

*Register of
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ROUSE & CO INTERNATIONAL LIMITED

FINANCIAL STATEMENTS

30 APRIL 2001



Bessler Hendrie
Chartered Accountants

River House
6 Walnut Tree Park
Walnut Tree Close
Guildford
Surrey GU1 4TW

ROUSE & CO INTERNATIONAL LIMITED

DIRECTORS AND OFFICERS

DIRECTORS

R A Ross-Macdonald
S D Adams
A J T Willoughby

SECRETARY

J J Byrne

REGISTERED OFFICE

The Isis Building
Thames Quay
193 Marsh Wall
London E14 9SG

AUDITORS

Bessler Hendrie
Chartered Accountants
River House
6 Walnut Tree Park
Walnut Tree Close
Guildford
Surrey GU1 4TW

ROUSE & CO INTERNATIONAL LIMITED**DIRECTORS' REPORT**

The directors submit their report and the financial statements of Rouse & Co International Limited for the year ended 30 April 2001.

PRINCIPAL ACTIVITIES

The principal activity of the group is the management, protection and exploitation of intellectual property throughout the world.

REVIEW OF THE BUSINESS

The consolidated results for the year are set out on page 6. The directors are satisfied with the results for the year. With a significant increase in turnover during the year and a smaller increase in overhead costs the group showed a satisfactory level of profitability for the year.

The directors consider the trading results of the year to 30 April 2002 will show further growth in turnover and a satisfactory level of profitability.

RESULTS AND DIVIDENDS

The group profit for the year after taxation was £1,504,831 (2000: £605,498).

The directors do not recommend the payment of a dividend on ordinary shares of the company. This leaves a retained profit of £1,504,831 (2000: £605,498) to be transferred to reserves.

DIRECTORS

The following directors have held office since 1 May 2000:-

P E Rouse (resigned 1 July 2000)
R A Ross-Macdonald
S D Adams
A J T Willoughby

ROUSE & CO INTERNATIONAL LIMITED**DIRECTORS' REPORT**

DIRECTORS' INTERESTS IN SHARES

Directors' interests in the shares of the company, were as follows:-

	Ordinary shares of 10p each	
	30 April 2001	30 April 2000
R A Ross-Macdonald	101,316	101,316
S D Adams	88,177	88,177
A J T Willoughby	106,301	106,301

ISSUED SHARE CAPITAL

At a meeting of the Board of Directors held on 15 September 2000, an Ordinary Resolution was passed so that the company could allot up to 28,404 ordinary shares of 10p in the share capital of the company.

At a meeting held on the same day, the allotment of 28,404 shares was approved and credited as fully paid at a premium of £2.90 per share. The total amount received by the company from the allotment of the ordinary shares was £85,212.

POLITICAL AND CHARITABLE DONATIONS

The group made charitable donations totalling £3,061 during the year.

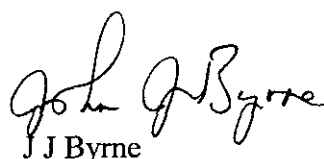
CREDITORS PAYMENT POLICY

Trade creditors are settled in accordance with their agreed payment terms.

AUDITORS

A resolution to reappoint Bessler Hendrie, Chartered Accountants, as auditors will be put to the members at the Annual General Meeting.

By order of the Board


J J Byrne

Secretary
24 April 2002

ROUSE & CO INTERNATIONAL LIMITED**DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF
FINANCIAL STATEMENTS**

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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. 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 requirements of 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.

**AUDITORS' REPORT TO THE MEMBERS OF
ROUSE & CO INTERNATIONAL LIMITED**

We have audited the financial statements on pages 6 to 22.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 4 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF 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 affairs of the company and of the group at 30 April 2001 and of the group profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Bessler Hendrie

Registered Auditor
River House
6 Walnut Tree Park
Walnut Tree Close
Guildford
Surrey GU1 4TW

25 April 2002

ROUSE & CO INTERNATIONAL LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 30 April 2001

	Notes	2001	2000
TURNOVER	1	9,413,003	6,173,285
Change in value of work in progress		305,298	389,029
		<hr/>	<hr/>
		9,718,301	6,562,314
Other operating charges	2	7,714,389	5,722,601
		<hr/>	<hr/>
OPERATING PROFIT		2,003,912	839,713
Interest receivable	3	4,558	2,258
		<hr/>	<hr/>
		2,008,470	841,971
Interest payable	4	98,156	122,508
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	1,910,314	719,463
Taxation	7	405,483	113,965
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	18	£ 1,504,831	£ 605,498
		<hr/>	<hr/>

