

Company Registration No. 2558517 (England and Wales)



**ALMANDINE (UK) LIMITED**  
**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2003**

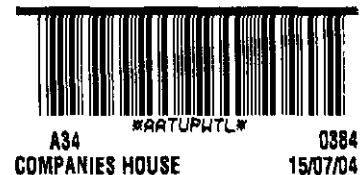
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# ALMANDINE (UK) LIMITED

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# ALMANDINE (UK) LIMITED

## DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2003

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The director presents his report and financial statements for the year ended 31 December 2003.

### Principal activities and review of the business

The principal activity of the company continued to be that of the representative office for its parent company.

### Results and dividends

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

The director does not recommend payment of an ordinary dividend.

### Director

The following director has held office since 1 January 2003:

S Koller

### Director's interests

The director's interest in the shares of the company was as stated below:

	Ordinary shares of £ 1 each	
	31 December 2003	1 January 2003
S Koller	-	-

### Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Gerald Edelman be reappointed as auditors of the company will be put to the Annual General Meeting.

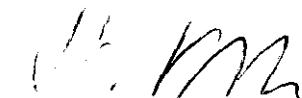
### Director's responsibilities

Company law requires the director 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 director is 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

On behalf of the board



S Koller

Director

25 May 2004

# **ALMANDINE (UK) LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ALMANDINE (UK) LIMITED**

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We have audited the financial statements of Almandine (UK) Limited on pages 3 to 9 for the year ended 31 December 2003. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

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 auditor's 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 the the director and auditors**

As described in the statement of director's responsibilities on page 1 the company's director is 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 director's 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 director's remuneration and transactions with the company is not disclosed.

We read the director's 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 director 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 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Gerald Edelman**

Chartered Accountants  
**Registered Auditor**

25 May 2004

25 Harley Street  
London  
W1G 9BR

# ALMANDINE (UK) LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2003

	Notes	2003 £	2002 £
Turnover	2	183,751	191,122
Distribution costs		(2,228)	(4,076)
Administrative expenses		(163,147)	(167,935)
Operating profit	3	18,376	19,111
Other interest receivable and similar income		91	27
Interest payable and similar charges	4	-	(6)
Profit on ordinary activities before taxation		18,467	19,132
Tax on profit on ordinary activities	5	(1,838)	(2,364)
Profit on ordinary activities after taxation	10	16,629	16,768

The profit and loss account has been prepared on the basis that all operations are continuing operations.

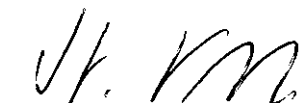
There are no recognised gains and losses other than those passing through the profit and loss account.

# ALMANDINE (UK) LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2003

	Notes	2003 £	£	2002 £	£
<b>Fixed assets</b>					
Tangible assets	6		25,433		31,177
<b>Current assets</b>					
Debtors	7	152,418		130,906	
Cash at bank and in hand		3,916		5,366	
		<u>156,334</u>		<u>136,272</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(12,164)</u>		<u>(14,475)</u>	
<b>Net current assets</b>			144,170		121,797
<b>Total assets less current liabilities</b>			<u>169,603</u>		<u>152,974</u>
<b>Capital and reserves</b>					
Called up share capital	9		1,000		1,000
Profit and loss account	10		168,603		151,974
<b>Shareholders' funds - equity interests</b>	11		<u>169,603</u>		<u>152,974</u>

The financial statements were approved by the Board on 25 May 2004



S Koller  
Director

# ALMANDINE (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

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

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

#### 1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	20% reducing balance
Fixtures, fittings & equipment	20% reducing balance
Motor vehicles	25% reducing balance

#### 1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

### 3 Operating profit

	2003	2002
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	7,029	8,688
Operating lease rentals	14,506	14,028
Auditors' remuneration	3,285	3,450
	<u>          </u>	<u>          </u>

### 4 Interest payable

	2003	2002
	£	£
On bank loans and overdrafts	-	6
	<u>          </u>	<u>          </u>

# ALMANDINE (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2003

5	Taxation	2003 £	2002 £
	<b>Domestic current year tax</b>		
	U.K. corporation tax	3,004	2,364
	Adjustment for prior years	(1,166)	-
		<hr/>	<hr/>
	<b>Current tax charge</b>	<b>1,838</b>	<b>2,364</b>
		<hr/>	<hr/>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	18,467	19,132
		<hr/>	<hr/>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2002: 20.00%)	3,509	3,826
		<hr/>	<hr/>
	Effects of:		
	Non deductible expenses	-	11
	Depreciation add back	1,336	1,737
	Capital allowances	(1,125)	(2,208)
	Adjustments to previous periods	(1,166)	-
	Chargeable disposals	-	(69)
	Other tax adjustments	(716)	(933)
		<hr/>	<hr/>
		(1,671)	(1,462)
		<hr/>	<hr/>
	<b>Current tax charge</b>	<b>1,838</b>	<b>2,364</b>
		<hr/>	<hr/>



