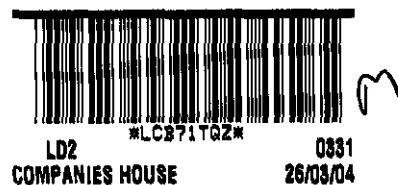


Company Registration No. 2595069 (England and Wales)

COMPANIES HOUSE COPY

INTERNATIONAL PRIVATE EQUITY LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003



 **Hacker
Young**
Chartered Accountants

St Alphage House 2 Fore Street London EC2Y 5DH

INTERNATIONAL PRIVATE EQUITY LIMITED

COMPANY INFORMATION

Director	D L Miller
Secretary	A Miller
Company number	2595069
Registered office	Squirrels Chase, Crossfield Place, Weybridge Surrey KT13 ORG
Auditors	Hacker Young 4th Floor St Alphage House 2 Fore Street London EC2Y 5DH
Business address	Squirrels Chase, Crossfield Place, Weybridge Surrey KT13 ORG
Bankers	HSBC Plc Church Street Weybridge Surrey KT13 8DF HSBC Plc Money Market Department 117 Great Portland Street London W1A 4UY

INTERNATIONAL PRIVATE EQUITY LIMITED

CONTENTS

	Page
Director's report	1 - 2
Independent auditors' report	3
Profit and loss account	4
Balance sheet	5
Cash flow statement	6
Notes to the financial statements	7 - 13

INTERNATIONAL PRIVATE EQUITY LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2003

The director presents his report and financial statements for the year ended 31 December 2003.

Principal activities and review of the business

The company provides advice on, and arranges deals in equity and other investments. It has been authorised to conduct investment business by The Financial Services Authority Limited.

The director regards the state of the company's affairs at 31 December 2003 as disclosed in the balance sheet, and the prospects for the forthcoming year as satisfactory.

Results and dividends

The results for the year are set out on page 4.

The director does not recommend payment of an ordinary dividend.

Director

The following director has held office since 1 January 2003:

D L Miller

Director's interests

The director's interest in the shares of the company was as stated below:

	Ordinary shares of £ 1 each	
	31 December 2003	1 January 2003
D L Miller	4,999	4,999
Charitable donations	2003	2002
	£	£
During the year the company made the following payments:		
Charitable donations	-	21,500

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Hacker Young be reappointed as auditors of the company will be put to the Annual General Meeting.

INTERNATIONAL PRIVATE EQUITY LIMITED

DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2003

Director's responsibilities

The director is required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss for that period. It is also the director's responsibility to maintain adequate accounting records, safeguard the assets of the company and take reasonable steps in preventing and detecting fraud and other irregularities.

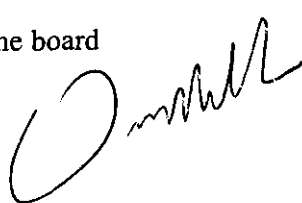
The director confirms that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of the financial statements on a going concern basis.

On behalf of the board

D L Miller

Director

23 March 2004



**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF INTERNATIONAL PRIVATE EQUITY LIMITED**

We have audited the financial statements of International Private Equity Limited on pages 4 to 13 for the year ended 31 December 2003. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

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 the director and auditors

As described in the statement of director's responsibilities on page 2 the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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

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 director's 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 director's remuneration and transactions with the company is not disclosed.

We read the director's report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

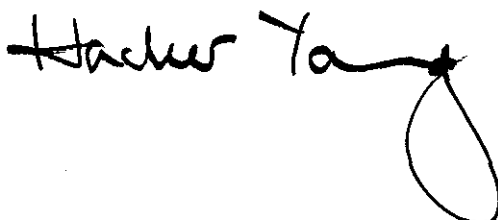
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director 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 31 December 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Hacker Young
Chartered Accountants
Registered Auditors



24 March 2004

INTERNATIONAL PRIVATE EQUITY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2003

	Notes	2003 £	2002 £
Turnover	2	3,327,619	4,443,086
Cost of sales		(102,886)	(180,661)
Gross profit		3,224,733	4,262,425
Administrative expenses		(3,351,108)	(5,212,408)
Other operating income		-	312
Operating loss	3	(126,375)	(949,671)
Other interest receivable and similar income	4	28,453	97,750
Interest payable and similar charges	5	(136)	(907)
Loss on ordinary activities before taxation		(98,058)	(852,828)
Tax on loss on ordinary activities	6	5,139	72,644
Loss on ordinary activities after taxation	13	(92,919)	(780,184)

The company's operation in the year continued unchanged; no operations were disposed of or acquired.

