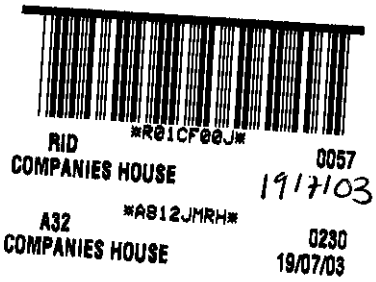
Mosiguard International Limited

Directors' report and financial statements

Registered number 2962721

30 September 2002



25.07.03 152

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 September 2002.

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	(Chairman)
Mr I R Hughes-Guy	*(Managing director)*
Dr P J Barrett	(resigned 1 January 2002)
C Turner	

The directors who held office at the end of the financial year had the following interests in ordinary and preferred 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
Mr I R Hughes-Guy	Ordinary £1 each	49
	Preferred ordinary £1 each	15
PD Clarke 1999 life settlement trust	Preferred ordinary £1 each	18
PD Clarke 1999 discretionary trust	Preferred ordinary £1 each	16

Directors' report

Auditors

During the year the business of KPMG was transferred to a limited liability partnership, KPMG LLP. Accordingly KPMG resigned as auditors on 6 June 2002 and the directors thereupon appointed KPMG LLP to fill the vacancy arising.

A resolution for the appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General meeting.

By order of the board

R Davison
Secretary

Moorfield Road
Yeadon
Leeds
West Yorkshire
LS19 7BN

21 | 02 | 2003

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

Independent auditors' report to the members of Mosiguard International Limited

We have audited the financial statements on pages 5 to 15.

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 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 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.

Basis of audit 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 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

26 February 2003

Profit and loss account

for the year ended 30 September 2002

	Note	2002 £	2001 £
Turnover	2	**861,032**	973,736
Cost of sales		**(380,799)**	(368,018)
Gross profit		**480,233**	605,718
Administrative expenses		**(415,206)**	(369,467)
Other operating income		**71,301**	25,303
Operating profit		**136,328**	261,554
Other interest receivable and similar income	3	**14,096**	14,865
Profit on ordinary activities before taxation	4-6	**150,424**	276,419
Tax on profit on ordinary activities	7	**(30,915)**	(72,088)
Retained profit for the financial year	14	**119,509**	204,331

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 2002

	Note	2002 £	2002 £	2001 £	2001 £
Fixed assets					
Tangible assets	8		**446**		871
Current assets					
Stocks	9	**324,384**		439,357	
Debtors	10	**187,524**		166,896	
Cash at bank and in hand		**492,198**		326,212	
		1,004,106		932,465	
Creditors: amounts falling due within one year	11	**(114,913)**		(163,206)	
Net current assets			**889,193**		769,259
Net assets			**889,639**		770,130
Capital and reserves					
Called up share capital	12		**2**		2
Profit and loss account	13		**889,637**		770,128
Shareholders' funds - equity	14		**889,639**		770,130

These financial statements were approved by the board of directors on 21 | 2 | 2003 and were signed on its behalf by:

Dr P D Clarke
Chairman

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. The company has adopted FRS 18 'Accounting policies' and FRS 19 'Deferred tax' in these 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. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Notes *(continued)*

2 Analysis of turnover

	2002 £	2001 £
By geographical market		
United Kingdom	**487,753**	702,614
Export	**373,279**	271,122
	861,032	973,736

3 Other interest receivable and similar income

	2002 £	2001 £
Bank interest receivable	**14,096**	14,865

4 Profit on ordinary activities before taxation

	2002 £	2001 £
Profit on ordinary activities before taxation is stated after charging		
Auditors' remuneration - audit	**3,000**	3,000
Depreciation and other amounts written off tangible fixed assets	**425**	477
Rentals payable under operating leases: Land and buildings	**20,233**	18,750
Research and development expenditure	**12,158**	3,778