# ALMANDINE (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2003

### 6 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2003	35,794	27,173	14,291	77,258
Additions	1,285	-	-	1,285
At 31 December 2003	37,079	27,173	14,291	78,543
<b>Depreciation</b>				
At 1 January 2003	21,586	20,922	3,573	46,081
Charge for the year	3,099	1,250	2,680	7,029
At 31 December 2003	24,685	22,172	6,253	53,110
<b>Net book value</b>				
At 31 December 2003	12,394	5,001	8,038	25,433
At 31 December 2002	14,208	6,251	10,718	31,177

### 7 Debtors

	2003	2002
	£	£
Other debtors	1,082	3,419
Prepayments and accrued income	151,336	127,487
	152,418	130,906

### 8 Creditors: amounts falling due within one year

	2003	2002
	£	£
Trade creditors	281	2,685
Corporation tax	3,004	2,364
Other taxes and social security costs	3,631	4,027
Other creditors	329	329
Accruals and deferred income	4,919	5,070
	12,164	14,475

# ALMANDINE (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2003

<b>9</b>	<b>Share capital</b>	<b>2003</b>	<b>2002</b>
		<b>£</b>	<b>£</b>
	<b>Authorised</b>		
	1,000 Ordinary shares of £1 each	1,000	1,000
		<u>          </u>	<u>          </u>
	<b>Allotted, called up and fully paid</b>		
	1,000 Ordinary shares of £1 each	1,000	1,000
		<u>          </u>	<u>          </u>
<b>10</b>	<b>Statement of movements on profit and loss account</b>		<b>Profit and loss account £</b>
	Balance at 1 January 2003		151,974
	Retained profit for the year		16,629
			<u>          </u>
	Balance at 31 December 2003		168,603
			<u>          </u>
<b>11</b>	<b>Reconciliation of movements in shareholders' funds</b>	<b>2003</b>	<b>2002</b>
		<b>£</b>	<b>£</b>
	Profit for the financial year	16,629	16,768
	Opening shareholders' funds	152,974	136,206
		<u>          </u>	<u>          </u>
	Closing shareholders' funds	169,603	152,974
		<u>          </u>	<u>          </u>

# ALMANDINE (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2003

### 12 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	2003 Number	2002 Number
Sales and administration	<u>6</u>	<u>6</u>
Employment costs		
	£	£
Wages and salaries	86,809	83,683
Social security costs	<u>8,919</u>	<u>8,384</u>
	<u>95,728</u>	<u>92,067</u>

### 13 Control

Almandine Corporation SA, which is incorporated in Switzerland, is regarded by the director as being the company's ultimate holding company and controlling party.

During the year the holding company provided funding for the operation of its subsidiary undertaking.

### 14 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

# ALMANDINE (UK) LIMITED

## SCHEDULE OF DISTRIBUTION COSTS AND ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 31 DECEMBER 2003

	2003 £	2002 £
<b>Distribution costs</b>		
Carriage outwards	2,228	4,076
	<u>2,228</u>	<u>4,076</u>
<b>Administrative expenses</b>		
Wages and salaries (excl. N.I.)	86,809	83,408
Employer's N.I. contributions	8,919	8,384
Staff training	-	275
Temporary staff	636	39
Rent	13,401	13,043
Rates	1,413	1,219
Insurance	587	530
Light and heat	740	1,062
Cleaning	3,339	2,964
Repairs and maintenance	3,958	655
Printing, postage and stationery	6,015	5,156
Telephone	8,740	13,416
Computer running costs	3,236	2,794
Hire of equipment	1,105	985
Motor running expenses	1,172	2,068
Travelling expenses	1,430	3,887
Entertaining	-	55
Legal and professional fees	709	734
Consultancy fees	(1,782)	1,440
Accountancy	1,839	2,000
Audit fees	3,285	3,450
Bank charges	424	348
Staff welfare	7,727	8,636
Sundry expenses	2,127	2,408
Subscriptions	289	638
Depreciation on computer equipment	3,099	3,553
Depreciation on fittings and equipment	1,250	1,562
Depreciation on motor vehicles	2,680	3,573
Profits/losses on disp of tangibles	-	(347)
	<u>163,147</u>	<u>167,935</u>