

Registered no.: 4027711

FP Advisory (Russia) Limited
Annual Report
For the 9 month period ended 31 March 2001



| | Page |
|-----------------------------------|------|
| Director's Report | 3 |
| Auditor's Report | 5 |
| Profit and loss account | 6 |
| Company balance sheet | 7 |
| Notes to the financial statements | 8 |

Director's report for the 9 month period ended 31 March 2001

The directors present their report and the audited financial statements of the company for the period ended 31 March 2001.

Principal activities

The principal activity during the period was that of a corporate advisory operation.

Review of business and future developments

The Company was incorporated in England on 5 July 2000 and a Russian branch office was established shortly thereafter. The business has made an encouraging start; having signed up three Russian corporate clients, it recorded a modest operating profit of £23,000 in the period under review. The Company is not regulated to carry out advisory activities in the UK and all its trading activities are undertaken through the Moscow office; where there is currently a team of 10 people.

The current year to 31 March 2002 will be a period of great opportunity and challenge for the company and its Moscow-based team as it seeks to attract additional clients and further establish its presence in its marketplace. It has had a very encouraging first nine months and the directors are pleased with the company's progress to date.

Results and dividends

In the period under review, the group recorded an operating profit of £23,000 on gross revenues of £510,000 and a retained profit of £1,000 after interest and (Russian) tax.

No dividend has been declared in the period.

Directors and their interests

The directors who held office during the period are given below:

| | |
|-----------------------|---|
| Eleanor Jane Zuercher | appointed 5 July 2000 resigned 24 August 2000 |
| Drusilla C.J. Rowe | appointed 5 July 2000 resigned 24 August 2000 |
| Rupert R.S. Beaumont | appointed 24 August 2000 resigned 1 September 2000 |
| Nilufer Von Bismark | appointed 24 August 2000 resigned 1 September 2000 |
| Roderick Fleming | appointed 1 September 2000 |
| Mark Garber | appointed 1 September 2000 |
| David Ian Rawlinson | appointed 1 September 2000 |
| Dennis Sukanov | appointed 1 September 2000 |

No director held shares in the company.

Fleming Family & Partners:

David Ian Rawlinson held 3,000,000 ordinary shares of 1p in the capital of the ultimate parent undertaking of the company. The shareholdings of Rodderick Fleming and Mark Garber are dealt with in the parent company's accounts.

Employees

FP Advisory (Russia) Limited currently has 10 employees based in its Moscow office

Policy & practice on payment of creditors

It is the company's intention to be a timely payer of bills where the aim is to settle all invoices within 30 days of receipt.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently with the exception of the changes arising on the adoption of new accounting standards in the year as explained on page 8 under Note 1 'Accounting policies'. They also confirm that reasonable and prudent judgments and estimates have been made in preparing the financial statements for the 9 month period ended 31 March 2001 and that applicable accounting standards have been followed.

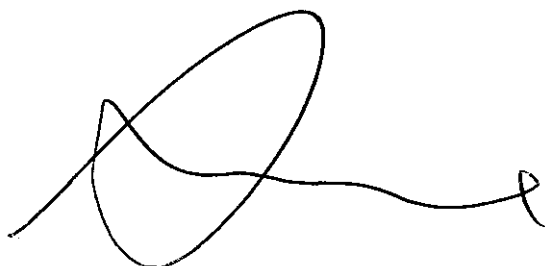
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the safeguarding of the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board

A. Benns
Secretary



26th June 2001

Auditors' report to the members of FP Advisory (Russia) Limited

We have audited the financial statements in pages 6 to 10.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the annual report. As described on page 4 this includes responsibility for preparing the financial statements in accordance with applicable United Kingdom accounting standards. Our responsibilities as independent auditors are established in the United Kingdom by statute, the Auditing Practices Board and 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 United Kingdom Companies Act. 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 of information specified by law regarding directors' remuneration and transaction is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

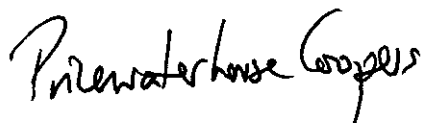
Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit included 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 judgments 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 opinions 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 at 31 March 2001 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London

2001

Profit and Loss Account for the period 5 July 2000 to 31 March 2001

| | Note | FP Advisory (Russia) £'000 |
|--|------|-------------------------------|
| Turnover | 3 | 510 |
| | | 510 |
| Administration Costs | 4 | (487) |
| Operating Profit/(Loss) | | 23 |
| Interest receivable and similar income | | - |
| Interest payable and similar charges | 7 | (2) |
| Profit/(Loss) before taxation | | 21 |
| Tax on profits | 8 | (20) |
| Profit/(Loss) for the financial year | | 1 |
| Dividends - including non-equity | 9 | - |
| Retained Profit/(Loss) for the financial year | | 1 |

The company has no recognised gains and losses other than the loss above and therefore no separate statement of total recognised gains and losses has been presented.

