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Company Registration No. 1319086 (England and Wales)

MARCON SERVICES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000



MARCON SERVICES LIMITED

COMPANY INFORMATION

Directors

F Kamal
C M Richer
J E Mawad

Secretary

A Walker

Company number

1319086

Registered office

53 Mount Street
London
W1Y 5RE

Auditors

Blueprint Audit Limited
66 Chiltern Street
London
W1U 4JT

MARCON SERVICES LIMITED

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MARCON SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2000

The directors present their report and financial statements for the year ended 31 December 2000.

Principal activities

The company provides administration and related services to overseas and UK companies.

Directors

The following directors have held office since 1 January 2000:

F Kamal
C M Richer
J E Mawad

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 December 2000	1 January 2000
F Kamal	-	-
C M Richer	-	-
J E Mawad	-	-

	Deferred shares of £ 1 each	
	31 December 2000	1 January 2000
F Kamal	-	-
C M Richer	-	-
J E Mawad	-	-

Auditors

The auditors, Godfrey Allan Partnership, have transferred their audit business to Blueprint Audit Limited. In accordance with section 26 of the Companies Act 1989, Blueprint Audit Limited have been appointed as auditors to succeed Godfrey Allan Partnership and will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

MARCON SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2000

Directors' responsibilities

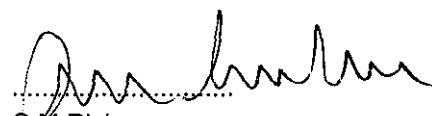
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- 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.

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

On behalf of the board



C.M. Richer

Director

Dated 12 October 2001

Registered Office

53 Mount Street

London

W1Y 5RE

MARCON SERVICES LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF MARCON SERVICES LIMITED

We have audited the financial statements of Marcon Services Limited on pages 4 to 9 for the year ended 31 December 2000. These financial statements have been prepared under the historical cost convention and the accounting policies set out herein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 December 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Blueprint Audit Limited

Blueprint Audit Limited

16 October 2001

Chartered Accountants
Registered Auditor
66 Chiltern Street
London
W1U 4JT

MARCON SERVICES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2000

	Notes	2000 £	1999 £
Turnover		102,157	149,846
Administrative expenses		(161,587)	(135,505)
Operating (loss)/profit	2	(59,430)	14,341
Other interest receivable and similar income		579	918
Interest payable and similar charges		(28)	(18)
(Loss)/profit on ordinary activities before taxation		(58,879)	15,241
Tax on (loss)/profit on ordinary activities	3	214	-
(Loss)/profit on ordinary activities after taxation	9	(58,665)	15,241

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

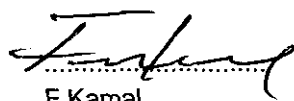
MARCON SERVICES LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2000

	Notes	2000 £	£	1999 £	£
Fixed assets					
Tangible assets	4		5,068		5,728
Current assets					
Debtors	5	50,038		65,907	
Cash at bank and in hand		20,830		36,464	
		<u>70,868</u>		<u>102,371</u>	
Creditors: amounts falling due within one year	6	<u>(87,926)</u>		<u>(61,424)</u>	
Net current (liabilities)/assets			<u>(17,058)</u>		<u>40,947</u>
Total assets less current liabilities			<u>(11,990)</u>		<u>46,675</u>
Capital and reserves					
Called up share capital	8		300,100		300,100
Share premium account	9		34,666		34,666
Profit and loss account	9		(346,756)		(288,091)
Shareholders' funds - equity interests	10		<u>(11,990)</u>		<u>46,675</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 12 October 2001


F Kamal
Director


C M Richer
Director

MARCON SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

The accounts have been prepared on the going concern basis on the assumption of the continued support of the parent company.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 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 less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	- over the life of the lease
Motor vehicles	- 20% straight line basis

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

1.6 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Operating (loss)/profit	2000	1999
	£	£
Operating (loss)/profit is stated after charging:		
Depreciation of tangible assets	660	660
Operating lease rentals	94,000	87,334
Auditors' remuneration	2,580	2,500
Directors' emoluments	15,708	-
	<hr/>	<hr/>
3 Taxation	2000	1999
	£	£
Prior years		
U.K. corporation tax	(214)	-
	<hr/>	<hr/>

There is no provision for taxation in the accounts due to losses in the period.

MARCON SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2000

4 Tangible fixed assets

	Land and buildings £
Cost	
At 1 January 2000 & at 31 December 2000	16,492
Depreciation	
At 1 January 2000	10,764
Charge for the year	660
At 31 December 2000	11,424
Net book value	
At 31 December 2000	5,068
At 31 December 1999	5,728

5 Debtors	2000 £	1999 £
Trade debtors	13,968	15,113
Amounts owed by group undertakings and undertakings in which the company has a participating interest	11,608	-
Other debtors	24,462	50,794
	50,038	65,907

6 Creditors: amounts falling due within one year	2000 £	1999 £
Bank loans and overdrafts	1,008	-
Trade creditors	8,604	5,550
Amounts owed to group undertakings and undertakings in which the company has a participating interest	-	1,175
Taxation and social security	11,030	2,251
Other creditors	67,284	52,448
	87,926	61,424

MARCON SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2000

7 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £1,200 (1999 : £1,200). Contributions totalling £nil (1999 : £nil) were payable to the fund at the year end and are included in creditors.

8 Share capital	2000 £	1999 £
Authorised		
300,000 Ordinary shares of £ 1 each	300,000	300,000
100 Deferred shares of £ 1 each	100	100
	<u>300,100</u>	<u>300,100</u>
 Allotted, called up and fully paid		
300,000 Ordinary shares of £ 1 each	300,000	300,000
100 Deferred shares of £ 1 each	100	100
	<u>300,100</u>	<u>300,100</u>

9 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 January 2000	34,666	(288,091)
Retained loss for the year	-	(58,665)
	<u>34,666</u>	<u>(346,756)</u>
Balance at 31 December 2000		

10 Reconciliation of movements in shareholders' funds

	2000 £	1999 £
(Loss)/profit for the financial year	(58,665)	15,241
Opening shareholders' funds	46,675	31,434
	<u>(11,990)</u>	<u>46,675</u>
Closing shareholders' funds		

11 Contingent liabilities

As at 31 December 2000 there were no contingent liabilities (1999 : £nil).

MARCON SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2000

12 Financial commitments

At 31 December 2000 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2000	1999
	£	£
Expiry date:		
In over five years	90,000	90,000

13 Capital commitments

As at 31 December 2000 there were no capital commitments (1999 : £nil).

14 Transactions with directors

During the year the directors had the following transactions with the company

F Kamal

	£
Monies due from F Kamal at 1 January 2000	15,556
Bonus due to F Kamal	(15,556)
	<hr/>
Monies due from F Kamal at 31 December 2000	-
	<hr/>

15 Control

The company's ultimate holding company is Stowmarket Enterprises Inc., a company incorporated in Panama. There is no overall controlling party.

16 Related party transactions

Handling fees of £192 (1999 : £32) were charged to Stowmarket Enterprises Inc., the ultimate holding company of Marcon Services Limited. The amount was fully paid at the year end.

Payments totalling £149 were made on behalf of Stowholding BV, the indirect controlling party of Marcon Services Limited, the full amount was outstanding at the year end.