

PROCICER LIMITED
REPORT AND FINANCIAL STATEMENTS
PERIOD ENDED 31 MAY 2004



**PROCICER LIMITED
DIRECTORS' REPORT
PERIOD ENDED 31 MAY 2004**

The directors present their report and financial statements for the period ended 31 May 2004.

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, the Procicer Limited was acquired by Maviga Limited, a company registered in England and Wales, by way of a share for share exchange.

The profit for the period, after taxation, amounted to \$59,097 (2002 - \$27,859).

Results for the seventeen months of 31st May 2004 were broadly in line with the original business plans 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 period and their beneficial interests in the company's issued share capital were:-

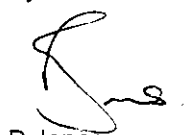
	<u>Ordinary shares of \$1 each</u>	
	<u>31 May 2004</u>	<u>1 January 2003</u>
W G D Thrupp	-	11,709
E H M Coles	-	29,817

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

AUDITORS

Horwath Clark Whitehill LLP were appointed as auditors during the period. 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



P Jones
Secretary

SIGNED, 17 JULY 2004

PROCICER LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
PERIOD ENDED 31 MAY 2004

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 period ended 31 May 2004 set out on pages 4 to 12. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 7.

This report is made solely to the company's members, 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 members 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 members 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 2004 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Horwath Clark Whitehill LLP

HORWATH CLARK WHITEHILL LLP

Chartered Accountants

Registered Auditors

10 Palace Avenue

Maidstone

Kent ME15 6NF

5 AUGUST 2004

PROCICER LIMITED
PROFIT AND LOSS ACCOUNT
PERIOD ENDED 31 MAY 2004

	Notes	Period ended 31 May 2004 \$	Year ended 31 December 2002 \$
TURNOVER	1,2	31,000	-
Administrative expenses		<u>(3,162)</u>	<u>(1,553)</u>
OPERATING PROFIT/(LOSS)	3	27,838	(1,553)
Interest receivable		53,165	36,081
Interest payable	5	<u>(12,302)</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		68,701	34,528
Tax on profit on ordinary activities	6	<u>(9,604)</u>	<u>(6,669)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>59,097</u>	<u>27,859</u>

All amounts relate to continuing activities.

There were no recognised gains and losses for 2004 or 2002 other than those included in the profit and loss account.

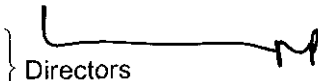

The notes on pages 7 to 12 form part of these financial statements.

PROCICER LIMITED
BALANCE SHEET
31 MAY 2004

	Notes	31 May 2004 \$	31 December 2002 \$
FIXED ASSETS			
Investments	7	<u>5,432</u>	<u>5,432</u>
CURRENT ASSETS			
Debtors	8	<u>747,100</u>	<u>567,621</u>
Cash at bank		<u>84,592</u>	<u>5,176</u>
		831,692	572,797
CREDITORS: amounts falling due within one year	9	<u>(628,687)</u>	<u>(491,169)</u>
NET CURRENT ASSETS		<u>203,005</u>	<u>81,628</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>208,437</u>	<u>87,060</u>
CAPITAL AND RESERVES			
Called up share capital	10	<u>123,920</u>	<u>61,640</u>
Profit and loss account	11	<u>84,517</u>	<u>25,420</u>
SHAREHOLDERS' FUNDS - All Equity	11	<u>208,437</u>	<u>87,060</u>

Approved by the Board on 5 AUGUST 2004
and signed on its behalf:

W G D Thrupp
E H M Coles

} Directors



The notes on pages 7 to 12 form part of these financial statements.

PROCICER LIMITED
CASH FLOW STATEMENT
PERIOD ENDED 31 MAY 2004

	Notes	Period ended 31 May 2004 \$	Year ended 31 December 2002 \$
Net cash flow from operating activities	12	(14,495)	(71,762)
Returns on investments and servicing of finance	13	40,863	36,081
Taxation		<u>(9,232)</u>	<u>(5,412)</u>
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		17,136	(41,093)
Financing	13	<u>62,280</u>	<u>-</u>
INCREASE/(DECREASE) IN CASH IN THE PERIOD		<u>79,416</u>	<u>(41,093)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT
(NOTE 14)
PERIOD ENDED 31 MAY 2004

	Period ended 31 May 2004 \$	Year ended 31 December 2002 \$
Increase/(decrease) in cash in the period	<u>79,416</u>	<u>(41,093)</u>
Movement in the period	79,416	(41,093)
Net funds at 1 January 2003	<u>5,176</u>	<u>46,269</u>
NET FUNDS AT 31 MAY 2004	<u>84,592</u>	<u>5,176</u>

The notes on pages 7 to 12 form part of these financial statements.

PROCICER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 31 MAY 2004

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 1.83410 US dollars to the British pound.