Notes *(continued)*

5 Remuneration of directors

	2002 £	2001 £
Directors' emoluments:		
As executive directors	**133,000**	90,949
Company contributions to money purchase pension schemes	**1,380**	1,565
As executive directors	**134,380**	92,514

	Number of directors 2002	2001
Retirement benefits are accruing to the following number of directors under money purchase schemes	**1**	1

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 2002	2001
Management	**3**	5
Administration	**3**	2
	6	7

The aggregate payroll costs of these persons were as follows:

	2002 £	2001 £
Wages and salaries	**155,401**	117,231
Social security costs	**16,287**	10,919
Pension costs (note 16)	**2,236**	1,565
	173,924	129,715

Notes *(continued)*

7 Taxation

Analysis of charge in period

	2002 £	2001 £
UK corporation tax		
Current tax on income for the period	**30,878**	71,682
Adjustments in respect of prior periods	**37**	406
Tax on profit on ordinary activities	**30,915**	72,088

Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2001: lower) than the standard rate of corporation tax in the UK (30%, 2001: 30%). The differences are explained below.

	2002 £	2001 £
Current tax reconciliation		
Profit on ordinary activities before tax	**150,424**	276,419
Current tax at 30% (2001: 30%)	**45,127**	82,925
Effects of:		
Expenses not deductible for tax purposes	**680**	551
Marginal tax relief	**(14,929)**	(11,794)
Adjustments to tax charge in respect of previous periods	**37**	406
Total current tax charge	**30,915**	72,088

Notes *(continued)*

8 Tangible fixed assets

	Plant and machinery	Fixtures and fittings	Total
	£	£	£
Cost			
At 1 October 2001	23,370	6,036	29,406
Additions	-	-	-
At 30 September 2002	23,370	6,036	29,406
Depreciation			
At 1 October 2001	22,658	5,877	28,535
Charge for the year	342	83	425
At 30 September 2002	23,000	5,960	28,960
Net book value			
At 30 September 2002	**370**	**76**	**446**
At 30 September 2001	712	159	871

9 Stocks

	2002	2001
	£	£
Raw materials and consumables	-	48,453
Work in progress	**136,246**	200,369
Finished goods and goods for resale	**188,138**	190,535
	324,384	439,357

Notes *(continued)*

10 Debtors

	2002	2001
	£	£
Trade debtors	**154,046**	156,982
Amounts owed by group undertaking	**12,256**	-
Other debtors	**11,434**	169
Prepayments and accrued income	**9,788**	9,745
	187,524	166,896

11 Creditors: amounts falling due within one year

	2002		2001	
	£	£	£	£
Trade creditors		**33,399**		19,264
Other creditors including taxation and social security:				
Other creditors	-		1,288	
Corporation tax	**30,952**		71,682	
Other taxes and social security	**10,484**		21,477	
		41,436		94,447
Accruals and deferred income		**40,078**		49,495
		114,913		163,206

Notes *(continued)*

12 Called up share capital

	2002 £	2001 £
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	770,128
Retained profit for the year	119,509
At end of year	**889,637**

14 Movement in shareholders' funds

	2002 £	2001 £
Profit for the year	**119,509**	204,331
Opening shareholders' funds	**770,130**	565,799
Closing shareholders' funds	**889,639**	770,130

Notes *(continued)*

15 Commitments

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

	2002		2001	
	Land and buildings	**Other**	Land and buildings	Other
	£	**£**	£	£
Operating leases which expire:				
In the second to fifth years inclusive	**20,000**	**8,113**	20,000	8,113
Over five years	**-**	**-**	-	-
	20,000	**8,113**	20,000	8,113

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 £2,236 *(2001: £1,565)*.

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 £nil *(2001: £nil)*.

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:

	2002	2001
	£	£
Sales to MASTA Limited	**32,407**	58,977
Purchases from MASTA Limited	**-**	21

At the year end there was a balance owed to Mosiguard International Limited from MASTA Limited of £12,256 *(2001: £nil)*.

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, a company incorporated in Great Britain and registered in England and Wales, and 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.