

REGISTRAR'S COPY

COMPANY NUMBER 1200465

INPROJEX INTERNATIONAL (U.K.) LIMITED

Report and Financial Statements

**Year ended
31 March 2001**



1900-1901

MINIMUM YIELD

INPROJEX INTERNATIONAL (U.K.) LIMITED

Annual report and financial statements for the year ended 31 March 2001

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DIRECTORS

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

SECRETARY AND REGISTERED OFFICE

B. J. Jackson
35 Old Queen Street
London
SW1H 9JD

COMPANY NUMBER

1200465

AUDITORS

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

INPROJEX INTERNATIONAL (U.K.) LIMITED

DIRECTORS' REPORT

Year ended 31 March 2001

The directors submit their report together with the audited financial statements for the year ended 31 March 2001.

RESULTS AND DIVIDENDS

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

The directors do not recommend the payment of a final 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:

Mr G. Rime

Mr F.D. Paulus (deceased 31 December 2000)

Mr B. A. Abbou

Mrs M. Rime (Appointed 5 February 2001)

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

DONATIONS

The company made charitable donations of £100 during the year.

INPROJEX INTERNATIONAL (U.K.) LIMITED

DIRECTORS' REPORT (continued) **Year ended 31 March 2001**

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.

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



B A ABBOU
Director

Date: 21 January 2002

INPROJEX INTERNATIONAL (U.K.) LIMITED

REPORT OF THE INDEPENDENT AUDITORS

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

We have audited the financial statements of Inprojex International (U.K.) Limited on pages 4 to 11 which have been prepared under the accounting policies set out on pages 7.

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.

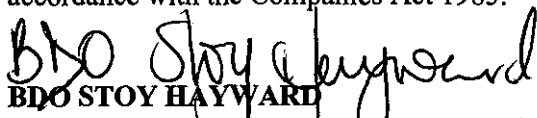
Basis of opinion

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.

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 2001 and of its loss 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
Epsom, Surrey

28 January 2002

INPROJEX INTERNATIONAL (U.K.) LIMITED**PROFIT AND LOSS ACCOUNT****Year ended 31 March 2001**

	Note	2001 £	2000 £
TURNOVER	2	3,437,584	2,740,822
Cost of sales		<u>2,869,069</u>	<u>1,979,587</u>
GROSS PROFIT		568,515	761,235
Selling and distribution costs		217,465	255,575
Administrative expenses		<u>472,798</u>	<u>497,358</u>
		(121,748)	8,302
Other operating income	3	<u>20,000</u>	<u>20,000</u>
OPERATING (LOSS)/PROFIT	4	(101,748)	28,302
Profit on disposal of fixed asset investment		10,585	-
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND OTHER INCOME		(91,163)	28,302
Income from other fixed asset investments		1,440	-
Interest payable		(6,949)	(11,076)
Interest receivable		<u>84,425</u>	<u>87,457</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(12,247)	104,683
Taxation on profit on ordinary activities	7	<u>1,374</u>	<u>(22,618)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(10,873)	82,065
Dividends		-	(350,000)
RETAINED LOSS		(10,873)	(267,935)
Retained profit brought forward		<u>802,247</u>	<u>1,070,182</u>
RETAINED PROFIT CARRIED FORWARD		<u>791,374</u>	<u>802,247</u>

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 2001

	Note	2001	2000
		£	£
FIXED ASSETS			
Tangible assets	8	13,752	12,849
Fixed asset investments	9	92,703	-
		<u>106,455</u>	<u>12,849</u>
CURRENT ASSETS			
Stocks	10	10,000	30,205
Debtors	11	131,573	229,782
Cash at bank and in hand		1,308,822	1,686,585
		<u>1,450,395</u>	<u>1,946,572</u>
CREDITORS: amounts falling due within one year	12	715,476	1,107,174
		<u>715,476</u>	<u>1,107,174</u>
NET CURRENT ASSETS		<u>734,919</u>	<u>839,398</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>841,374</u>	<u>852,247</u>
CAPITAL AND RESERVES			
Called up share capital	13	50,000	50,000
Profit and loss account		791,374	802,247
SHAREHOLDERS' FUNDS		<u>841,374</u>	<u>852,247</u>

All shareholders' funds are in respect of equity interests.

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



B A ABBOU
Director

Date of approval: 21 January 2002

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

INPROJEX INTERNATIONAL (U.K.) LIMITED

NOTES ON THE FINANCIAL STATEMENTS

31 March 2001

	Note	2001	2000
		£	£
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	15(a)	(343,326)	392,731
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid		(6,949)	(11,076)
Interest received		84,425	87,457
Income from investments		1,440	-
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		78,916	76,381
TAXATION - UK corporation tax		(23,147)	(146,470)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Purchase of tangible fixed assets		(8,088)	(8,997)
Purchase of investments		(122,906)	-
Sale of investments		40,788	-
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENTS		(90,206)	(8,997)
EQUITY DIVIDEND PAID		-	(350,000)
NET CASH OUTFLOW BEFORE USE OF LIQUID RESOURCES AND FINANCING		(377,763)	(36,355)
MANAGEMENT OF LIQUID RESOURCES			
Cash received from other bank deposits		-	918,511
Cash paid into other bank deposits		(337,558)	-
INCREASE / (DECREASE) IN CASH	15(b)	(715,321)	882,156
RECONCILIATION OF NET CASH (OUTFLOW)/INFLOW TO MOVEMENT IN NET FUNDS			
		2001	2000
		£	£
(Decrease)/increase in cash in the year		(715,321)	882,156
Cash outflow/(inflow) from increase/(decrease) in liquid resources		337,558	(918,511)
Change in net funds resulting from cash flows		(377,763)	(36,355)
Net funds at 1 April		1,686,585	1,722,940
Net funds at 31 March		1,308,822	1,686,585

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

INPROJEX INTERNATIONAL (U.K.) LIMITED

NOTES ON THE FINANCIAL STATEMENTS (continued)

31 March 2001

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

Valuation of investments

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

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.