The operating profit for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

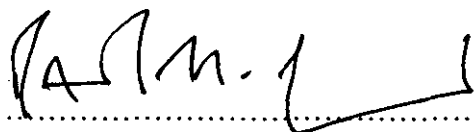
ROUSE & CO INTERNATIONAL LIMITED

CONSOLIDATED BALANCE SHEET

30 April 2001

	Notes	2001	2000
FIXED ASSETS			
Tangible assets	8	713,077	693,576
Investments	9	-	170,000
		<u>713,077</u>	<u>863,576</u>
CURRENT ASSETS			
Work in progress	10	747,202	543,373
Debtors	11	4,342,056	2,618,426
Cash at bank and in hand		314,217	272,854
		<u>5,403,475</u>	<u>3,434,653</u>
CREDITORS			
Amounts falling due within one year	12	3,642,204	3,102,280
		<u>1,761,271</u>	<u>332,373</u>
NET CURRENT ASSETS			
		<u>2,474,348</u>	<u>1,195,949</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS			
Amounts falling due after more than one year	13	8,629	265,196
		<u>£ 2,465,719</u>	<u>£ 930,753</u>
CAPITAL AND RESERVES			
Called up share capital	16	57,030	54,189
Share premium account	17	942,190	859,818
Capital reserve	17	87,563	87,563
Profit and loss account	18	1,378,936	(70,817)
		<u>£ 2,465,719</u>	<u>£ 930,753</u>
SHAREHOLDERS' FUNDS			
	19	<u>£ 2,465,719</u>	<u>£ 930,753</u>

Approved by the Board on 24 April 2002



..... Director
R A Ross-Macdonald

ROUSE & CO INTERNATIONAL LIMITED

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 30 April 2001

	Notes	2001	2000
Cash flows from operating activities	22a	1,067,558	774,023
Returns on investments and servicing of finance	22b	(93,598)	(120,250)
Taxation		(200,665)	(78,729)
Capital expenditure and financial investment	22b	(260,104)	(457,841)
Acquisitions and disposals	22b	(33,186)	-
Financing	22b	(71,481)	(248,439)
INCREASE/(DECREASE) IN CASH IN THE YEAR		£ 408,524	£ (131,236)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2001	2000
Increase/(decrease) in cash in the year	408,524	(131,236)
Cash outflow from decrease in debt and lease financing	177,357	210,966
Change in net debt resulting from cash flow	585,881	79,730
New finance leases	(20,664)	-
Translations difference	11,614	2,310
	576,831	82,040
NET DEBT AT 1 MAY 2000	(1,059,799)	(1,141,839)
NET DEBT AT 30 APRIL 2001	22c £ (482,968)	£ (1,059,799)

ROUSE & CO INTERNATIONAL LIMITED

PARENT COMPANY BALANCE SHEET

30 April 2001

	Notes	2001	2000
FIXED ASSETS			
Tangible assets	8	376,136	499,551
Investments	9	36,752	206,752
		<u>412,888</u>	<u>706,303</u>
CURRENT ASSETS			
Stock and work in progress	10	177,437	150,049
Debtors	11	3,439,700	2,380,383
Cash at bank and in hand		27,388	89,510
		<u>3,644,525</u>	<u>2,619,942</u>
CREDITORS			
Amounts falling due within one year	12	2,905,450	3,030,925
		<u>2,905,450</u>	<u>3,030,925</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>739,075</u>	<u>(410,983)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,151,963</u>	<u>295,320</u>
CREDITORS			
Amounts falling due after more than one year	13	-	265,196
		<u>-</u>	<u>265,196</u>
		<u>£ 1,151,963</u>	<u>£ 30,124</u>
CAPITAL AND RESERVES			
Called up share capital	16	57,030	54,189
Share premium account	17	942,190	859,818
Profit and loss account	18	152,743	(883,883)
		<u>1,151,963</u>	<u>(1,070,066)</u>
SHAREHOLDERS' FUNDS		<u>£ 1,151,963</u>	<u>£ 30,124</u>

Approved by the Board on 24 April 2002



Director

R A Ross-Macdonald

ROUSE & CO INTERNATIONAL LIMITED
Financial statements for the year ended 30 April 2001
ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

BASIS OF CONSOLIDATION

The group accounts consolidate the accounts of the company and all of its subsidiary undertakings.

