

Company Registration No. 3162226

GARNEX INVESTMENTS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1999

14331-bp-1999

Registered Office
2nd Floor, 48 Conduit Street
London
W1R 9FB



GARNEX INVESTMENTS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 1999**

The directors present their report and financial statements for the year ended 31 December 1999.

Principal activities and review of the business

The principal activity of the company is the provision of administrative services. The company commenced activities on 1 March 1999.

Results and dividends

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

Directors

The following directors have held office since 1 January 1999:

D. Rudge (Resigned 4 January 1999)

A.M Taylor

L.R Taylor

P J Devo (Appointed 4 January 1999)

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


P J Devo (Director)

02 OCT 2000
Date :

MATTHEW EDWARDS & CO
CHARTERED ACCOUNTANTS

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**ACCOUNTANTS' REPORT TO THE DIRECTORS ON THE
ACCOUNTS OF GARNEX INVESTMENTS LIMITED**

We report on the accounts for the year ended 31 December 1999.

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31 December 1999, 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.

2/10/2000

Chartered Accountants

Clinch's House, Lord Street
Douglas
Isle of Man
IM99 1RZ

GARNEX INVESTMENTS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1999**

	Notes	1999 £	1998 £
Turnover	2	57,993	-
Administrative expenses		(7,774)	-
Operating profit	3	50,219	-
Profit on ordinary activities before taxation		50,219	-
Tax on profit on ordinary activities	4	(11,156)	-
Profit on ordinary activities after taxation	9	39,063	-
Profit brought forward at 1 January 1999		-	-
Profit/(loss) carried forward at 31 December 1999		39,063	-

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.

GARNEX INVESTMENTS LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 1999**

		1999		1998 as restated	
	Notes	£	£	£	£
Fixed assets					
Investments	5		5		-
Current assets					
Debtors	6	54,140		-	
Cash at bank and in hand		-		2	
		<u>54,140</u>		<u>2</u>	
Creditors: amounts falling due within one year	7	<u>(14,082)</u>		<u>-</u>	
Net current assets			40,058		2
Total assets less current liabilities			<u>40,063</u>		<u>2</u>
Capital and reserves					
Called up share capital	8		1,000		2
Profit and loss account	9		39,063		-
Shareholders' funds - equity interests	10		<u>40,063</u>		<u>2</u>

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 02 OCT 2000

P J Devo
Director

GARNEX INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

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

1.2 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

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 Restatement

The 1998 financial accounts have been restated to correctly reflect the issued share capital.

2 Turnover

Turnover represents the company's share of income derived from its principal activity.

3 Operating profit

	1999	1998
	£	£
Operating profit is stated after charging:		
Audit and accountancy fees	700	-
	<u>700</u>	<u>-</u>

4 Taxation

	1999	1998
	£	£
Current year taxation		
U.K. corporation tax at 20.00% (1998 - 21.00%)	11,156	-
	<u>11,156</u>	<u>-</u>

GARNEX INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 1999**

5 Fixed asset investments

	Unlisted investments £
Cost	
At 1 January 1999	-
Additions	5
	<u>5</u>
At 31 December 1999	<u>5</u>

The investment represents a 5% holding in the Admaker Group and is stated at cost.

6 Debtors	1999 £	1998 £
Trade debtors	54,140	-
	<u>54,140</u>	<u>-</u>

7 Creditors: amounts falling due within one year	1999 £	1998 £
Corporation tax	11,156	-
Other creditors	920	-
Accruals and deferred income	2,006	-
	<u>14,082</u>	<u>-</u>

8 Share Capital

The authorised share capital of the Company comprises 1000 Ordinary Shares of £1 of which 1000 have been issued and are fully paid up (1998 - 2).

During the year 998 ordinary shares of £1 each were allotted and fully paid at par for cash consideration to provide additional working capital.

9 Statement of movements on profit and loss account

	Profit and loss account £
Retained profit for the year	39,063
	<u>39,063</u>

GARNEX INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 1999**

10 Reconciliation of movements in shareholders' funds	1999	1998
	£	£
Profit for the financial year	39,063	-
Proceeds from issue of shares	998	-
	<hr/>	<hr/>
Net addition to shareholders' funds	40,061	-
Opening shareholders' funds	2	2
	<hr/>	<hr/>
Closing shareholders' funds	40,063	2
	<hr/>	<hr/>

11 Contingent liabilities

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

12 Capital commitments

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

13 Employees

Number of employees

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

14 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.