

Company Registration No. 2660321

XOCHIPILLI INC. LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001

8654-A-2001

Registered Office
5 Bourlet Close
London



XOCHIPILLI INC. LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2001**

The directors present their report and financial statements for the year ended 31 December 2001.

Principal activities and review of the business

The principal activity of the company continued to be that of an investment property company.

Results and dividends

The results for the year are set out on page 3.

Directors

The following directors have held office since 1 January 2001:

H.J. Cox (Resigned 1 June 2001)
A.M. Taylor
L.R. Taylor

The directors have no interest in the issued share capital of the company.

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.

By order of the board



A.M. Taylor (Director)

Date: 27 JUN 2002

MATTHEW EDWARDS & CO
CHARTERED ACCOUNTANTS

2 Babmaes Street, London, SW1Y 6NT
Telephone: +44 (0) 207 950 9800 Facsimile: +44 (0) 207 437 9509
E-mail audit@matthew-edwards.com

**ACCOUNTANTS' REPORT TO THE DIRECTORS ON THE
ACCOUNTS OF XOCHIPILLI INC. LIMITED**

We report on the accounts for the year ended 31 December 2001.

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31 December 2001, set out on pages 3 to 7 and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities from the accounting records and information and explanations supplied to us.

Our procedures consisted of comparing the accounts with the accounting records kept by the company and making such enquiries of the officers and other officials of the company as we considered necessary for the purposes of this report.

In our opinion the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985.

Matthew Edwards & Co

Matthew Edwards & Co.

Chartered Accountants

27/6/02.

2 Babmaes Street
London
England
SW1Y 6NT

XOCHIPILLI INC. LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2001**

	Notes	2001 £	2000 £
Administrative expenses		(3,834)	(4,466)
Operating loss	2	(3,834)	(4,466)
Loss on ordinary activities before taxation		(3,834)	(4,466)
Tax on loss on ordinary activities	3	-	-
Loss on ordinary activities after taxation	7	(3,834)	(4,466)
Loss brought forward at 1 January 2001		(42,818)	(38,352)
Loss carried forward at 31 December 2001		(46,652)	(42,818)

All of the company's activities are derived from continuing operations.

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

XOCHIPILLI INC. LIMITED

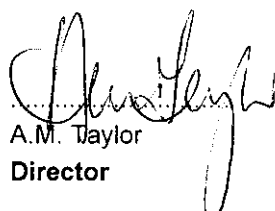
**BALANCE SHEET
AS AT 31 DECEMBER 2001**

	Notes	2001 £	£	2000 £	£
Fixed assets					
Tangible assets	4		238,672		238,672
Current assets					
Creditors: amounts falling due within one year	5	(285,224)		(281,390)	
Net current liabilities			(285,224)		(281,390)
Total assets less current liabilities			(46,552)		(42,718)
Capital and reserves					
Called up share capital	6		100		100
Profit and loss account	7		(46,652)		(42,818)
Shareholders' funds - equity interests	8		(46,552)		(42,718)

In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

The financial statements were approved by the Board on **27 JUN 2002**


A.M. Taylor
Director

XOCHIPILLI INC. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

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 financial statements have been prepared on the going concern basis. This is considered appropriate as the ultimate beneficial shareholders will continue to provide financial support to the company for the foreseeable future.

1.2 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land 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 Freehold	no depreciation is provided in respect of freehold land
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1.3 Foreign currency translation

The company's accounting records are maintained in Pounds Sterling.

Transactions in other currencies are converted at the rate ruling at the date of the transaction. Current assets and liabilities are converted at the rate of exchange ruling at the balance sheet date. Any material gains or losses resulting from the conversion are taken to the profit and loss account.

1.4 Cash Flow

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

2 Operating loss

	2001	2000
	£	£
Operating loss is stated after charging:		
Audit and Accountancy	646	681
	<u> </u>	<u> </u>

3 Taxation

On the basis of these financial statements no provision has been made for corporation tax.

XOCHIPILLI INC. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2001

4 Tangible fixed assets

	Land Freehold £
Cost	
At 1 January 2001 & at 31 December 2001	238,672
Depreciation	
At 1 January 2001 & at 31 December 2001	-
Net book value	
At 31 December 2001	238,672
At 31 December 2000	238,672

The above represents freehold land situated in France and is stated at cost.

5 Creditors: amounts falling due within one year	2001 £	2000 £
Other creditors	282,155	278,619
Accruals and deferred income	3,069	2,771
	<u>285,224</u>	<u>281,390</u>

6 Share Capital

The authorised share capital of the Company comprises 100 ordinary £1 shares of which 100 have been issued and are fully paid up (2000 - 100).

7 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2001	(42,818)
Retained loss for the year	(3,834)
Balance at 31 December 2001	<u>(46,652)</u>

XOCHIPILLI INC. LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2001**

8	Reconciliation of movements in shareholders' funds	2001	2000
		£	£
	Loss for the financial year	(3,834)	(4,466)
	Opening shareholders' funds	(42,718)	(38,252)
		<hr/>	<hr/>
	Closing shareholders' funds	(46,552)	(42,718)
		<hr/>	<hr/>

9 **Contingent liabilities**

There were no known contingent liabilities at the balance sheet date.

10 **Capital commitments**

There were no major capital commitments at the balance sheet date.

11 **Employees**

Number of employees

There were no employees during the year apart from the directors'. The directors' received no remuneration during the year.

12 **Ultimate Controlling Party and Related party transactions**

The directors are not aware of the ultimate controlling party, transactions related thereto and any other related party transactions.