

HAL Investments (UK) Limited
(Registered Number 2624605)

Annual Report

For the Year Ended 31 December 2001



HAL Investments (UK) Limited

Annual Report For the Year Ended 31 December 2001

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HAL Investments (UK) Limited

Directors' Report for the Year Ended 31 December 2001

The directors submit their report and the audited financial statements for the year ended 31 December 2001.

Principal activities and business review

The principal activity of the company is that of an investment holding company.

Results and dividends

The loss for the financial year amounted to £5,534 (2000 loss: £7,571) and this has been added to the accumulated deficit. The directors do not recommend the payment of a dividend.

Directors

The following served as directors of the company during the year:

P M Manheim
M Van der Vorm

The directors have no interest in the shares of the company.

Statement of Directors' Responsibilities

The directors are required by UK company law to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company at the end of the financial period and of the profit or loss of the company 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 record, for safeguarding the assets of the company and for taking reasonable steps to prevent and detect fraud and other irregularities.

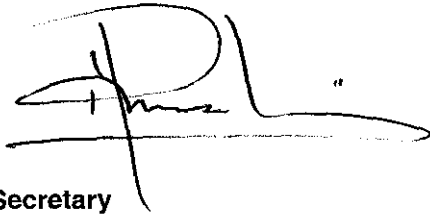
HAL Investments (UK) Limited

Directors' Report for the Year Ended 31 December 2001 (Continued)

Auditors

A resolution to reappoint PricewaterhouseCoopers as auditors to the company will be proposed at the forthcoming Annual General Meeting.

By Order of the Board

A handwritten signature in black ink, appearing to be 'D. L.', with a long horizontal stroke extending to the right.

Secretary

Independent Auditors' Report to the Members of HAL Investments (UK) Limited

We have audited the financial statements on pages 4 to 9, which have been prepared under the historical cost convention and the accounting policies set out on pages 6 and 7.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on page 1.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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 at 31 December 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London

1 October 2002

HAL Investments (UK) Limited

Profit and Loss Account for the Year Ended 31 December 2001

	<i>Note</i>	2001 £	2000 £
Investment income	2	732	700
Administrative expenses		(5,541)	(8,271)
Other charges	3	(725)	-
Loss on ordinary activities before taxation	4	(5,534)	(7,571)
Taxation	5	-	-
Deficit for the financial year	10	(5,534)	(7,571)

The profit and loss account relates solely to continuing operations, as defined in Financial Reporting Standard No 3.

The company has no recognised gains and losses other than the loss above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the loss on ordinary activities before taxation and the deficit for the year stated above and their historical cost equivalents.

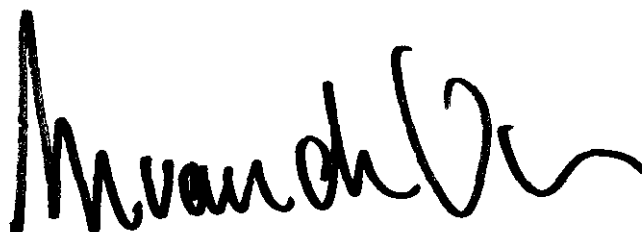
HAL Investments (UK) Limited

Balance Sheet as at 31 December 2001

	Note	2001 £	2000 £
Fixed assets			
Investments	6	10,000	10,000
Current assets			
Debtors	7	910,604	911,309
Cash at bank and in hand		1,606	1,944
		912,210	913,253
Creditors - amounts falling due within one year	8	(11,882)	(7,391)
Net current assets		900,328	905,862
Total assets less current liabilities		910,328	915,862
Creditors - amounts falling due after more than one year		(3,000,000)	(3,000,000)
Net liabilities		(2,089,672)	(2,084,138)
Capital and reserves			
Called up share capital	9	100	100
Profit and loss account	10	(2,089,772)	(2,084,238)
Equity shareholders' deficit	11	(2,089,672)	(2,084,138)

The financial statements on pages 4 to 9 were approved by the Board of Directors on
October 1, 2002 and were signed on its behalf by:

Director



Director



HAL Investments (UK) Limited

Notes to the Financial Statements – 31 December 2001

1 Principal accounting policies

The financial statements have been prepared under the historical cost convention, the accounting policies set out below and in accordance with applicable Accounting Standards.

Financial Reporting Standard 18 "Accounting Policies", effective for accounting periods ending on or after 22 June 2001, has been adopted in the current year. The directors have reviewed the company's accounting policies and consider that they are consistent with the requirements of this new standard.