As permitted by Section 230 of the Companies Act 1985, the profit and loss of the parent company has not been presented.

Subsidiaries acquired during the year are consolidated using the acquisition method. Their results are incorporated from the date that control passes.

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Leasehold improvements	over lease term
Computer equipment	33% on reducing balance
Office equipment, fixtures and fittings	25% on reducing balance
Motor vehicle	20% straight line

INVESTMENTS

Unlisted investments are stated at cost. Provision is made for any permanent diminution in value.

STOCKS AND WORK IN PROGRESS

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost of work in progress includes direct salary costs, plus an apportionment of related overhead costs. Net realisable value is based upon estimated normal selling price less further costs expected to be incurred to completion. Provision is made for unbillable time.

ROUSE & CO INTERNATIONAL LIMITED**Financial statements for the year ended 30 April 2001****ACCOUNTING POLICIES**

DEFERRED TAXATION

Taxation deferred or accelerated by the effect of timing differences is accounted for on the liability method to the extent that it is probable that a liability will crystallise.

FOREIGN CURRENCY TRANSLATION

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange at the accounting date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

Fixed asset investments denominated in foreign currencies are translated into sterling at the rates of exchange current at the dates of the transactions except when financed by borrowings denominated in foreign currencies when both the investments and the borrowings are re-translated at the rates of exchange ruling at the end of the period.

LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are operating leases and the annual rentals are charged to profit and loss on a straight line basis over the lease term.

TURNOVER

Turnover represents fees receivable during the period in respect of the company's principal activity.

ROUSE & CO INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2001

1. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The group's turnover and profit before taxation were all derived from its principal activity. Sales were made in the following geographical markets:

	2001	2000
United Kingdom	2,907,788	2,460,953
Hong Kong	1,670,254	432,537
China	2,235,174	1,484,566
Indonesia	903,644	497,617
Middle East	1,586,176	1,297,612
Thailand	109,967	-
	<u>£ 9,413,003</u>	<u>£ 6,173,285</u>

2. OTHER OPERATING CHARGES

Staff costs	5,226,062	4,260,861
Operating expenses	2,557,914	1,668,855
Other operating income	(69,587)	(207,115)
	<u>£ 7,714,389</u>	<u>£ 5,722,601</u>

3. INTEREST RECEIVABLE

Bank interest	4,558	2,258
	<u>£ 4,558</u>	<u>£ 2,258</u>

4. INTEREST PAYABLE

Bank interest payable	75,958	92,367
Finance lease interest	10,379	23,255
Other interest	11,819	6,886
	<u>£ 98,156</u>	<u>£ 122,508</u>

ROUSE & CO INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2001

	2001	2000
5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
Profit on ordinary activities before taxation is stated after charging:		
Depreciation and amounts written off tangible fixed:		
Charge for the year:		
owned assets	200,364	166,773
leased assets	25,641	85,505
(Profit)/Loss on disposal	192,173	37,196
Auditors' remuneration	39,959	45,404
Ex-gratia payments to director on loss of office	30,117	-
(Profit)/Loss on exchange of foreign currency	(363,326)	16,773
Operating lease rentals:		
Plant and machinery	39,787	59,694
Other assets	226,435	310,935
Write down of fixed asset investment	-	133,440
(Profit)/Loss on sale of fixed asset investment	-	(55,810)
	<u>200,364</u>	<u>166,773</u>
6. EMPLOYEES		
The average weekly number of persons (including directors) employed by the group during the year was:	No.	No.
Administration	166	133
Management	21	18
	<u>187</u>	<u>151</u>
Staff costs for the above persons:		
Wages and salaries	4,749,875	3,989,828
Social security costs	358,679	246,886
Pension costs	28,299	-
Ex-gratia payments on loss of office	30,117	-
	<u>£ 5,166,970</u>	<u>£ 4,236,714</u>
DIRECTORS' REMUNERATION		
Aggregate emoluments	415,000	384,242
Pension costs	2,000	-
Ex-gratia payments on loss of office	30,117	-
	<u>£ 447,117</u>	<u>£ 384,242</u>
Highest paid director:		
Aggregate emoluments	<u>£ 220,000</u>	<u>£ 207,706</u>

ROUSE & CO INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2001

	2001	2000
7. TAXATION		
Based on the profit for the year:		
UK Corporation tax at 30% (2000: 30%)	260,022	52,105
Under provision in earlier years	3,618	-
Double taxation relief	(12,022)	(24,040)
Overseas taxation suffered	153,865	85,900
	<u>£ 405,483</u>	<u>£ 113,965</u>

