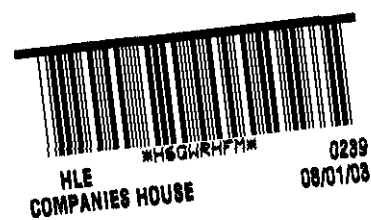


**AAF Consultants Limited**

**Directors' report and financial  
statements**

**Registered number 2341764**

**30 June 2002**



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## Directors' report

The directors present their report on the affairs of the company together with the accounts and auditors' report for the year ended 30 June 2002.

### Principal activities and business review

The loss for the year was £Nil (2001 – loss £57,979). There are no distributable reserves from which to pay a dividend.

### Directors and their interests

The directors who held office during the year and changes up to the date of this report was as follows:

E de Sa  
R Hastie (appointed 25 October 2001)

There are no interests required to be disclosed under Section 234 of the companies Act 1985.

### Auditors

Arthur Andersen resigned as auditors on 16 July 2002 and the directors thereupon appointed KPMG LLP to fill the vacancy arising. A resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

  
E de Sa  
Secretary

Catwick Lane  
Brandesburton  
Drifffield  
East Yorkshire  
YO25 8RW

31 October 2002

## **Statement of directors' responsibilities**

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts 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 accounts 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.



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United Kingdom

## **Independent auditors' report to the members of AAF Consultants Limited**

We have audited the financial statements on pages 4 to 8.

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

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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.

### **Basis of audit 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 30 June 2002 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP  
KPMG LLP  
Chartered Accountants  
Registered Auditor

31 October 2002

**Profit and loss account**  
*for the year ended 30 June 2002*

	<i>Note</i>	<b>2002</b> <b>£</b>	<b>2001</b> <b>£</b>
Administrative expenses		-	(57,979)
Operating loss		-	(57,979)
<b>Loss on ordinary activities before and after taxation</b>		-	(57,979)

All the results arrive from continuing operations.

No statement of total recognised gains and losses has been presented as there have been no recognised gains or losses other than the results for the financial years.

## Balance sheet

at 30 June 2002

	Notes	2002 £	2001 £
<b>Current assets</b>			
Debtors	4	1,008,361	1,008,361
<b>Creditors: Amounts falling due with one year</b>	5	(1,066,340)	(1,066,340)
<b>Net liabilities</b>		<u>(57,979)</u>	<u>(57,979)</u>
<b>Capital and reserves</b>			
Called-up share capital	6	407,633	407,633
Profit and loss account		(465,612)	(465,612)
<b>Equity shareholders' deficit</b>	7	<u>(57,979)</u>	<u>(57,979)</u>

The accounts on pages 4 to 8 were approved by the board of directors on 31 October 2002 and were signed on its behalf by:

  
E de So  
Director

## **Notes**

*(forming part of the financial statements)*

### **1 Accounting policies**

A summary of the principle accounting policies, all of which have been applied consistently throughout the year and the preceding year is set out below.

#### ***Basis of accounting***

The accounts have been prepared in accordance with applicable accounting standards and under the historical cost accounting convention.

The company is exempt from the requirement of Financial Reporting Standard No.1 (Revised) to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Waco International Limited, whose consolidated accounts include the results of AAF Consultants Limited and are available to the public.

As a subsidiary undertaking of Waco International Limited, the company has taken advantage of the exemption offered under FRS8 "Related Party Disclosures" not to disclose transactions with other members of the group headed by Waco International Limited. There are no other related party transactions requiring disclosure.

#### ***Basis of preparation***

For the year ended 30 June 2002 the group has reported a loss and operating cash outflow and has also breached certain bank covenants. The directors have negotiated a waiver of covenants in respect of these past breaches and the ultimate parent undertaking, Waco International Limited, has indicated that it will provide continued financial support to the group.

#### ***Taxation***

Corporation tax is provided on taxable profits at the current rate. Deferred taxation is accounted for under the liability method to the extent that, in the opinion of the directors, the liability will crystallise in the foreseeable future.

The charge for taxation is based on the loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

#### ***Investments***

Investments are stated at cost less provisions for impairment

### **2 Tax on result on ordinary activities**

There is no tax credit due to the losses being surrendered to group companies without consideration being paid.

The company has no potential liability to deferred taxation.



## Notes (continued)

### 3 Fixed asset investments

	£
<b>Cost</b>	
At beginning and end of year	57,979
<b>Provisions</b>	
At beginning and end of year	57,979
<b>Net book value</b>	
At beginning and end of year	-
At 30 June 2001	-

The company holds investments in the following companies:

<i>Other investments</i>	<i>Country of registration</i>	<i>Principal activity</i>	<i>Class and percentage of shares held</i>
AAF Properties	England	Non-trading	Ordinary 5%

### 4 Debtors

	2002 £	2001 £
Amounts falling due within one year:		
Amounts owed by group undertakings	1,008,361	1,008,361

### 5 Creditors: Amounts falling due within one year

	2002 £	2001 £
Amounts owed to group undertakings	1,066,340	1,066,340

The amounts due to group undertakings comprise of interest free working capital advances. AAF Industries Limited has confirmed that the necessary financial support will continue to be given to enable the company to continue to trade.

## Notes (continued)

### 6 Called-up share capital

	2002 £	2001 £
<i>Authorised</i>		
407,633 (2001: 407,633) ordinary shares of £1 each	407,633	407,633
	<hr/>	<hr/>
<i>Allotted, called-up and fully paid</i>		
407,633 (2001: 407,633) ordinary shares of £1 each	407,633	407,633
	<hr/>	<hr/>

### 7 Reconciliation of movements in equity shareholders' funds

	2002 £	2001 £
Loss for the financial year	-	(57,979)
New shares issued	-	372,280
	<hr/>	<hr/>
Net addition to/(reduction in) equity shareholders' funds	-	314,301
Opening equity shareholders' funds	(57,979)	(372,280)
	<hr/>	<hr/>
Closing equity shareholders' funds	(57,979)	(57,979)
	<hr/>	<hr/>

### 8 Guarantees and other financial commitments

The company is party to a cross guarantee arrangement in respect of a group overdraft facility of £5m (2001: £5m) of which £1,468,241 (2001: £3,277,319) was drawn at 30 June 2001. The facility is secured by a fixed and floating charge over the assets of the company.

### 9 Ultimate parent undertaking

The immediate parent undertaking is AAF Industries Limited which heads the smallest group in which the results of the company are consolidated. The consolidated accounts of this group are available to the public and may be obtained from AAF Industries Limited, Catwick Lane, Brandesburton, Drifffield, East Yorkshire YO25 8RW. The ultimate parent undertaking is Waco International Limited, a company incorporated in South Africa. Waco International Limited heads the largest group in which the results of the company are consolidated. The consolidated accounts of this group are available to the public and may be obtained from Waco International Limited, Southern Life Gardens, Allied Place, 6<sup>th</sup> Floor, 5 Gwen Lane, Sandown, 2196, South Africa.