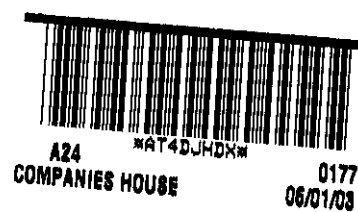


Company Registration No. 3825497 (England and Wales)

HYDREX CONSULTANTS LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2001



HYDREX CONSULTANTS LIMITED

COMPANY INFORMATION

Director	Fiduciary Directors Limited
Secretary	Fiduciary Management Limited
Company number	3825497
Registered office	45 Welbeck Street London W1G 8DZ
Auditors	Piyush Patel 100 Farley Road Selsdon Surrey CR2 7NE
Business address	45 Welbeck Street London W1G 8DZ

HYDREX CONSULTANTS LIMITED

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HYDREX CONSULTANTS LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 AUGUST 2001

The director presents his report and financial statements for the year ended 31 August 2001.

Principal activities

The principal activity of the company is the holding of investments.

Director

The following director has held office since 1 September 2000:

Fiduciary Directors Limited

Director's interests

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

	Ordinary of £ 1 each
31 August 2001	1 September 2000

Fiduciary Directors Limited	-	-
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Auditors

Director's responsibilities

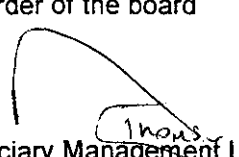
Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to:

- 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board


Fiduciary Management Limited

Secretary

2 December 2002

HYDREX CONSULTANTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HYDREX CONSULTANTS LIMITED

We have audited the financial statements of HYDREX CONSULTANTS LIMITED on pages 3 to 7 for the year ended 31 August 2001. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of 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

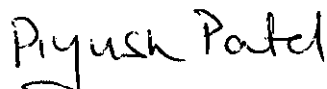
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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 August 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Piyush Patel



2 December 2002

Chartered Certified Accountants
Registered Auditor

100 Farley Road
Selsdon
Surrey
CR2 7NE

HYDREX CONSULTANTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2001

	Notes	2001 £	2000 £
Administrative expenses		(750)	(2,671)
Loss on ordinary activities before taxation	2	(750)	(2,671)
Tax on loss on ordinary activities	3	-	-
Loss on ordinary activities after taxation	8	(750)	(2,671)

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.

HYDREX CONSULTANTS LIMITED

BALANCE SHEET AS AT 31 AUGUST 2001

	Notes	2001 £	£	2000 £	£
Fixed assets					
Investments	4	6,734,215		6,715,922	
Current assets					
Creditors: amounts falling due within one year	5	(750)		-	
Net current liabilities			(750)		-
Total assets less current liabilities		6,733,465		6,715,922	
Creditors: amounts falling due after more than one year	6	(6,735,886)		(6,717,593)	
		(2,421)		(1,671)	
Capital and reserves					
Called up share capital	7	1,000		1,000	
Profit and loss account	8	(3,421)		(2,671)	
Shareholders' funds - equity interests	9	(2,421)		(1,671)	

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 2 December 2002


Fiduciary Directors Limited
Director

HYDREX CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2001

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Investments

Fixed asset investments are stated at cost. The directors are of the opinion that there should be no provision for diminution in value.

2 Operating loss

2001	2000
£	£

Operating loss is stated after charging:

Auditors' remuneration

750	-
<u>750</u>	<u>-</u>

3 Taxation

Current tax charge

-	-
<u>-</u>	<u>-</u>

Factors affecting the tax charge for the year

Loss on ordinary activities before taxation

(750)	(2,671)
<u>(750)</u>	<u>(2,671)</u>

Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 0.00% (2000 : 0.00%)

Effects of:

-	-
<u>-</u>	<u>-</u>

Current tax charge

-	-
<u>-</u>	<u>-</u>

On the basis of these financial statements no provision has been made for corporation tax.

4 Fixed asset investments

investments
£

Cost

At 1 September 2000

6,715,922

Additions

18,293

At 31 August 2001

6,734,215

HYDREX CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2001

5	Creditors: amounts falling due within one year	2001	2000
		£	£
	Other creditors	750	-
		<u>750</u>	<u>-</u>
6	Creditors: amounts falling due after more than one year	2001	2000
		£	£
	Other creditors	6,735,886	6,717,593
		<u>6,735,886</u>	<u>6,717,593</u>
	Analysis of loans		
	Wholly repayable more than five years	6,735,886	6,717,593
		<u>6,735,886</u>	<u>6,717,593</u>
The loan is unsecured and interest free with an unspecified repayment date.			
7	Share capital	2001	2000
		£	£
	Authorised		
	1,000 Ordinary of £ 1 each	1,000	1,000
		<u>1,000</u>	<u>1,000</u>
	Allotted, called up and fully paid		
	1,000 Ordinary of £ 1 each	1,000	1,000
		<u>1,000</u>	<u>1,000</u>
8	Statement of movements on profit and loss account		Profit and loss account
			£
	Balance at 1 September 2000		(2,671)
	Retained loss for the year		(750)
	Balance at 31 August 2001		<u>(3,421)</u>

HYDREX CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2001

9 Reconciliation of movements in shareholders' funds	2001	2000
	£	£
Loss for the financial year	(750)	(2,671)
Proceeds from issue of shares	-	1,000
	<hr/>	<hr/>
Net depletion in shareholders' funds	(750)	(1,671)
Opening shareholders' funds	(1,671)	-
	<hr/>	<hr/>
Closing shareholders' funds	<u>(2,421)</u>	<u>(1,671)</u>