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.

Liquid resources

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

INPROJEX INTERNATIONAL (U.K.) LIMITED**NOTES ON THE FINANCIAL STATEMENTS (continued)**
31 March 2001**2 TURNOVER**

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

	2001 £	2000 £
Africa	3,244,084	2,682,743
Europe	193,500	58,079
	<u>3,437,584</u>	<u>2,740,822</u>

3 OTHER OPERATING INCOME

Fees receivable from holding company	20,000	20,000
	<u>20,000</u>	<u>20,000</u>

4 OPERATING PROFIT

Is stated after charging:

Depreciation	7,185	9,251
Auditors' remuneration	13,238	10,894
Exchange (gains)/losses	(8,653)	9,937
Operating lease rentals – other	14,806	15,834
	<u></u>	<u></u>

5 DIRECTORS' EMOLUMENTS

Directors' emoluments	<u>110,465</u>	<u>113,526</u>
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6 EMPLOYEES

Staff costs consist of:

Wages and salaries	290,612	302,313
Social security costs	29,670	30,063
	<u>320,282</u>	<u>332,376</u>

The average monthly number of employees during the year was 9 (2000: 9), including executive directors.

INPROJEX INTERNATIONAL (U.K.) LIMITED

NOTES ON THE FINANCIAL STATEMENTS (continued)
31 March 2001

7 TAXATION

	2001 £	2000 £
UK corporation tax	(5,704)	22,870
Under/(over) provision in prior years	277	(252)
	<u>(5,427)</u>	<u>22,618</u>

8 TANGIBLE FIXED ASSETS

	Short leasehold property £	Fixtures, fittings and equipment £	Motor vehicles £	Computer equipment £	Total £
Cost					
At 1 April 2000	5,999	38,372	18,847	50,973	114,191
Additions	-	501	-	7,587	8,088
At 31 March 2001	<u>5,999</u>	<u>38,873</u>	<u>18,847</u>	<u>58,560</u>	<u>122,279</u>
Depreciation					
At 1 April 2000	5,224	36,706	18,847	40,565	101,342
Charge for the year	308	474	-	6,403	7,185
At 31 March 2001	<u>5,532</u>	<u>37,180</u>	<u>18,847</u>	<u>46,968</u>	<u>108,527</u>
Net book value:					
At 31 March 2001	<u>467</u>	<u>1,693</u>	<u>-</u>	<u>11,592</u>	<u>13,752</u>
At 31 March 2000	<u>775</u>	<u>1,666</u>	<u>-</u>	<u>10,408</u>	<u>12,849</u>

9 FIXED ASSET INVESTMENTS

	Listed investments £
Cost	
At 1 April 2000	-
Additions	122,906
Disposals	(30,203)
At 31 March 2001	<u>92,703</u>

At 31 March 2001 the market value of the listed investments held by the company was £43,016.

INPROJEX INTERNATIONAL (U.K.) LIMITED**NOTES ON THE FINANCIAL STATEMENTS (continued)**
31 March 2001**10 STOCKS**

	2001	2000
	£	£
Finished goods and goods held for resale	10,000	30,205

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

11 DEBTORS**Amounts receivable within one year:**

Trade debtors	50,842	181,415
Other debtors	62,608	33,679
Amounts due from parent undertaking	18,123	14,688
	131,573	229,782

12 CREDITORS**Amounts falling due within one year:**

Trade creditors	284,267	111,625
Other creditors	223,187	918,730
Corporation tax	-	22,870
Accruals and deferred income	208,022	53,949
	715,476	1,107,174

13 SHARE CAPITAL

Authorised, allotted, called up and fully paid
50,000 ordinary shares of £1 each

50,000	50,000
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14 COMMITMENTS UNDER OPERATING LEASES

As at 31 March 2001 the company had annual commitments under non-cancellable operating leases for land and buildings of £7,500 (2000: £15,000) expiring within one year.

INPROJEX INTERNATIONAL (U.K.) LIMITED**NOTES ON THE FINANCIAL STATEMENTS (continued)****31 March 2001****15 NOTES ON THE CASH FLOW STATEMENT****a) Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities**

	2001 £	2000 £
Operating (loss)/profit	(106,478)	28,302
Depreciation	7,185	9,251
Decrease in stock and work in progress	20,205	53,784
Decrease in debtors	108,025	1,468,125
Decrease in creditors	(368,828)	(1,136,786)
Increase in amounts due from group undertakings	(3,435)	(29,945)
	<u>(343,326)</u>	<u>392,731</u>

b) Analysis of changes in net funds

	Opening balance £	Cashflow £	Closing balance £
Cash in hand and at bank	1,007,929	(715,321)	292,608
	<u>1,007,929</u>	<u>(715,321)</u>	<u>292,608</u>
Other bank deposits	678,656	337,558	1,016,214
Total	<u>1,686,585</u>	<u>(377,763)</u>	<u>1,308,822</u>

16 RELATED PARTY TRANSACTIONS

The company was owed £18,123 by the parent undertaking at 31 March 2001 (2000: £14,688). The company received a fee of £20,000 from the parent undertaking for management services during the year.

17 ULTIMATE PARENT COMPANY

At 31 March 2001, the ultimate parent company is Inprojex - Establishment - Industrial Projects and Export Promotion, which is incorporated in Liechtenstein.