

REPORT AND ACCOUNTS

PRO-FIT INTERNATIONAL LIMITED

Company Number: 2772601

30 SEPTEMBER 2001



PRO-FIT INTERNATIONAL LIMITED

30 SEPTEMBER 2001

CONTENTS

	Pages
Officers and company information	1
Directors' report	2 - 3
Independent auditors report	4
Profit and loss account	5
Balance sheet	6
Notes to the accounts	7 - 11

PRO-FIT INTERNATIONAL LIMITED30 SEPTEMBER 2001OFFICERS AND COMPANY INFORMATION

DIRECTORS: David Eric Morris
Philip Michael David Morris
Paul Alexander John Morris

COMPANY SECRETARY: Philip Michael David Morris

AUDITORS: Buckle Barton
Chartered Accountants
Sanderson House
Station Road
Horsforth
Leeds
LS18 5NT

BANKERS: National Westminster Bank plc
119 New Road Side
Horsforth
Leeds
LS18 4QG

REGISTERED OFFICE: Sanderson House
Station Road
Horsforth
Leeds
LS18 5NT

PRO-FIT INTERNATIONAL LIMITED30 SEPTEMBER 2001DIRECTORS' REPORT

The directors submit their report and accounts for the year ended 30 September 2001.

DIRECTORS' RESPONSIBILITIES

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 and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 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 and other irregularities.

PRINCIPAL ACTIVITY

The company did not trade during the year and has now become dormant.

PRO-FIT INTERNATIONAL LIMITED30 SEPTEMBER 2001DIRECTORS' REPORT*DIRECTORS AND THEIR INTERESTS*

The directors at 30 September 2001 and their interests in the share capital of the company were as follows:

<i>Class of shares</i>	<i>End of period No.</i>	<i>Start of period No.</i>
Ordinary shares of £1 each:		
David Eric Morris	-	250
Philip Michael David Morris	-	250
Paul Alexander John Morris	-	250
Preference shares of £1 each:		
David Eric Morris	10,842	10,842
Philip Michael David Morris	10,841	10,841
Paul Alexander John Morris	10,841	10,841

All the above shares were held beneficially.

In addition Philip Edward Morris served as a director until 30 July 2001 at which date he resigned.

COMPANIES ACT 1985

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

ON BEHALF OF THE BOARD



P M D MORRIS
Director

Dated: 28 October 2002

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF PRO-FIT INTERNATIONAL LIMITED

We have audited the financial statements of Pro-Fit International Limited for the year ended 30 September 2001 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of 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 misstatement 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 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 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 30 September 2001 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Sanderson House
Station Road
Horsforth
Leeds
LS18 5NT



BUCKLE BARTON
Chartered Accountants

Dated: 28 October 2002

REGISTERED AUDITOR

PRO-FIT INTERNATIONAL LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 30 SEPTEMBER 2001

		<u>2001</u>	<u>2000</u>
	Notes	£	£
TURNOVER	2	-	357,900
Cost of sales		-	15,418
		<hr/>	<hr/>
GROSS PROFIT		-	342,482
Net operating expenses	3	-	406,482
		<hr/>	<hr/>
OPERATING LOSS	4 - 5	-	(64,000)
Interest payable and similar charges	6	-	(21,627)
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		-	(85,627)
Tax on loss on ordinary activities	7	-	-
		<hr/>	<hr/>
LOSS SUSTAINED FOR THE YEAR		-	(85,627)
LOSS SUSTAINED BROUGHT FORWARD		(167,016)	(81,389)
		<hr/>	<hr/>
LOSS SUSTAINED CARRIED FORWARD		(167,016)	(167,016)
		<hr/> <hr/>	<hr/> <hr/>