There are no recognised gains and losses other than those passing through the profit and loss account.

INTERNATIONAL PRIVATE EQUITY LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2003

	Notes	2003 £	£	2002 £	£
Fixed assets					
Tangible assets	7		1,885		3,662
Current assets					
Debtors	8	25,522		78,576	
Cash at bank and in hand		218,791		2,090,514	
		<u>244,313</u>		<u>2,169,090</u>	
Creditors: amounts falling due within one year	9	<u>(29,631)</u>		<u>(1,863,266)</u>	
Net current assets			<u>214,682</u>		<u>305,824</u>
Total assets less current liabilities			<u>216,567</u>		<u>309,486</u>
Creditors: amounts falling due after more than one year	10		<u>(15,000)</u>		<u>(15,000)</u>
			<u>201,567</u>		<u>294,486</u>
Capital and reserves					
Called up share capital	12		5,000		5,000
Profit and loss account	13		196,567		289,486
Shareholders' funds - equity interests	17		<u>201,567</u>		<u>294,486</u>

The financial statements were approved by the Board on 23 March 2004

D L Miller
Director



INTERNATIONAL PRIVATE EQUITY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2003

	Notes	£	2003 £	£	2002 £
Net cash (outflow)/inflow from operating activities	14		(1,982,281)		902,179
Returns on investments and servicing of finance					
Interest received		28,453		97,750	
Interest paid		(136)		(907)	
Net cash inflow for returns on investments and servicing of finance			28,317		96,843
Taxation			83,018		(363,659)
Capital expenditure					
Payments to acquire tangible assets		(777)		(1,562)	
Net cash outflow for capital expenditure			(777)		(1,562)
Net cash (outflow)/inflow before management of liquid resources and financing			(1,871,723)		633,801
Management of liquid resources					
Bank deposits		1,271,274		(394,233)	
			1,271,274		(394,233)
(Decrease)/increase in cash in the year 15			(600,449)		239,568

INTERNATIONAL PRIVATE EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

1 Accounting policies

1.1 Basis of preparation

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Net revenue comprises amounts due to International Private Equity Limited in the year, based on contracts of entitlement to income.

1.3 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:

Plant and machinery	33% per annum straight line
Fixtures, fittings & equipment	25% per annum straight line

1.4 Pensions

Payments to the company's defined contribution pension scheme are charged to the profit and loss account as they become payable.

1.5 Deferred taxation

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

1.6 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.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating loss

	2003	2002
	£	£
Operating loss is stated after charging:		
Depreciation of tangible assets	2,554	1,499
Auditors' remuneration	2,500	1,500
Remuneration of auditors for non-audit work	16,933	15,750
Profit on foreign exchange transactions	(31,163)	(86,814)

INTERNATIONAL PRIVATE EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2003

4	Other interest receivable and similar income	2003	2002
		£	£
	Bank interest	26,314	97,526
	Other interest	2,139	224
		<u>28,453</u>	<u>97,750</u>
5	Interest payable	2003	2002
		£	£
	On bank loans and overdrafts	-	7
	Interest on subordinated loan	-	900
	Other interest	136	-
		<u>136</u>	<u>907</u>
6	Taxation	2003	2002
		£	£
	Domestic current year tax		
	U.K. corporation tax	-	(77,939)
	Adjustment for prior years	(5,139)	5,295
		<u>(5,139)</u>	<u>(72,644)</u>
	Current tax charge	(5,139)	(72,644)
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	<u>(98,058)</u>	<u>(852,828)</u>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00 % (2002 : 30.00 %)	<u>(29,417)</u>	<u>(255,848)</u>
	Effects of:		
	Non deductible expenses	2,305	9,895
	Depreciation add back	766	450
	Capital allowances	(494)	(592)
	Tax losses utilised	176,840	-
	Adjustments to previous periods	(5,139)	5,295
	Other tax adjustments	<u>(150,000)</u>	<u>168,156</u>
		<u>24,278</u>	<u>183,204</u>
	Current tax charge	(5,139)	(72,644)

