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**AIT TRADING LIMITED**

**REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 28 FEBRUARY 2003**



**AIT TRADING LIMITED**

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**AIT TRADING LIMITED**

**DIRECTORS AND OTHER INFORMATION**

**DIRECTORS**

RA Hammond-Chambers  
MJ Barstow  
MF Heathcoat Amory  
DH Hunter

**AUDITORS**

RSM Robson Rhodes LLP  
Chartered Accountants and  
Registered Auditors  
186 City Road  
London EC1V 2NU

**SECRETARY**

Cavendish Administration Limited

**BANKERS**

Lloyds Bank plc  
34 Moorgate  
London EC2R 6PL

**REGISTERED OFFICE**

Crusader House  
145-157 St John Street  
London  
EC1V 4RU

**REGISTERED IN ENGLAND**

No. 3285920

## **AIT TRADING LIMITED**

### **DIRECTORS' REPORT**

The directors present their report and the audited financial statements of the company for the year ended 28 February 2003.

#### **RESULTS AND DIVIDENDS**

The results for the year are set out on page 7 to the financial statements.  
The directors do not recommend a dividend.

#### **PRINCIPAL ACTIVITY**

The company's principal activity during the period was and continues to be the trading of securities in support of its parent company, Aurora Investment Trust plc.

#### **REVIEW OF THE BUSINESS AND GOING CONCERN STATEMENT**

The directors are pleased that trading during the year resulted in a profit, but disappointed that this was not sufficient to prevent a net deficit position at 28 February 2003. The directors are confident that the company will continue to be supported by its parent company, Aurora Investment Trust plc and that it is appropriate to adopt the going concern basis in preparing the accounts.

#### **DIRECTORS AND THEIR INTERESTS**

Mr BR Adams unfortunately became ill during the year and resigned as a director and as Chairman on 3 October 2002. The directors appointed Mr RA Hammond-Chambers as a director and as Chairman on 3 October 2002. The persons listed below are the current directors both of the Company and of AIT. The directors of the company at 28 February 2003 were as follows:

RA Hammond-Chambers  
MJ Barstow  
MF Heathcoat Amory  
DH Hunter

None of the above directors had any interest in the issued share capital of the company at 28 February 2003. All the above directors are also directors of Aurora Investment Trust plc, which is the sole shareholder of the company. Their interests in the share capital of Aurora Investment Trust plc are disclosed in the accounts of that company.

#### **ELECTIVE RESOLUTIONS**

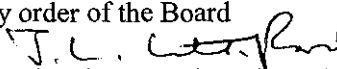
Resolutions are in force as follows:

1. In accordance with section 366A of the Companies Act 1985 to dispense with annual general meetings until further notice.
2. To dispense with the laying of accounts and reports before the Company in general meeting, in accordance with section 252 of the Companies Act 1985.
3. To dispense with the annual re-appointment of auditors, in accordance with section 386 of the Companies Act 1985

**AIT TRADING LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

RSM Robson Rhodes have, during 2003, transferred their business to a limited liability partnership, incorporated under the Limited Liability Partnerships Act 2000 and called RSM Robson Rhodes LLP. The directors have used their statutory powers to treat the appointment of RSM Robson Rhodes as extending to RSM Robson Rhodes LLP.

By order of the Board  
  
Cavendish Administration Limited  
Company Secretary

16 May 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 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 which are reasonable and prudent;
- follow applicable United Kingdom accounting standards; and
- prepare the financial statements on the going concern basis.

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 are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for ensuring that the directors' report and other information included in the Annual Report is prepared in accordance with company law in the United Kingdom.

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AIT TRADING LIMITED**

We have audited the financial statements on pages 7 to 11.

This report is made solely to the Company's shareholders, 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 shareholders 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 any one other than the Company and the Company's shareholders 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' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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 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.

We read the information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information outside the Annual Report.