PRO-FIT INTERNATIONAL LIMITEDBALANCE SHEET30 SEPTEMBER 2001

		<u>2001</u>	<u>2000</u>
	Notes	£	£
FIXED ASSETS			
Intangible assets	8	-	172,542
Tangible fixed assets	9	-	40,990
		<hr/>	<hr/>
		-	213,532
CURRENT ASSETS			
Debtors	10	-	94,852
		<hr/>	<hr/>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	11	(82,016)	(245,951)
		<hr/>	<hr/>
NET CURRENT LIABILITIES		(82,016)	(151,099)
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		(82,016)	62,433
		<hr/>	<hr/>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	13	-	(144,449)
		<hr/>	<hr/>
NET (LIABILITIES)		(82,016)	(82,016)
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	14	51,153	51,153
Share premium account	15	33,847	33,847
Profit and loss account (adverse)		(167,016)	(167,016)
		<hr/>	<hr/>
EQUITY SHAREHOLDERS' (DEFICIT)		(82,016)	(82,016)
		<hr/>	<hr/>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).



P M D MORRIS
Director

Dated: 28 October 2002

PRO-FIT INTERNATIONAL LIMITEDNOTES TO THE ACCOUNTS30 SEPTEMBER 20011. **ACCOUNTING POLICIES***Accounting convention*

The accounts are prepared under the historical cost convention.

Depreciation

Depreciation is provided on all tangible fixed assets at the following rates on the bases stated:-

Plant & machinery - 10% p.a. on cost
 Fixtures & fittings - 10% p.a. on cost

Depreciation is provided from the month of purchase.

The directors have reviewed the useful economic life of the fixtures and fittings and consider that it requires revision. The depreciation rate has therefore been reduced from 33⅓% to 10% p.a. on cost and will be charged in future years.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is the amount incurred in bringing each product to its present location and condition on a first in first out basis.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

Deferred taxation

Deferred taxation is provided on the liability method and represents full provision for potential amounts of deferred tax, where applicable except where, in the opinion of the directors, these are unlikely to reverse in the foreseeable future.

Patents and development costs

Patents are capitalised and subsequently amortised over their useful economic life. Development costs relating to specific projects are capitalised and amortised over their useful economic life. The amortisation period has been calculated as over the sales of 100 machines. In the directors' opinion the amortisation period should not exceed three years.

2. **TURNOVER**

Turnover represents the invoiced amounts of goods sold and services provided stated net of value added tax and relates entirely to the company's principal activity within the United Kingdom.

3. **NET OPERATING EXPENSES**

	<u>2001</u>	<u>2000</u>
	£	£
Administrative expenses	-	406,482
	<u> </u>	<u> </u>

PRO-FIT INTERNATIONAL LIMITEDNOTES TO THE ACCOUNTS30 SEPTEMBER 2001

	<u>2001</u>	<u>2000</u>
	£	£
4. <i>OPERATING LOSS</i>		
This is stated after charging:		
Depreciation of owned assets	-	7,984
Amortisation	-	1,743
Amounts paid to connected parties for directors' services	-	100,675
Auditors remuneration	-	2,500
	<u> </u>	<u> </u>
5. <i>DIRECTORS' EMOLUMENTS</i>		
Aggregate emoluments including benefits in kind, assets (other than shares) received under long term incentive schemes and aggregate value of any company contributions paid to a money purchase pension scheme.	-	-
	<u> </u>	<u> </u>
	<u>No.</u>	<u>No.</u>
Number of directors to whom retirement benefits are accruing under money purchase scheme	-	-
	<u> </u>	<u> </u>
6. <i>INTEREST PAYABLE AND SIMILAR CHARGES</i>		
On bank loans and overdrafts and other loans	-	21,627
	<u> </u>	<u> </u>
7. <i>TAX ON LOSS ON ORDINARY ACTIVITIES</i>		

The company had no liability to corporation tax or deferred taxation at the balance sheet date due to trading losses in the region of £559,634 being available to set against future trading profits. Deferred tax not provided at the balance sheet date amounts to nil.