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/(LOSS)

	Period ended 31 May 2004 \$	Year ended 31 December 2002 \$
Difference on foreign exchange	<u>14</u>	<u>3</u>

During the period, no director received any emoluments (2002 - \$nil).

PROCICER LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
PERIOD ENDED 31 MAY 2004

4. STAFF COSTS (including directors)

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

	Period ended 31 May 2004	Year ended 31 December 2002
Directors	<u>2</u>	<u>2</u>

5. INTEREST PAYABLE

	Period ended 31 May 2004 \$	Year ended 31 December 2002 \$
On other loans	<u>12,302</u>	<u>-</u>

6. TAXATION

	Period ended 31 May 2004 \$	Year ended 31 December 2002 \$
UK Corporation tax charge on profits of the period	<u>9,604</u>	<u>6,669</u>

Factors affecting tax charge for the period

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

	Period ended 31 May 2004 \$	Year ended 31 December 2002 \$
Profit on ordinary activities before tax	<u>68,701</u>	<u>34,528</u>
Profit on ordinary activities multiplied by the relevant standard rate of corporation tax in UK of 30% (2002 - 19.25%)	20,610	6,647
Effects of:		
Expenses not deductible for tax purposes	110	22
Group relief claimed without payment	(4,871)	-
Marginal relief	(5,559)	-
Utilisation of tax losses	<u>(686)</u>	<u>-</u>
	<u>9,604</u>	<u>6,669</u>

There were no factors that may affect future tax charges.

7. FIXED ASSET INVESTMENTS

Subsidiary undertaking

Procicer SA de CV	Ordinary \$1 shares	100% owned
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Aggregate of share capital and reserves	Profit/(loss)
\$	\$

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

8. DEBTORS

	31 May 2004 \$	31 December 2002 \$
Amounts owed by group undertakings	739,125	562,142
Other debtors	<u>7,975</u>	<u>5,479</u>
	747,100	567,621

9. **CREDITORS:** amounts falling due within one year

	31 May 2004 \$	31 December 2003 \$
Amounts owed to group undertakings	618,333	-
Corporation tax	9,604	6,669
Other creditors	-	484,000
Accruals and deferred income	<u>750</u>	<u>500</u>
	628,687	491,169

PROCICER LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
PERIOD ENDED 31 MAY 2004

10. CALLED UP SHARE CAPITAL

	31 May 2004 \$	31 December 2003 \$
Authorised 200,000 Ordinary shares of \$1 each	<u>200,000</u>	<u>100,000</u>
Allotted, called up and fully paid 123,920 Ordinary shares of \$1 each	<u>123,920</u>	<u>61,640</u>

During the period, the authorised share capital of the company was increased from 100,000 ordinary \$1 shares to 200,000 ordinary \$1 shares. During the period, the company issued 62,280 ordinary shares at par.

11. SHAREHOLDERS' FUNDS

	Share capital \$	Profit and loss account \$	Total \$
At 1 January 2002	61,640	(2,439)	59,201
Retained profit	<u>-</u>	<u>27,859</u>	<u>27,859</u>
At 31 December 2002	61,640	25,420	87,060
Shares issued during the period	62,280	-	62,280
Retained profit	<u>-</u>	<u>59,097</u>	<u>59,097</u>
At 31 May 2004	<u>123,920</u>	<u>84,517</u>	<u>208,437</u>

12. NET CASH FLOW FROM OPERATING ACTIVITIES

	Period ended 31 May 2004 \$	Year ended 31 December 2002 \$
Operating profit/(loss)	27,838	(1,553)
Decrease/(increase) in debtors	67	(67)
Increase in amounts owed by group undertakings	(176,983)	(194,142)
(Decrease)/increase in creditors	(483,750)	124,000
Increase in amounts owed to group undertakings	<u>618,333</u>	<u>-</u>
NET CASH OUTFLOW FROM OPERATIONS	<u>(14,495)</u>	<u>(71,762)</u>

PROCICER LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
PERIOD ENDED 31 MAY 2004

13. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	Period ended 31 May 2004 \$	Year ended 31 December 2002 \$
Returns on investments and servicing of finance		
Interest received	53,165	36,081
Interest paid	(12,302)	-
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	<u>40,863</u>	<u>36,081</u>
	Period ended 31 May 2004 \$	Year ended 31 December 2002 \$
FINANCING		
Issue of ordinary shares	<u>62,280</u>	<u>-</u>

14. ANALYSIS OF CHANGES IN NET DEBT

	1 January 2003 \$	Cash flow \$	Other non-cash Changes \$	31 May 2004 \$
Cash at bank and in hand	<u>5,176</u>	<u>79,416</u>	<u>-</u>	<u>84,592</u>

15. 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

16. 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.

PROCICER LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
PERIOD ENDED 31 MAY 2004

17. 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 overdraft at 31 May 2004 was \$9,817,683 (2003 - \$5,118,577).