INTERNATIONAL PRIVATE EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2003

7 Tangible fixed assets

	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 January 2003	18,731	6,078	24,809
Additions	777	-	777
At 31 December 2003	19,508	6,078	25,586
Depreciation			
At 1 January 2003	16,164	4,983	21,147
Charge for the year	1,459	1,095	2,554
At 31 December 2003	17,623	6,078	23,701
Net book value			
At 31 December 2003	1,885	-	1,885
At 31 December 2002	2,567	1,095	3,662

8 Debtors

	2003 £	2002 £
Corporation tax	60	77,939
Other debtors	9,202	637
Prepayments and accrued income	16,260	-
	25,522	78,576

9 Creditors: amounts falling due within one year

	2003 £	2002 £
Trade creditors	-	1,442
Taxes and social security costs	-	1,807,511
Director's current accounts	11,131	37,093
Accruals and deferred income	18,500	17,220
	29,631	1,863,266

INTERNATIONAL PRIVATE EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2003

10 Creditors: amounts falling due after more than one year	2003 £	2002 £
6% subordinated loan stock	<u>15,000</u>	<u>15,000</u>

The loan stock is unsecured and has no fixed date for repayment. Interest payable on the loan has been waived indefinitely by the proprietor as from 1 January 2003.

11 Pension costs

Defined contribution

	2003 £	2002 £
Contributions payable by the company for the year	<u>178,366</u>	<u>1,258,730</u>

12 Share capital	2003 £	2002 £
Authorised		
5,000 Ordinary shares of £ 1 each	<u>5,000</u>	<u>5,000</u>
Allotted, called up and fully paid		
5,000 Ordinary shares of £ 1 each	<u>5,000</u>	<u>5,000</u>

13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2003	289,486
Retained loss for the year	(92,919)
Balance at 31 December 2003	<u>196,567</u>

INTERNATIONAL PRIVATE EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2003

14	Reconciliation of operating loss to net cash (outflow)/inflow from operating activities	2003	2002	
		£	£	
	Operating loss	(126,375)	(949,671)	
	Depreciation of tangible assets	2,554	1,499	
	Increase in debtors	(24,825)	(534)	
	(Decrease)/increase in creditors within one year	(1,833,635)	1,850,885	
	Net cash (outflow)/inflow from operating activities	(1,982,281)	902,179	
15	Analysis of net debt	1 January 2003	Cash flow	31 December 2003
		£	£	£
	Net cash:			
	Cash at bank and in hand	819,240	(600,449)	218,791
	Liquid resources:			
	Bank deposits	1,271,274	(1,271,274)	-
	Debt:			
	Debts falling due after one year	(15,000)	-	(15,000)
	Net (debt)/funds	2,075,514	(1,871,723)	203,791
16	Reconciliation of net cash flow to movement in net debt	2003	2002	
		£	£	
	(Decrease)/increase in cash in the year	(600,449)	239,568	
	Cash inflow/(outflow) from decrease/(increase) in liquid resources	(1,271,274)	394,233	
	Movement in net funds in the year	(1,871,723)	633,801	
	Opening net funds	2,075,514	1,441,713	
	Closing net funds	203,791	2,075,514	

INTERNATIONAL PRIVATE EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2003

17 Reconciliation of movements in shareholders' funds	2003	2002
	£	£
Loss for the financial year	(92,919)	(780,184)
Opening shareholders' funds	294,486	1,074,670
Closing shareholders' funds	201,567	294,486

18 Director's emoluments	2003	2002
	£	£
Emoluments for qualifying services	2,764,464	3,510,000
Company pension contributions to money purchase schemes	178,366	1,258,730
	2,942,830	4,768,730

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	2,764,464	3,510,000
Company pension contributions to money purchase schemes	178,366	1,258,730

19 Employees

Number of employees

The average monthly number of employees (including director) during the year was:

2003	2002
Number	Number
2	2

Employment costs

	£	£
Wages and salaries	2,764,464	3,510,000
Social security costs	331,685	385,692
Other pension costs	178,366	1,258,730
	3,274,515	5,154,422

INTERNATIONAL PRIVATE EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2003

20 Control

The ultimate controlling party is D L Miller, a director and the majority shareholder of the company.