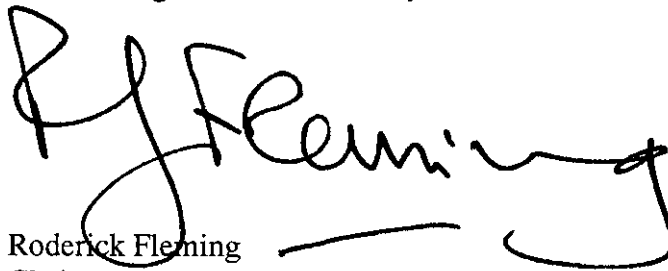
There is no difference between the loss before taxation and the retained loss for the financial year stated above and their historical cost equivalents.

FP Advisory (Russia) Limited

Balance Sheet as at 31 March 2001

| | Note | FP Advisory (Russia) £'000 |
|---|------|-------------------------------|
| Fixed Assets | | |
| Tangible Assets | 10 | 33 |
| Current assets | | |
| Trade debtors & other | 11 | 7 |
| Cash at bank and in hand | | 45 |
| Creditors - amount falling due within one year | 12 | (84) |
| Net current assets | | (32) |
| Total assets less current liabilities | | 1 |
| Creditors - Amounts falling due after more than one year | | - |
| Provisions for liabilities and charges | | - |
| Net assets | | 1 |
| Capital and reserves | | |
| Investment from parent | 13 | - |
| Profit and loss account | 14 | 1 |
| Total shareholder's funds | | 1 |

The financial statements on pages 6 to 10 were approved by the board of directors on 26th June 2001 and were signed on its behalf by:


Roderick Fleming
Chairman

The accounting policies and notes to the accounts on pages 8 to 10 form part of these financial statements.

Notes to the financial statements for the 9 month period ended 31 March 2000.

1. Accounting policies

These financial statements are prepared under the historical cost convention in accordance with applicable accounting standards. This is the first period of trading and therefore no comparative figures have been presented.

Fixed Assets, Depreciation and amortisation

Fixed assets (comprising motor vehicles) are being depreciated on a straight-line basis over four years

Foreign Currencies

All foreign currency transactions have been converted into Sterling at the mid-market rate prevailing on the date that the transaction is booked. The company currently has limited exposure to foreign currencies as substantially all the group's business is transacted in the UK.

2. Exemptions

As permitted by FRS1 FP Advisory (Russia) Limited's cash flow statement has not be included as it is a wholly owned subsidiary of Fleming Family & Partners Limited and it's cash flow appears as part of the consolidated cash flow in the group's accounts.

FP Advisory (Russia) Limited also takes advantage of FRS8, which exempts it from disclosing related party transactions where the related party is part of the Fleming Family & Partners group or is an investor in the group.

3. Turnover

This comprises fee income received for the provision of advisory services to Russian corporate clients.

4. Operating profit

| | FP Advisory (Russia) 2001 £'000 |
|--|---------------------------------------|
| Operating profit is stated after charging | |
| Wages and salaries | (24) |
| Social security costs | (2) |
| Other pension costs | (6) |
| Staff Costs | (32) |
| Auditor's remuneration | |
| Audit services | (6) |
| Non-audit services | - |
| Other operating costs | (449) |
| | (487) |

5. Directors' emoluments

There were no directors' emoluments paid during the period under review.

6. Employee information

There were 10 employees employed during the period under review, all of whom were based in the Moscow branch office.

7. Interest payable and similar charges

Interest and similar charges of £2,000 were payable in the period under review

8. Tax on profit on ordinary activities

£20,000 has been provided for tax payable in Russia. There were no other charges for taxation made in the period under review.

9. Dividends

No dividends have been declared.

10. Tangible Assets

Tangible Assets of £33,000 comprise a motor vehicle, which will be depreciated over a four year period.

11. Debtors

Trade debtors of £7,000 were outstanding at 31 March 2001

12. Creditors – Amounts falling due within one year

| | FP Advisory (Russia) 2001 £'000 |
|-----------------|---------------------------------------|
| Trade creditors | 84 |
| | 84 |

13. Called up share capital

| | FP Advisory (Russia) 2001 £ |
|--|-----------------------------------|
| Authorised | |
| 100 ordinary shares of £1 each, fully paid | 100 |
| Allotted | |
| 2 ordinary shares of £1 each, fully paid | 2 |

During the year the company issued two ordinary shares for cash.

14. Reserves

| | £'000 |
|---|----------|
| At 5 July 2000 | - |
| Retained profit/(loss) for the financial year | 1 |
| As at 31 March 2001 | 1 |

15. Contingent Liabilities

The company had no contingent liabilities as at 31 March 2001

16. Ultimate Parent Undertaking

The company is a wholly owned subsidiary of Fleming Family & Partners Limited, a company incorporated in England (registered number: 4006741)