### **BASIS OF AUDIT OPINION**

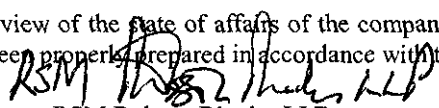
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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 accounts give a true and fair view of the state of affairs of the company as at 28 February 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

16 May 2003

  
RSM Robson Rhodes LLP  
Chartered Accountants and Registered Auditors  
London, England

**AIT TRADING LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 28 FEBRUARY 2003**

	Notes	Year ended 28 February 2003	Year ended 28 February 2002
			£
Profit/(loss) on disposal of current asset investments		2,493	(395,064)
Investment income	2	15,816	10,536
Bank interest		687	875
		<u>18,996</u>	<u>(383,653)</u>
 Custodian fees		 241	 -
		<u>241</u>	<u>-</u>
 <b>Profit/(Loss) on ordinary activities before taxation</b>		 18,755	 (383,653)
Tax on profit on ordinary activities	3	-	-
<b>Profit/(Loss) for the financial period</b>		<u>18,755</u>	<u>(383,653)</u>
 <b>Profit/(Loss) retained for financial year</b>		 <u>18,755</u>	 <u>(383,653)</u>

All the above results relate to continuing activities.

There were no recognised gains or losses other than those included in the profit and loss account.

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

The notes on pages 9 to 11 form an integral part of these financial statements

**AIT TRADING LIMITED**

**BALANCE SHEET AT 28 FEBRUARY 2003**

	Notes	2003	2002
		£	£
<b>Current assets</b>			
Sales for future settlement		300,150	-
Debtors	4	1,265	98
Cash at bank and in hand		4,453	54,038
		<u>305,868</u>	<u>54,136</u>
<b>Creditors: amounts falling due within one year</b>			
Loan from parent company	5	527,287	294,310
<b>Net current liabilities</b>		<u>(221,419)</u>	<u>(240,174)</u>
<b>Total assets less current liabilities</b>		<u>(221,419)</u>	<u>(240,174)</u>
<b>Capital and reserves</b>			
Called up share capital	6	2	2
Profit and loss account	7	(221,421)	(240,176)
<b>Shareholders' funds – equity</b>		<u>(221,419)</u>	<u>(240,174)</u>

Approved by the board of directors on 16 May 2003 and signed on their behalf by



RA Hammond-Chambers



Director

The notes on pages 9 to 11 form an integral part of these financial statements



**AIT TRADING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR**

**ENDED 28 FEBRUARY 2003**

**1. Accounting policies**

**Basis of accounting**

The financial statements are prepared under the historical cost convention and are in accordance with applicable Accounting Standards.

**Investment income**

Income from ordinary shares is accounted for on ex-dividend dates.

**Cash flow statement**

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 (Revised): 'Cash flow statements'.

**Taxation**

The payment of taxation is deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen, but not reversed by the balance sheet date, unless such provision is not permitted by Financial Reporting Standard 19.

**2. Investment income**

	2003 £	2002 £
Franked investment income	9,823	12,579
Unfranked investment income	5,993	(2,043)
	<u>15,816</u>	<u>10,536</u>

**3. Taxation**

	2003 £	2002 £
Corporation tax	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

**AIT TRADING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR**

**ENDED 28 FEBRUARY 2003 (CONTINUED)**

**6. Called up share capital**

	2003	2002
<b>Authorised share capital:</b>		
100 ordinary shares of £1	<u>100</u>	<u>100</u>
<b>Issued called up and unpaid:</b>		
2 ordinary shares of £1	<u>2</u>	<u>2</u>

**7. Reconciliation of shareholders' funds and movement on reserves**

	2003			2002		
	Share capital	Profit and Loss Account	Total Shareholders' Funds	Share capital	Profit and Loss Account	Total Shareholders' Funds
	£	£	£	£	£	£
At start of year	2	(240,176)	(240,174)	2	143,477	143,479
Profit/(Loss) for the year	-	18,755	18,755	-	(383,653)	(383,653)
At 28 February	<u>2</u>	<u>(221,421)</u>	<u>(221,419)</u>	<u>2</u>	<u>(240,176)</u>	<u>(240,174)</u>

**8. Related parties**

The company's ultimate parent undertaking is Aurora Investment Trust Plc, a company registered in England and Wales. It has included the Company in its group accounts, which are publicly available.