

ALDERLEY INTERNATIONAL LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR
30 SEPTEMBER 2001



DAVID E SEABRIGHT & CO LIMITED
Chartered Accountants & Registered Auditors
174 Whiteladies Road
Clifton
Bristol
BS8 2XU

ALDERLEY INTERNATIONAL LIMITED
ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2001

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ALDERLEY INTERNATIONAL LIMITED**INDEPENDENT AUDITORS' REPORT TO THE COMPANY****PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 2 to 5, together with the financial statements of the company for the year ended 30 September 2001 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

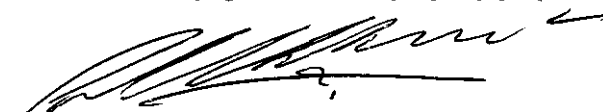
BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

174 Whiteladies Road
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DAVID E SEABRIGHT & CO LIMITED
Chartered Accountants
& Registered Auditors

25 January 2002

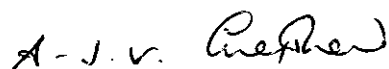
ALDERLEY INTERNATIONAL LIMITED**ABBREVIATED BALANCE SHEET****30 SEPTEMBER 2001**

	Note	2001 £	2000 £
FIXED ASSETS	2		
Tangible assets		-	191,862
Investments		<u>192,976</u>	-
		192,976	191,862
CURRENT ASSETS			
Stocks		-	225,668
Debtors		<u>94,301</u>	<u>268,012</u>
Cash at bank and in hand		<u>3,868</u>	<u>118,229</u>
		98,169	611,909
CREDITORS: Amounts falling			
Due within one year	3	<u>(637,380)</u>	<u>(807,116)</u>
NET CURRENT LIABILITIES		(539,211)	(195,207)
TOTAL ASSETS LESS CURRENT LIABILITIES		(346,235)	(3,345)
CREDITORS: Amounts falling due			
After more than one year		-	(311,392)
PROVISIONS FOR LIABILITIES AND CHARGES		-	(3,307)
		<u>(346,235)</u>	<u>(318,044)</u>
CAPITAL AND RESERVES			
Called-up equity share capital	4	500	500
Profit and Loss Account		<u>(346,735)</u>	<u>(318,544)</u>
DEFICIENCY		(346,235)	(318,044)

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

These financial statements were approved by the directors on the 25 January 2002 and are signed on their behalf by:

A J V SHEPHERD



ALDERLEY INTERNATIONAL LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****YEAR ENDED 30 SEPTEMBER 2001**

1. ACCOUNTING POLICIES**Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The accounts have been prepared on the going concern basis as the company continues to have the support of the ultimate holding company, Alderley Holdings Limited.

Consolidation

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the United Kingdom. As a result, the company, in accordance with section 228 of the Companies Act 1985, is not required to produce, and has not published, consolidated accounts.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax and trade discounts, and the value of long-term contract work done.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	-	over the remaining period of the lease
Plant & Machinery	-	2% per month
Motor Vehicles	-	2% per month

Work in progress

Work in progress is valued at the lower of cost and net realisable value. Cost includes attributable overheads. Turnover on long-term contracts is recognised according to the stage reached in the contract by reference to the value of work done. A prudent estimate of the profit attributable to work completed is recognised once the outcome of the contract can be assessed with reasonable certainty. The costs on long-term contracts not yet taken to the profit and loss account less related foreseeable losses and payments on account are shown in stocks and long-term contract balances.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

ALDERLEY INTERNATIONAL LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****YEAR ENDED 30 SEPTEMBER 2001****1. ACCOUNTING POLICIES** *(continued)***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 of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2. FIXED ASSETS

	Tangible Fixed Assets £	Investments £	Total £
COST			
At 1 October 2000	214,369	-	214,369
Additions	26,592	192,976	219,568
Disposals	(240,961)	-	(240,961)
At 30 September 2001	<u>-</u>	<u>192,976</u>	<u>192,976</u>
DEPRECIATION			
At 1 October 2000	22,507	-	22,507
Charge for year	14,541	-	14,541
On disposals	(37,048)	-	(37,048)
At 30 September 2001	<u>-</u>	<u>-</u>	<u>-</u>
NET BOOK VALUE			
At 30 September 2001	<u>-</u>	<u>192,976</u>	<u>192,976</u>
At 30 September 2000	<u>191,862</u>	<u>-</u>	<u>191,862</u>

The investment is an interest in a group company, Alderley FZE, which is a 100% subsidiary and is incorporated in Dubai.

3. CREDITORS: Amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2001 £	2000 £
Bank loans and overdrafts	<u>12,559</u>	<u>-</u>

ALDERLEY INTERNATIONAL LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****YEAR ENDED 30 SEPTEMBER 2001**

4. SHARE CAPITAL**Authorised share capital:**

	2001	2000
	£	£
500 Ordinary shares of £1.00 each	<u>500</u>	<u>500</u>

Allotted, called up and fully paid:

	2001	2000
	£	£
Ordinary share capital	<u>500</u>	<u>500</u>

5. ULTIMATE PARENT COMPANY

The company's immediate parent company is Alderley Systems Ltd, a fellow subsidiary of Alderley Holdings Limited.

In the opinion of the directors the company's ultimate parent company is Alderley Holdings Limited, a company incorporated in Great Britain, and registered in England and Wales. Alderley Holdings Limited prepares group financial statements and copies can be obtained from Alderley House, Arnolds Field Estate, The Downs, Wickwar, Wotton-under-Edge, Gloucestershire, GL12 8JD.