

PROCICER LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2005



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**PROCICER LIMITED
DIRECTORS' REPORT
YEAR ENDED 31 MAY 2005**

The directors present their report and financial statements for the year ended 31 May 2005.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

Procicer Limited owns Procicer SA de CV, a company registered in Mexico, whose principal activity is the processing and warehousing of dried edible pulses in Sinaloa Mexico.

During the period ended 31 May 2004, Procicer Limited was acquired by Maviga Limited, a company registered in England and Wales, by way of a share for share exchange.

The loss for the year, after taxation, amounted to \$165,574 (2004 – profit \$59,097).

The loss for the year ended 31st May 2005 was \$247,486 (2004 - \$28,356) for Procicer Limited and Procicer SA de CV.

The directors do not recommend the payment of a dividend.

DIRECTORS' INTERESTS

The directors who served during the year and their beneficial interests in the company's issued share capital were:-

	<u>Ordinary shares of \$1 each</u>	
	<u>31 May 2005</u>	<u>31 May 2004</u>
W G D Thrupp	-	-
E H M Coles	-	-

The directors interests in the ultimate parent undertaking are disclosed in that company's accounts.

AUDITORS

A resolution proposing the re-appointment of Horwath Clark Whitehill LLP as auditors will be put to the Annual General Meeting.

By Order of the Board

12 August 2005

E. Chambers

E Chambers
Secretary

PROCICER LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 31 MAY 2005

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 at the end of the year and of its profit or loss 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume 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 or other irregularities.

INDEPENDENT AUDITORS REPORT TO THE SHAREHOLDERS OF PROCICER LIMITED

We have audited the financial statements of Procicer Limited for the year ended 31 May 2005 set out on pages 4 to 10. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 6.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Companies Act 1985. 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 if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Audit Opinion

We conducted our audit in accordance with United Kingdom 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 the company's affairs as at 31 May 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



HORWATH CLARK WHITEHILL LLP

Chartered Accountants

Registered Auditors

10 Palace Avenue

Maidstone

Kent ME15 6NF

12 August 2005

PROCICER LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MAY 2005

	Notes	Year ended 31 May 2005 \$	Seventeen months ended 31 May 2004 \$
TURNOVER	1,2	30,207	31,000
Administrative expenses		<u>(177,931)</u>	<u>(3,162)</u>
OPERATING (LOSS)/PROFIT	3	(147,724)	27,838
Interest receivable		30,000	53,165
Interest payable	5	<u>(51,766)</u>	<u>(12,302)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(169,490)	68,701
Tax on profit on ordinary activities	6	<u>3,916</u>	<u>(9,604)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>(165,574)</u>	<u>59,097</u>

All amounts relate to continuing activities.

There were no recognised gains and losses other than those included in the profit and loss account.



The notes on pages 6 to 10 form part of these financial statements.

PROCICER LIMITED
BALANCE SHEET
31 MAY 2005

	Notes	31 May 2005 \$	31 May 2004 \$
FIXED ASSETS			
Investments	7	-	5,432
CURRENT ASSETS			
Debtors	8	647,296	747,100
Cash at bank		76,345	84,592
		723,641	831,692
CREDITORS: amounts falling due within one year	9	(680,778)	(628,687)
NET CURRENT ASSETS		42,863	203,005
TOTAL ASSETS LESS CURRENT LIABILITIES		42,863	208,437
CAPITAL AND RESERVES			
Called up share capital	11	123,920	123,920
Profit and loss account	12	(81,057)	84,517
SHAREHOLDERS' FUNDS - All Equity	12	42,863	208,437

Approved by the Board on 12 August 2005
and signed on its behalf:

W G D Thrupp
E H M Coles

Directors



The notes on pages 6 to 10 form part of these financial statements.

PROCICER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2005

1. ACCOUNTING POLICIES

a) Basis of Preparation of Financial Statements

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

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of Section 228 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

b) Turnover

Turnover comprises the invoiced value of management services supplied by the company, exclusive of Value Added Tax and trade discounts.

c) Foreign Currencies

Assets and liabilities in foreign currencies are translated into US dollars at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into US dollars at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

The sterling exchange rate at the year end was 1.8225 US dollars to the British pound.

d) Deferred Taxation

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

2. TURNOVER

The whole of the turnover is attributable to the management of a subsidiary involved in the processing, packing and storing of Mexican chickpeas.

All turnover arose within Mexico.

3. OPERATING PROFIT

	Year ended 31 May 2005	<i>Period ended</i> <i>31 May</i> <i>2004</i>
This is stated after charging/(crediting):-	\$	\$
Provision against the investment	5,432	-
Provision against the value of intercompany debtor	167,726	-
(Gain)/loss on foreign exchange	<u>(2,075)</u>	<u>14</u>

During the year, no director received any emoluments (2004 - \$nil).