**8. TANGIBLE FIXED ASSETS
GROUP**

	Leasehold improvements	Furniture, fixtures and fittings	Office and computer equipment	Motor Vehicles	TOTAL
Cost:					
1 May 2000	7,570	311,008	945,031	41,185	1,304,794
Additions	84,299	30,321	329,484	-	444,104
Disposals	-	(56,649)	(339,768)	(41,185)	(437,602)
Exchange differences	699	4,357	20,889	-	25,945
30 April 2001	<u>92,568</u>	<u>289,037</u>	<u>955,636</u>	<u>-</u>	<u>1,337,241</u>
Depreciation:					
1 May 2000	3,089	158,483	435,231	14,415	611,218
Charge in the year	17,789	43,739	164,477	-	226,005
Disposals	-	(45,207)	(166,077)	(14,415)	(225,699)
Exchange differences	285	1,927	10,428	-	12,640
30 April 2001	<u>21,163</u>	<u>158,942</u>	<u>444,059</u>	<u>-</u>	<u>624,164</u>
Net book value:					
30 April 2001	<u>71,405</u>	<u>130,095</u>	<u>511,577</u>	<u>-</u>	<u>£ 713,077</u>
30 April 2000	<u>4,481</u>	<u>152,525</u>	<u>509,800</u>	<u>26,770</u>	<u>£ 693,576</u>

The net book value of furniture, fixtures and fittings, office and computer equipment, and motor vehicles includes £Nil (2000: £18,004), £66,185 (2000: £167,991) and £Nil (2000: £26,770) respectively in respect of assets held under hire purchase contracts. The depreciation charge on those assets was £25,641 (2000: £85,505).

ROUSE & CO INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2001

8. TANGIBLE FIXED ASSETS continued

COMPANY

	Computer equipment	Office equipment	Furniture, fixtures and fittings	Motor Vehicles	TOTAL
Cost:					
1 May 2000	480,383	146,447	184,211	41,185	852,226
Additions	174,216	5,201	4,551	-	183,968
Disposals	(293,415)	-	-	(41,185)	(334,600)
30 April 2001	361,184	151,648	188,762	-	701,594
Depreciation:					
1 May 2000	203,777	56,000	78,483	14,415	352,675
Charge in the year	60,243	30,771	27,524	-	118,538
Disposals	(131,340)	-	-	(14,415)	(145,755)
30 April 2001	132,680	86,771	106,007	-	325,458
Net book value:					
30 April 2001	228,504	64,877	82,755	-	£ 376,136
30 April 2000	276,606	90,447	105,728	26,770	£ 499,551

The net book value of computer equipment, office equipment, furniture, fixtures and fittings and motor vehicles includes £44,041 (2000: £111,722), £Nil (2000: £56,219), £Nil (2000: £18,004) and £Nil (2000: £26,770) respectively in respect of assets held under hire purchase contracts. The depreciation charge on those assets was £23,715 (2000: £85,505).

ROUSE & CO INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2001

	Group		Company	
	2001	2000	2001	2000
9. FIXED ASSET INVESTMENTS				
At cost:				
1 May 2000	170,000	-	206,752	36,752
Additions	-	350,000	-	350,000
Disposals	(170,000)	(46,560)	(170,000)	(46,560)
Write down of investment	-	(133,440)	-	(133,440)
	<hr/>	<hr/>	<hr/>	<hr/>
30 April 2001	£ -	£ 170,000	£ 36,752	£ 206,752
	<hr/>	<hr/>	<hr/>	<hr/>

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

Name	Country of Incorporation	Class of shares	Percentage	Nature of business
Rouse & Co International (UK) Limited	United Kingdom	Ordinary	100	Consultancy services
Rouse & Co International (Overseas) Limited	*	Ordinary	100	Consultancy services
Beijing Jieding Consultancy	*	Ordinary	100	Consultancy services
Linkway Limited	*	Ordinary	100	Consultancy services
	Hong Kong			
P T Rouse & Co International (Indonesia)	#	Ordinary	95	Consultancy services
Rouse & Co International (Thailand) Limited	+	Ordinary	100	Consultancy services
Rouse & Co International Services Limited	United Kingdom	Ordinary	100	Non-trader
Rouse & Co International (ME) Limited	United Kingdom	Ordinary	100	Non-Trader

* This company is a subsidiary undertaking of Rouse & Co International (UK) Limited.

