Mosiguard International Limited

Directors' report and financial statements

Registered number 2962721

30 September 2000



Contents

Directors' report	1
Statement of directors' responsibilities	3
Report of the auditors to the members of Mosiguard International Limited	4
Profit and loss account	5
Balance sheet	6
Notes	7

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 September 2000.

Principal activities

The company's business is to develop, manufacture and sell naturally based insect repellent.

Results for the year

The results for the year are set out on page 5.

Proposed dividend

The directors do not propose a dividend.

Directors and directors' interest

The directors who held office during the year were as follows:

Dr P D Clarke (Managing director)
Dr P J Barrett (Company secretary)
Mr I R Hughes-Guy

The directors who held office at the end of the financial year had the following interests in ordinary shares of the parent undertaking company, Medical Advisory Services for Travellers Abroad Limited, as recorded in the parent company's register of directors' share and debenture interests:

	Class of share	Interest at beginning and end of year
Dr P D Clarke	Ordinary £1 each	51
	Preferred ordinary £1 each	34
Mr I R Hughes-Guy	Ordinary £1 each	49
	Preferred ordinary £1 each	15

Directors' report

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

Dr P J Barrett
Secretary

Moorfield Road
Yeadon
Leeds
West Yorkshire
LS19 7BN

17 January 2001

Statement of 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 for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG
PO Box 695
8 Salisbury Square
London EC4Y 8BB

Report of the auditors to the members of Mosiguard International Limited

We have audited the financial statements on pages 5 to 14.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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. 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.

Basis of opinion

We conducted our audit in accordance with 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 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 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG
Chartered Accountants
Registered Auditors

17th January 2001

Profit and loss account

for the year ended 30 September 2000

	Note	2000 £	1999 £
Turnover	*2*	**877,213**	1,031,097
Cost of sales		**(311,673)**	(526,301)
Gross profit		**565,540**	504,796
Administrative expenses		**(376,875)**	(306,866)
Other operating income		**1,681**	
Operating profit		**190,346**	197,930
Other interest receivable and similar income	*3*	**11,908**	7,890
Profit on ordinary activities before taxation	*4-6*	**202,254**	205,820
Tax on profit on ordinary activities	*7*	**(46,963)**	(50,889)
Retained profit for the financial year	*13*	**155,291**	154,931

The company had no recognised gains or losses during the year, other than the profit for the year as shown above.

Turnover and operating profit are derived from continuing activities.

Balance sheet

at 30 September 2000

	Note	2000		1999	
		£	£	£	£
Fixed assets					
Tangible assets	8		**323**		809
Current assets					
Stocks	9	**236,352**		280,520	
Debtors	10	**236,094**		155,437	
Cash at bank and in hand		**333,173**		202,821	
		805,619		638,778	
Creditors: amounts falling due within one year	11	**(240,143)**		(229,079)	
Net current assets			**565,476**		409,699
Net assets			**565,799**		410,508
Capital and reserves					
Called up share capital	12		**2**		2
Profit and loss account	13		**565,797**		410,506
Shareholders' funds - equity	14		**565,799**		410,508

These financial statements were approved by the board of directors on 17 January 2001 and were signed on its behalf by:

Dr P D Clarke
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Cash flow statement

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement as it qualifies as a small company, as defined by the Companies Act 1985.

Fixed assets and depreciation

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Plant and machinery	-	3 years
Fixtures and fittings	-	3 years

Operating leases

Rental charges under operating leases are charged to the profit and loss account on a straight line basis over the life of the lease.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Research and development expenditure

Expenditure on research and development is charged against profit in the year it is incurred.

Turnover

Turnover represents amounts invoiced by the company in respect of services and products supplied by the company during the year, excluding value added tax and trade discounts.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Notes *(continued)*

2 Analysis of turnover

	2000 £	1999 £
By geographical market		
United Kingdom	**685,456**	629,332
Export	**191,757**	401,765
	877,213	1,031,097

3 Other interest receivable and similar income

	2000 £	1999 £
Bank interest receivable	**11,908**	7,890

4 Profit on ordinary activities before taxation

	2000 £	1999 £
Profit on ordinary activities before taxation is stated after charging		
Auditors' remuneration		
- audit	**2,650**	2,500
- other	**-**	-
Depreciation and other amounts written off tangible fixed assets	**735**	6,671
Rentals payable under operating leases:		
Land and buildings	**15,000**	15,000
Research and development expenditure	**3,974**	2,335

