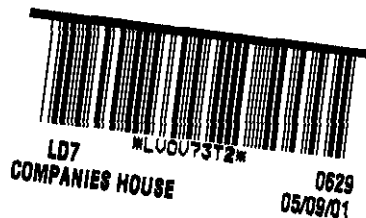


Company Registration No. 3212282 (England and Wales)



**MEC INTERNATIONAL LIMITED**  
**ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2000**



**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 2000 prepared under section 226 of the Companies Act 1985.

### 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.

### Other information

We reported as auditors to the members of the company on the financial statements prepared under section 226 of the Companies Act 1985 and our report included the following paragraph:

### Going Concern

As indicated in note 1.1, 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. Our opinion is not qualified in this respect.



Gerald Edelman

22 June 2001

Chartered Accountants  
Registered Auditor

25 Harley Street  
London  
W1G 9BR

# MEC INTERNATIONAL LIMITED

## ABBREVIATED BALANCE SHEET AS AT 31 DECEMBER 2000

	Notes	2000 £	£	1999 £	£
<b>Fixed assets</b>					
Intangible assets	2		41,492		48,407
Tangible assets	2		4,228		5,637
			<u>45,720</u>		<u>54,044</u>
<b>Current assets</b>					
Debtors		12,645		5,489	
Cash at bank and in hand		163		151	
		<u>12,808</u>		<u>5,640</u>	
<b>Creditors: amounts falling due within one year</b>		<u>(91,708)</u>		<u>(113,490)</u>	
<b>Net current liabilities</b>			<u>(78,900)</u>		<u>(107,850)</u>
<b>Total assets less current liabilities</b>			<u>(33,180)</u>		<u>(53,806)</u>
<b>Capital and reserves</b>					
Called up share capital	3		100,770		100,750
Share premium account			99,600		99,600
Profit and loss account			(233,550)		(254,156)
<b>Shareholders' funds</b>			<u>(33,180)</u>		<u>(53,806)</u>
Equity interests			(133,180)		(153,806)
Non-equity interests			100,000		100,000
			<u>(33,180)</u>		<u>(53,806)</u>

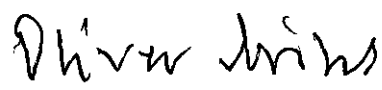
These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the board on 22 June 2001

J Wood  
Director



O Miles  
Director



# **MEC INTERNATIONAL LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2000**

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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 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 cashflow 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 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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#### **1.6 Deferred taxation**

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

#### **1.7 Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

# MEC INTERNATIONAL LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2000

### 2 Fixed assets

	Intangible assets £	Tangible assets £	Total £
<b>Cost</b>			
At 1 January 2000 & at 31 December 2000	69,152	41,759	110,911
<b>Depreciation</b>			
At 1 January 2000	20,745	36,122	56,867
Charge for the year	6,915	1,409	8,324
At 31 December 2000	27,660	37,531	65,191
<b>Net book value</b>			
At 31 December 2000	41,492	4,228	45,720
At 31 December 1999	48,407	5,637	54,044

### 3 Share capital

	2000 £	1999 £
<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
	101,000	101,000
<b>Allotted, called up and fully paid</b>		
770 Ordinary shares of £ 1 each	770	750
100,000 8% Cumulative redeemable preference shares of £ 1 each	100,000	100,000
	100,770	100,750

On 6 October 2000, the company issued a further 20 ordinary shares of £1 each at par.

# **MEC INTERNATIONAL LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2000**

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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 £71,827 (1999 - £66,683) as at 31 December 2000. Interest is payable on the loan at the rate of 10.25%. 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 £5,533 (1999 - £4,537). Middle East Consultants Limited was owed £5,768 at 31st December 2000 (1999 - £5,768) which was interest free loan.

Strategic Communications, in which a director, I Walker has a material interest, received consultancy fees from the company amounting to £8,341 (1999 - 4,537).

J&P Associates, in which a director, P Thomson has a material interest, received consultancy fees from the company amounting £25,021 (1999 - £15,278).

O Miles, a director, received consultancy fees from the company amounting to £771 (1999 - £4,219). At the year end O Miles owed the company £180.