5% of this company is owned by Rouse & Co International (UK) Limited so that it is a wholly owned subsidiary undertaking.

+ This company is a subsidiary undertaking of Rouse & Co International (Overseas) Limited.

	Group		Company	
	2001	2000	2001	2000
10. STOCKS				
Work in progress	£ 747,202	£ 543,373	£ 177,437	£ 150,049
	<hr/>	<hr/>	<hr/>	<hr/>

This represents unbilled costs in respect of consultancy services.

ROUSE & CO INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2001

	Group		Company	
	2001	2000	2001	2000
11. DEBTORS				
Due within one year:				
Trade debtors	4,044,592	2,230,552	1,728,234	994,401
Amounts due from subsidiary undertakings	-	-	1,606,585	1,147,621
Other debtors	129,308	125,191	31,495	47,083
Prepayments and accrued income	168,156	262,683	73,386	191,278
	<u>£ 4,342,056</u>	<u>£ 2,618,426</u>	<u>£ 3,439,700</u>	<u>£ 2,380,383</u>

Included in trade debtors is an amount of £356,861 (2000: £105,940 trade creditor) owed by Willoughby & Partners, a firm in which A J T Willoughby is a partner.

12. CREDITORS

Amounts falling due within one year:

Bank loans and overdraft	755,288	959,063	755,288	959,063
Obligations under finance leases	33,268	108,394	21,233	108,394
Payments on account	393,613	-	373,433	-
Trade creditors	889,979	1,164,178	594,077	1,053,482
Amounts owed to subsidiary undertakings	-	-	38,210	247,867
Corporation tax	272,504	67,686	215,000	14,000
Other taxation and social security costs	271,346	151,300	243,421	138,969
Other creditors	131,905	252,378	73,555	228,680
Accruals and deferred income	894,301	399,281	591,233	280,470
	<u>£ 3,642,204</u>	<u>£ 3,102,280</u>	<u>£ 2,905,450</u>	<u>£ 3,030,925</u>

The bank loans and overdraft are secured by a fixed charge over the group's assets.

Composite guarantees are in place between all United Kingdom group companies.

Included in other creditors is a loan of £Nil (2000: £162,000) from P E Rouse, a director of the company in the year. The loan is interest free with no set terms of repayment.

ROUSE & CO INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2001

	Group		Company	
	2001	2000	2001	2000
13. CREDITORS				
Amounts falling due after one year:				
Bank loans	-	225,000	-	225,000
Obligations under finance leases	8,629	40,196	-	40,196
	<u>£ 8,629</u>	<u>£ 265,196</u>	<u>£ -</u>	<u>£ 265,196</u>

The obligations under finance leases include £8,629 (2000: £40,196) in respect of instalments payable between 2 and 5 years.

	2001	2000
14. OBLIGATIONS UNDER HIRE PURCHASE AND FINANCE LEASES		
GROUP		
Disclosed as payable:		
Within one year	34,773	117,485
In more than one year	9,303	41,522
Gross liability	<u>£ 44,076</u>	<u>£ 159,007</u>
Finance charges allocated to future periods	<u>£ 2,179</u>	<u>£ 10,417</u>

15. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation provided in the financial statements and the unprovided potential liability are as follows:-

	Amount provided		Unprovided liability	
	2001	2000	2001	2000
GROUP				
Excess of tax allowances over depreciation	-	-	20,500	18,000
Losses, in excess of	-	-	-	(18,000)
	<u>£ -</u>	<u>£ -</u>	<u>£ 20,500</u>	<u>£ -</u>
COMPANY				
Excess of tax allowances over depreciation	-	-	11,500	18,000
Losses, in excess of	-	-	-	(18,000)
	<u>£ -</u>	<u>£ -</u>	<u>£ 11,500</u>	<u>£ -</u>

ROUSE & CO INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2001

	2001	2000
16. SHARE CAPITAL		
Authorised:		
3,000,000 ordinary shares of 10p each	£ 300,000	£ 300,000
Allotted, issued and fully paid:		
570,297 ordinary shares of 10p each (2000: 541,893)	£ 57,030	£ 54,189

On 15 September 2001 the company allotted 28,404 ordinary shares of 10p at a premium of £2.90 per share.

17. CAPITAL RESERVES

	Share Premium Account	Capital Reserve
1 May 2000	859,818	87,563
Issue of shares	82,372	-
30 April 2001	£ 942,190	£ 87,563

The movements in the share premium account reflect the transactions in the company's shares set out in Note 16.

