



**MEC INTERNATIONAL LIMITED**  
**ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2002**



**GERALD EDELMAN**  
CHARTERED ACCOUNTANTS

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# MEC INTERNATIONAL LIMITED

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# **MEC INTERNATIONAL LIMITED**

## **AUDITORS' REPORT TO MEC INTERNATIONAL LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985**

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We have examined the abbreviated accounts set out on pages 2 to 5, together with the financial statements of the company for the year ended 31 December 2002 prepared under section 226 of the Companies Act 1985.

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 directors and auditors**

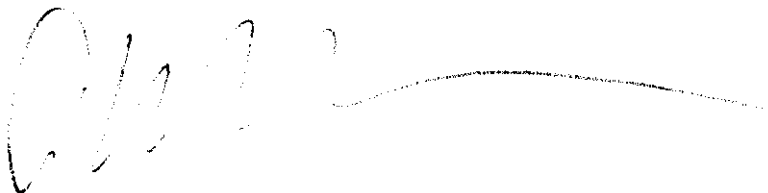
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

### **Basis of opinion**

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

### **Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.



**Gerald Edelman**

15 May 2003

Chartered Accountants  
Registered Auditor

25 Harley Street  
London  
W1G 9BR


# MEC INTERNATIONAL LIMITED

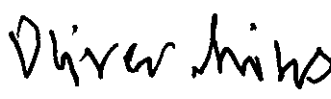
## ABBREVIATED BALANCE SHEET AS AT 31 DECEMBER 2002

	Notes	2002 £	£	2001 £	£
<b>Fixed assets</b>					
Intangible assets	2		27,662		34,577
Tangible assets	2		3,311		3,901
			<u>30,973</u>		<u>38,478</u>
<b>Current assets</b>					
Debtors		19,187		2,490	
Cash at bank and in hand		169		167	
		<u>19,356</u>		<u>2,657</u>	
<b>Creditors: amounts falling due within one year</b>		<u>(81,641)</u>		<u>(69,221)</u>	
<b>Net current liabilities</b>			<u>(62,285)</u>		<u>(66,564)</u>
<b>Total assets less current liabilities</b>			<u>(31,312)</u>		<u>(28,086)</u>
<b>Creditors: amounts falling due after more than one year</b>			<u>(5,768)</u>		<u>(5,768)</u>
			<u>(37,080)</u>		<u>(33,854)</u>
<b>Capital and reserves</b>					
Called up share capital	3		100,770		100,770
Share premium account			99,600		99,600
Profit and loss account			<u>(237,450)</u>		<u>(234,224)</u>
<b>Shareholders' funds</b>			<u>(37,080)</u>		<u>(33,854)</u>

These abbreviated accounts 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 15 May 2003

  
J Wood  
Director

  
O Miles  
Director

# **MEC INTERNATIONAL LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2002**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention.

The financial statements have been prepared on the going concern basis which is dependent upon the continued financial support of the company's principal corporate shareholder. The financial statements do not include any adjustments that would result from a discontinuance of this support.

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 Goodwill**

Goodwill represents the net excess of purchased consideration of businesses acquired over the fair value of the net tangible assets acquired, and is amortised over its estimated economic life with effect from the period of acquisition.

#### **1.5 Trade marks**

Patents are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives.

#### **1.6 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 and office equipment	25% per annum on reducing balance basis
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#### **1.7 Deferred taxation**

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS19. Deferred tax is provided in full in respect of taxation deferred by material timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

The adoption of the standard has not required a prior period adjustment. If the new policy had been in place in the previous period no asset or liability would have been recognised as the conditions for recognition would not have been satisfied.

# MEC INTERNATIONAL LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

### 2 Fixed assets

	Intangible assets £	Tangible assets £	Total £
<b>Cost</b>			
At 1 January 2002	69,152	42,732	111,884
Additions	-	514	514
	<hr/>	<hr/>	<hr/>
At 31 December 2002	69,152	43,246	112,398
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At 1 January 2002	34,575	38,831	73,406
Charge for the year	6,915	1,104	8,019
	<hr/>	<hr/>	<hr/>
At 31 December 2002	41,490	39,935	81,425
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 31 December 2002	27,662	3,311	30,973
	<hr/>	<hr/>	<hr/>
At 31 December 2001	34,577	3,901	38,478
	<hr/>	<hr/>	<hr/>

### 3 Share capital

	2002 £	2001 £
<b>Authorised</b>		
1,000 Ordinary shares of £ 1 each	1,000	1,000
100,000 8% Cumulative redeemable preference shares of £ 1 each	100,000	100,000
	<hr/>	<hr/>
	101,000	101,000
	<hr/>	<hr/>
<b>Allotted, called up and fully paid</b>		
770 Ordinary shares of £ 1 each	770	770
100,000 8% Cumulative redeemable preference shares of £ 1 each	100,000	100,000
	<hr/>	<hr/>
	100,770	100,770
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# **MEC INTERNATIONAL LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002**

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### **4 Related party transactions**

The following transactions and arrangements require disclosure in accordance with the Companies Act 1985 and/or Financial Reporting Standard No 8 - Related Party Transactions:

Trilateral Group Limited, a shareholder company in which J Wood has an interest, was owed £41,551 (2001- £51,276) as at 31 December 2002. Interest is payable on the loan at base rate plus 3%. Trilateral Group Limited has also provided financial support to the company in the form of current account guarantee facilities operated in agreement with the companies' bank.

Middle East Consultants Limited, in which a director, G F Hancock has an interest, received consultancy fees from the company amounting to £5,914 (2001 - £3,241).

Strategic Communications, in which a director, I Walker has a material interest, received consultancy fees from the company amounting to £9,997 (2001 - £7,024).

J&P Associates , in which a director, P Thomson has a material interest, received consultancy fees from the company amounting to £649 (2001 - £821).

O Miles, a director, received consultancy fees from the company amounting to £1,042 (2001 - £4,980).