PROCICER LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MAY 2005

4. STAFF COSTS (including directors)

The average monthly number of employees, including directors, during the period was as follows:

	Year ended 31 May 2005	Period ended 31 May 2004
Directors	<u>2</u>	<u>2</u>

5. INTEREST PAYABLE

	Year ended 31 May 2005 \$	Period ended 31 May 2004 \$
To group entities	<u>51,766</u>	<u>12,302</u>

6. TAXATION

	Year ended 31 May 2005 \$	Period ended 31 May 2004 \$
UK Corporation tax charge on profits of the year	6,436	9,604
Adjustment in respect of prior periods	<u>2,082</u>	<u>-</u>
	8,518	9,604
Double taxation relief	<u>(4,531)</u>	<u>(205)</u>
	3,987	9,399
Foreign tax	<u>-</u>	<u>205</u>
	3,987	9,604
Deferred taxation	<u>(7,903)</u>	<u>-</u>
	<u>3,916</u>	<u>9,604</u>

PROCICER LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MAY 2005

6. TAXATION (CONTINUED)

Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (19%). The differences are explained below:

	Year ended 31 May 2005 \$	Period ended 31 May 2004 \$
(Loss)/Profit on ordinary activities before tax	<u>(169,490)</u>	<u>68,701</u>
Profit on ordinary activities multiplied by the relevant standard rate of corporation tax in UK of 30% (2004 – 30%)	(50,847)	20,610
Effects of:		
Expenses not deductible for tax purposes	52,006	110
Group relief claimed without payment	-	(4,871)
Marginal relief	(2,626)	(5,559)
Adjustments to tax in respect of previous periods	2,082	-
Unrelieved tax losses	7,903	-
Utilisation of tax losses	-	(686)
	<u>8,518</u>	<u>9,604</u>

There were no factors that may affect future tax charges.

7. FIXED ASSET INVESTMENTS

Cost	Shares in group undertakings \$	Total \$
At 31 May 2004	5,432	5,432
Less provision	<u>(5,432)</u>	<u>(5,432)</u>
At 31 May 2005	<u>-</u>	<u>-</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the company:

Procicer SA de CV	Ordinary \$1 shares	100% owned
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The aggregate of the share capital and reserves as at 31 May 2005 and of the profit or loss for the year ended on that date for the subsidiary undertaking was as follows:

	Aggregate of share capital and reserves \$	Profit/(loss) \$
Procicer SA de CV	<u>(167,726)</u>	<u>(81,912)</u>

Procicer SA de CV is a company incorporated in Mexico which mills and processes chickpeas.

PROCICER LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MAY 2005

8. DEBTORS

	31 May 2005 \$	31 May 2004 \$
Amounts owed by group undertakings	635,482	739,125
Deferred tax – Note 10	7,903	-
Other debtors	3,911	7,975
	<u>647,296</u>	<u>747,100</u>

9. CREDITORS: amounts falling due within one year

	31 May 2005 \$	31 May 2004 \$
Amounts owed to group undertakings	676,570	618,333
Corporation tax	1,208	9,604
Accruals and deferred income	3,000	750
	<u>680,778</u>	<u>628,687</u>

10. DEFERRED TAXATION

	2005 \$	2004 \$
Deferred taxation movements		
Balance at 1 June 2004	-	-
Transfer from the profit and loss account	(7,903)	-
Balance at 31 May 2005	<u>(7,903)</u>	<u>-</u>
	2005 \$	2004 \$
Tax losses carried forward	(7,903)	-
	<u>(7,903)</u>	<u>-</u>

PROCICER LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MAY 2005

11. CALLED UP SHARE CAPITAL

	31 May 2005 \$	31 May 2004 \$
Authorised 200,000 Ordinary shares of \$1 each	<u>200,000</u>	<u>200,000</u>
Allotted, called up and fully paid 123,920 Ordinary shares of \$1 each	<u>123,920</u>	<u>123,920</u>

12. SHAREHOLDERS' FUNDS

	Share capital \$	Profit and loss account \$	Total \$
At 1 January 2003	61,640	25,420	87,060
Shares issued during the period	62,280	-	62,080
Retained profit	<u>-</u>	<u>59,097</u>	<u>59,097</u>
At 31 May 2004	123,920	84,517	208,437
Retained loss	<u>-</u>	<u>(165,574)</u>	<u>(165,574)</u>
At 31 May 2005	<u>123,920</u>	<u>(81,057)</u>	<u>42,863</u>

13. RELATED PARTY TRANSACTIONS

In accordance with FRS 8: Related Party Disclosures, the company is exempt from disclosing transactions with entities that are part of its group, or investees of the group qualifying as related parties, as it is a 100% subsidiary of a parent publishing consolidated financial statements.

Copies of these accounts are available from:-

The Granary 1 Downs Court
Yalding Hill
Yalding
Kent ME18 6AL

14. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

Maviga Limited, a company registered in England and Wales, is regarded by the directors as being the company's ultimate holding company by virtue of its 100% shareholding. E H M Coles is regarded as being the ultimate controlling party of Maviga Limited.

15. CONTINGENT LIABILITIES

The company is subject to a cross guarantee in the form of a fixed and floating charge over the assets of the group of which it is a subsidiary. The group's principal overdraft at 31 May 2005 was \$8,329,807 (2004 - \$9,817,683).