Notes *(continued)*

5 Remuneration of directors

	2000	1999
	£	£
Directors' emoluments:		
As executive directors	**78,000**	66,000
Company contributions to money purchase pension schemes	**20,357**	443
As executive directors	**98,357**	66,443

	Number of directors	
	2000	1999
Retirement benefits are accruing to the following number of directors under money purchase schemes	**3**	3

6 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2000	1999
Management	**3**	3
Administration	**4**	3
	7	6

The aggregate payroll costs of these persons were as follows:

	2000	1999
	£	£
Wages and salaries	**118,374**	103,507
Social security costs	**10,733**	9,102
Pension costs (note 16)	**21,512**	1,498
	150,619	114,107

Notes *(continued)*

7 Taxation

	2000 £	1999 £
UK corporation tax	**46,995**	50,908
Over provision for tax in prior year	**(32)**	(19)
	46,963	50,889

8 Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Total £
Cost			
At 1 October 1999	22,345	5,787	28,132
Additions	-	249	249
At 30 September 2000	22,345	6,036	28,381
Depreciation			
At 1 October 1999	22,345	4,978	27,323
Charge for the year	-	735	735
At 30 September 2000	22,345	5,713	28,058
Net book value			
At 30 September 2000	-	**323**	**323**
At 30 September 1999	-	809	809

9 Stocks

	2000 £	1999 £
Raw materials and consumables	**88,543**	114,644
Work in progress	**76,543**	98,938
Finished goods and goods for resale	**71,266**	66,938
	236,352	280,520

Notes *(continued)*

10 Debtors

	2000	1999
	£	£
Trade debtors	**226,886**	140,734
Amounts owed by group undertaking	**6,286**	342
Other debtors	**296**	-
Prepayments and accrued income	**2,626**	14,361
	236,094	155,437

11 Creditors: amounts falling due within one year

	2000		1999	
	£	£	£	£
Trade creditors		**137,574**		112,888
Other creditors including taxation and social security:				
Corporation tax	**46,995**		50,908	
Other taxes and social security	**12,712**		8,821	
		59,707		59,729
Accruals and deferred income		**42,862**		56,462
		240,143		229,079

Notes *(continued)*

12 Called up share capital

	2000 £	1999 £
Authorised		
Ordinary shares of £1 each	**10,000**	10,000
Allotted, called up and fully paid		
Ordinary shares of £1 each	**2**	2

13 Reserves

	Profit and loss account £
At beginning of year	410,506
Retained profit for the year	155,291
At end of year	**565,797**

14 Movement in shareholders' funds

	2000 £	1999 £
Profit for the year	**155,291**	154,931
Opening shareholders' funds	**410,508**	255,577
Closing shareholders' funds	**565,799**	410,508

Notes *(continued)*

15 Commitments

Annual commitments under non-cancellable operating leases are as follows:

	2000		1999	
	Land and buildings	**Other**	Land and buildings	Other
	£000	**£000**	£000	£000
Operating leases which expire:				
In the second to fifth years inclusive	**-**	**7,686**	-	-
Over five years	**15,000**	**-**	15,000	-
	15,000	**7,686**	15,000	-

16 Pension scheme

The ultimate parent company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the fund and amounted to £1,512 *(1999: £1,055)*.

The ultimate parent company operates a second defined contribution pension scheme for some directors. The pension cost charge for the year represents contributions payable by the company to the fund and amounted to £20,000 *(1999: £443)*.

There are no outstanding or prepaid contributions at either the beginning or end of the financial year for either scheme.

17 Related party transactions

Transactions with the ultimate parent company, Medical Advisory Services to Travellers Abroad Limited (MASTA Limited) during the year:

	2000	1999
	£	£
Sales to Masta Limited	**59,569**	60,346
Purchases from Masta Limited	**41,450**	233,350

At the year end there was a balance owed to Mosiguard International Limited from MASTA Limited of £6,286.

Notes *(continued)*

18 Ultimate parent undertaking

The ultimate controlling parties are Dr P D Clarke and Mr I R Hughes Guy who are the majority shareholders of Medical Advisory Services for Travellers Abroad Limited incorporated in Great Britain and registered in England and Wales, the parent company of Mosiguard International Limited.

The results of the company are not consolidated in any group since Medical Advisory Services for Travellers Abroad Limited is entitled to the exemption from the requirement to prepare group accounts under Section 248 of the Companies Act 1985.