affecting tax charge for year

Corporation tax losses brought forward of approximately £200,000 have been offset against the taxable profits for the year reducing the tax charge by approximately £45,000. Otherwise, there were no factors that materially affected the tax charge for the year which has been calculated on the profit on ordinary activities before tax at the standard rate of corporation tax in the UK applicable to the company.

Factors that may affect future tax charges

The company has corporation tax losses of approximately £320,000 available to carry forward against future trading profits.

5. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery £	Total £
Cost			
At 1 April 2005	5,999	113,666	119,665
Additions	-	1,235	1,235
At 31 March 2006	5,999	114,901	120,900
Depreciation			
At 1 April 2005	5,999	107,223	113,222
Charge for the year	-	3,792	3,792
At 31 March 2006	5,999	111,015	117,014
Net book value			
At 31 March 2006	£ -	£ 3,886	£ 3,886
At 31 March 2005	£ -	£ 6,443	£ 6,443

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2006

6. FIXED ASSET INVESTMENTS

	Fixed asset investmen ts £
Cost	
At 1 April 2005 and 31 March 2006	£ 14,581

The market value of the listed fixed asset investments at the balance sheet date was £28,090 (2005: £18,581)

7. DEBTORS

	2006 £	2005 £
Trade debtors	56,829	171,246
Other debtors	89,409	121,571
Deferred tax asset (see note 9)	-	80,032
	<u>£ 146,238</u>	<u>£ 372,849</u>

8. CREDITORS:
Amounts falling due within one year

	2006 £	2005 £
Trade creditors	31,102	858,601
Amounts owed to group undertakings	11,017	8,255
Corporation tax	3,500	-
Other creditors	365,345	228,888
	<u>£ 410,964</u>	<u>£ 1,095,744</u>

9. DEFERRED TAXATION

	2006 £	2005 £
At 1 April 2005 and 31 March 2006	£ -	£ (80,032)

The deferred tax provision/(asset) is made up as follows:

	2006 £	2005 £
Tax losses carried forward	-	(80,032)
	<u>£ -</u>	<u>£ (80,032)</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2006

10. SHARE CAPITAL

	2006 £	2005 £
Authorised, allotted, called up and fully paid		
50,000 Ordinary shares of £1 each	£ 50,000	£ 50,000

11. RESERVES

Profit and loss account	£
At 1 April 2005	253,021
Profit retained for the year	141,975
At 31 March 2006	£ 394,996

12. OPERATING LEASE COMMITMENTS

At 31 March 2006 the company had annual commitments under non-cancellable operating leases as follows:

	2006 £	2005 £
Expiry date:		
Within 1 year	8,104	16,896

13. RELATED PARTY TRANSACTIONS

The company owed the parent undertaking £11,017 at 31 March 2006 (2005: £8,255).

Mr G Rime, a director of the company, is also a director of Inprojex - Establishment - Industrial Projects and Export Promotion, the parent undertaking.

14. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

At 31 March 2006, the ultimate parent company is Inprojex - Establishment - Industrial Projects and Export Promotion, which is incorporated in Liechtenstein.