18. PROFIT AND LOSS ACCOUNT

	Group		Company	
	2001	2000	2001	2000
1 May 2000	(70,817)	(668,699)	(883,883)	(933,544)
Profit for the year	1,504,831	605,498	1,036,626	49,661
Exchange difference on consolidation	(55,078)	(7,616)	-	-
30 April 2001	£ 1,378,936	£ (70,817)	£ 152,743	£ (883,883)

ROUSE & CO INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2001

	2001	2000
19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS GROUP		
Profit for the financial year	1,504,831	605,498
Issue of share capital	85,213	145,000
Purchase of own shares	-	(182,474)
Exchange difference on consolidation	(55,078)	(7,616)
	<u>1,534,966</u>	<u>560,408</u>
Opening shareholders' funds	<u>930,753</u>	<u>370,345</u>
Closing shareholders' funds	<u>£ 2,465,719</u>	<u>£ 930,753</u>
COMPANY		
Profit for the financial year	1,036,626	49,661
Issue of share capital	85,213	145,000
Purchase of own shares	-	(182,474)
	<u>1,121,839</u>	<u>12,187</u>
Opening shareholders' funds	<u>30,124</u>	<u>17,937</u>
Closing shareholders' funds	<u>£ 1,151,963</u>	<u>£ 30,124</u>

20. COMMITMENTS UNDER OPERATING LEASES

At 30 April 2001, the group had annual commitments under non-cancellable operating leases as follows:

Land and buildings:

expiring within 1 year	77,359	81,170
expiring between 2 and 5 years	26,517	32,266
expiring in 5 years or more	213,033	232,735

Equipment:

expiring within 1 year	30,104	-
expiring between 2 and 5 years	663	20,870

£	<u>347,676</u>	£	<u>367,041</u>
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21. TRANSACTIONS WITH DIRECTORS

During the year the group invoiced administration charges of £1,668,228 (2000: £1,439,700) to Willoughby & Partners, a firm in which A J T Willoughby is a partner.

A loan of £162,000 from P E Rouse was repaid during the year.

ROUSE & CO INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2001

22. CASH FLOWS

a. Reconciliation of operating profit to net cash inflow from operating activities

	2001	2000
Operating profit	2,003,912	839,713
Depreciation	226,005	252,276
Loss/(profit) on sale of fixed assets	192,173	(18,614)
Provisions against investments	-	133,440
Increase in stocks	(203,829)	(389,653)
Increase in debtors	(1,723,630)	(333,196)
Increase in creditors	572,927	328,372
Net cash flow from operating activities	£ 1,067,558	£ 812,338

b. Analysis of cash for headings netted in the cash flow

Returns on investments and servicing of finance

Interest received	4,558	2,258
Interest paid	(98,156)	(122,508)
Net cash outflow for returns on investment and servicing of income	£ (93,598)	£ (120,250)

Capital expenditure and financial investment

Purchase of tangible fixed assets	(444,104)	(250,127)
Sale of tangible fixed assets	14,000	39,916
Purchase of fixed asset investments	-	(350,000)
Sale of fixed asset investments	170,000	102,370
Net cash outflow for capital expenditure and financial investment	£ (260,104)	£ (457,841)

Acquisitions and disposals

Acquisition of subsidiary undertaking	(33,186)	-
Net cash outflow for acquisitions and disposals	£ (33,186)	£ -

Financing

Receipts from issuing shares	85,212	145,000
Repayments of amounts borrowed	(50,000)	(50,000)
Capital element of finance lease rental payments	(106,693)	(160,966)
Payments to reacquire shares	-	(182,473)
Net cash outflow for financing	£ (71,481)	£ (248,439)

ROUSE & CO INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2001

22. CASH FLOWS continued

c. Analysis of net debt

	At 1 May 2000	Cash flow	Other non-cash changes	Exchange movements	At 30 April 2001
	£	£			£
Cash in hand, at bank	272,854	29,749	-	11,614	314,217
Overdrafts	(909,063)	378,775	-	-	(530,288)
Debt due within one year	(50,000)	50,000	(225,000)	-	(225,000)
Debt due after one year	(225,000)	-	225,000	-	-
Finance leases	(148,590)	127,357	(20,664)	-	(41,897)
	<u>(1,059,799)</u>	<u>585,881</u>	<u>(20,664)</u>	<u>11,614</u>	<u>(482,968)</u>