(1) Cash flow statement

The company is not required to prepare a cash flow statement in accordance with FRS 1 as it qualifies as a small company within the definition of Section 249 of the Companies Act 1985.

(2) Going concern

The financial statements have been prepared on a going concern basis which assumes the continued financial support of the ultimate holding company.

HAL Holding NV has confirmed in a letter dated 23 July 1996 that it will, until further notice, continue to provide the company with sufficient funds to meet all of its obligations as and when they fall due.

If the financial statements were not prepared on a going concern basis it is unlikely that this would result in any material adjustments.

(3) Investment income

Dividend and interest income is included in the profit and loss account on a received basis.

(4) Fixed asset investments

Fixed asset investments are carried at original cost, less any provisions for permanent impairment in value. Any premium arising on acquisition is written off in full in the year of purchase.

HAL Investments (UK) Limited

Notes to the Financial Statements – 31 December 2001

1 Principal accounting policies (Continued)

(5) Foreign currencies

Balances in foreign currencies are translated into sterling at rates prevailing at the balance sheet date.

Revenue and expense items are translated at the rates at the time of the transactions.

(6) Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

2 Investment income

	2001 £	2000 £
Interest – Treasury stock	732	700

3 Other charges

	2001 £	2000 £
Premium arising on acquisition of fixed asset investments (note 6)	725	-

4 Loss on ordinary activities before taxation

The loss on ordinary activities before taxation is stated after charging the remuneration paid to the auditors and premium on acquisition of fixed asset investments:

	2001 £	2000 £
Auditors remuneration		
For audit services	2,391	2,391
For other services	2,805	5,846
Premium arising on acquisition of fixed assets investments (note 6)	725	-
	5,921	8,237

The company has no employees and no remuneration was paid to the directors.

HAL Investments (UK) Limited

Notes to the Financial Statements – 31 December 2001

5 Taxation

	2001 £	2000 £
Tax attributable to Treasury stock income	-	-
Income tax recoverable	-	-
	-	-

As at 31 December 2001 the company had accumulated tax losses (both trading and capital losses) estimated at £2,293,855 (2000: £2,288,601) which are available for offset as appropriate against future taxable trading profits and chargeable gains.

6 Fixed asset investments

	£
Cost	
At 1 January 2001	10,000
Disposal of £10,000 7% Treasury 1993/2001 stock	(10,000)
Acquisition of £10,000 6.75% Treasury 1993/2004 stock	10,725
Premium arising on acquisition written-off (note 3)	(725)
At 31 December 2001	10,000

Investments comprising £10,000 7% Treasury 1993/2001 stock was redeemed during the year and replaced with £10,000 6.75% Treasury 1993/2004 stock.

7 Debtors

	2001 £	2000 £
Amounts falling due within one year:		
Due from the ultimate holding company	910,604	911,309

8 Creditors

	2001 £	2000 £
Amounts falling due within one year:		
Accruals	11,882	7,391
Amounts falling due after more than one year:		
Loan from the ultimate parent company	3,000,000	3,000,000

There are no repayment terms, security or interest in respect of the loan from the ultimate parent company.

HAL Investments (UK) Limited

Notes to the Financial Statements – 31 December 2001

9 Called up share capital

	2001 £	2000 £
Authorised		
100 ordinary shares of £1 each	100	100
Allotted, issued and fully paid		
100 ordinary shares of £1 each	100	100

10 Profit and loss account

	Accumulated Deficit £
At 1 January 2001	2,084,238
Deficit for the financial year	5,534
At 31 December 2001	2,089,772

11 Reconciliation of movements in equity shareholders' deficit

	2001 £	2000 £
Opening shareholders' deficit	2,084,138	2,076,567
Deficit for the financial year	5,534	7,571
Closing shareholders' deficit	2,089,672	2,084,138

12 Ultimate holding company

The ultimate holding company is HAL Holding NV, a company incorporated in the Netherlands Antilles and the ultimate controlling party is HAL Trust.

13 Related party transactions

The company has taken advantage of the exemption provided by Financial Reporting Standard 8 "Related Party Disclosures" as 90 per cent or more of its voting rights are controlled by HAL Holding NV, which itself prepares publicly available consolidated financial statements that include HAL Investments (UK) Limited. Copies of these consolidated accounts can be obtained from the office of HAL Holding NV at 5 Avenue Des Citronniers, MC 98000, Monaco.