PRO-FIT INTERNATIONAL LIMITEDNOTES TO THE ACCOUNTS30 SEPTEMBER 20018. *INTANGIBLE FIXED ASSETS*

	Development Costs £	Patents £	Total £
Cost:			
At 1 October 2000	51,595	122,690	174,285
Disposals	(51,595)	(122,690)	(174,285)
	<hr/>	<hr/>	<hr/>
At 30 September 2001	-	-	-
	<hr/>	<hr/>	<hr/>
Amortisation:			
At 1 October 2000	516	1,227	1,743
Disposals	(516)	(1,227)	(1,743)
	<hr/>	<hr/>	<hr/>
At 30 September 2001	-	-	-
	<hr/>	<hr/>	<hr/>
Net book value:			
At 30 September 2001	-	-	-
	<hr/>	<hr/>	<hr/>
At 30 September 2000	51,079	121,463	172,542
	<hr/>	<hr/>	<hr/>

9. *TANGIBLE FIXED ASSETS*

	Plant & machinery £	Fixtures & fittings £	Total £
Cost:			
At 1 October 2000	31,594	26,525	58,119
Disposals	(31,594)	(26,525)	(58,119)
	<hr/>	<hr/>	<hr/>
At 30 September 2001	-	-	-
	<hr/>	<hr/>	<hr/>
Depreciation:			
At 1 October 2000	9,378	7,749	17,127
Eliminated on disposal	(9,378)	(7,749)	(17,127)
	<hr/>	<hr/>	<hr/>
At 30 September 2001	-	-	-
	<hr/>	<hr/>	<hr/>
Net book value:			
At 30 September 2001	-	-	-
	<hr/>	<hr/>	<hr/>
At 30 September 2000	22,216	18,776	40,992
	<hr/>	<hr/>	<hr/>

There were no capital commitments either authorised or contracted for at the balance sheet date.

PRO-FIT INTERNATIONAL LIMITEDNOTES TO THE ACCOUNTS30 SEPTEMBER 2001

	<u>2001</u>	<u>2000</u>
	£	£
10. <i>DEBTORS</i>		
Due within one year:		
Other debtors (note 17)	-	94,852
	<u> </u>	<u> </u>
11. <i>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</i>		
Bank overdraft	-	116,283
Trade creditors	-	33,623
Other creditors (note 17)	82,016	57,236
Accruals and deferred income	-	25,930
Bank loan	-	12,879
	<u> </u>	<u> </u>
	82,016	245,951
	<u> </u>	<u> </u>
12. <i>LOANS FROM DIRECTORS</i>		
The loans from directors are interest free with no fixed terms for repayment	-	27,692
	<u> </u>	<u> </u>
13. <i>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</i>		
Directors loan (note 12)	-	27,692
Bank loan	-	82,143
Other creditors	-	34,614
	<u> </u>	<u> </u>
	-	144,449
	<u> </u>	<u> </u>

PRO-FIT INTERNATIONAL LIMITEDNOTES TO THE ACCOUNTS30 SEPTEMBER 2001

	<u>2001</u>	<u>2000</u>
	£	£
14. <i>CALLED UP SHARE CAPITAL</i>		
Authorised:		
100,000 ordinary shares of £1 each	100,000	100,000
100,000 preference shares of £1 each	100,000	100,000
	<hr/>	<hr/>
	200,000	200,000
	<hr/>	<hr/>
Allotted, issued and fully paid:		
1,153 ordinary shares of £1 each	1,153	1,153
50,000 preference shares of £1 each	50,000	50,000
	<hr/>	<hr/>
	51,153	51,153
	<hr/>	<hr/>
15. <i>SHARE PREMIUM ACCOUNT</i>		
At 1 October 2000 and as at 30 September 2001	33,847	33,847
	<hr/>	<hr/>
16. <i>ULTIMATE PARENT UNDERTAKING</i>		
The company's ultimate parent undertaking is Pro-Fit Holdings Limited, a company incorporated in England and Wales.		
17. <i>RELATED PARTY TRANSACTIONS</i>		
During the year the company disposed of assets to Pro-Fit Manufacturing Limited, a company controlled by P M D Morris. Included in other creditors is an amount of £82,016 due from Pro-Fit Manufacturing Limited.		