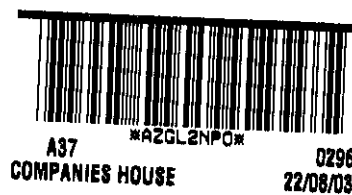


Registered Number: 4027724

FF&P ADVISORY LIMITED

Directors' Report and Accounts

31 March 2003



DIRECTORS

Mr R J Fleming (*Chairman*)
Mr D F Fletcher
Mr M R Garber
Mr D I Rawlinson
Mr G M Rochussen

SECRETARY

Mrs C E S Stone

REGISTERED OFFICE

Ely House
37 Dover Street
London
W1S 4NJ

Telephone: 020 7409 5600
Fax: 020 7409 5601

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Southwark Towers
32 London Bridge Street
London SE1 9SY

REGISTERED NUMBER

4027724

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2003

The directors present their report and the audited financial statements of the company for the year ended 31 March 2003.

PRINCIPAL ACTIVITIES

The principal activity during the year was that of advisory company.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

Development by the Company continued during the year, with its current emphasis on mining opportunities in emerging markets which included the successful listing of Highland Gold Mining Limited on the AIM market in London in December 2002. The Company has on-going mandates with clients which, subject to future conditions, will give rise to future revenue. Advising on further opportunities represents the core on-going work-in-progress for the Company.

On 30 April 2002 the Company issued 500,000 ordinary shares of £1 at par and on 4 November 2002 the Company issued a further 250,000 ordinary shares of £1 at par, bringing the total issued share capital for the Company to £2,650,000.

RESULTS AND DIVIDENDS

In the period under review, the company recorded an operating profit of £1.5 million (2002: loss of £0.7 million) on gross revenues of £7.1 million (2002: £0.4 million). As at 31 March 2003 the company had net assets of £3.4 million (2002: £1.0 million).

No dividends have been declared in the year (2002: nil).

DIRECTORS

The directors of the Company, all of whom held office throughout the year, are listed on page 1. Mr G M Rochussen was appointed a director of the Company on 03 April 2002. Mr D F Fletcher was appointed a director of the Company on 01 February 2003.

DIRECTORS' INTERESTS

During the year no director had any interest in the share capital of the Company. The interests of the directors in the shares of the holding company were as follows:-

	Beneficial As at 31 March 2003		Beneficial As at 31 March 2002 or date of appointment if later	
	Ordinary	Preferred	Ordinary	Preferred
Mr R J Fleming	72,000,000	24,000,000	72,000,000	24,000,000
Mr M R Garber	28,800,000	9,600,000	28,800,000	9,600,000
Mr D F Fletcher	6,000,000	-	-	-

	Non-beneficial As at 31 March 2003		Non-beneficial As at 31 March 2002 or date of appointment if later	
	Ordinary	Preferred	Ordinary	Preferred
Mr D I Rawlinson	9,000,000	-	9,000,000	-
Mr G M Rochussen	9,000,000	-	9,000,000	-

EMPLOYEES

The Company currently has no direct employees but is recharged by FFP Services Limited for staff carrying out its work.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year that 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 year. 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; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

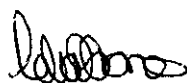
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

AUDITORS

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 21 May 2003 and the Directors appointed its successor, PricewaterhouseCoopers LLP, as auditors. A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at the Annual General Meeting.

By order of the Board



C E S Stone
Secretary

11 June 2003

Independent auditors' report to the members of FF&P Advisory Limited

We have audited the financial statements which comprise the profit and loss account and the balance sheet and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

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.

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. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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. The other information comprises only the directors' report.

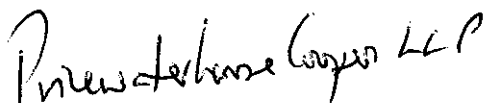
Basis of audit opinion

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 March 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

30 June 2003

Profit and Loss Account for the year ended 31 March 2003

	Note	2003 £'000	2002 £'000
Turnover	3	7,105	345
Administration costs	4	(5,584)	(996)
Operating profit/(loss)	4	1,521	(651)
Interest receivable and similar income		46	19
Interest payable and similar charges		-	-
Profit/(loss) on ordinary activities before taxation		1,567	(632)
Tax on profits/(loss) on ordinary activities	7	(212)	-
Profit/(loss) for the financial year		1,355	(632)
Dividends	8	-	-
Retained profit/(loss) for the financial year		1,355	(632)

All turnover is attributable to continuing operations.

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

There is no difference between the profit before taxation and the retained profit for the financial year stated above and their historical cost equivalents.

Balance Sheet as at 31 March 2003

	Note	2003 £'000	2002 £'000
Current assets			
Debtors	9	1,496	65
Cash at bank and in hand		1,856	979
Creditors - Amounts falling due within one year			
	10	(213)	(10)
Net current assets		3,139	1,034
Total assets less current liabilities		3,139	1,034
Net assets		3,139	1,034
Capital and reserves			
Called up share capital	11	2,650	1,900
Profit and loss account	12	489	(866)
Total shareholder's funds		3,139	1,034

The financial statements on pages 7 to 12 were approved by the board of directors on 11 June 2003 and were signed on its behalf by:



G M Rochussen
Director

The accounting policies and notes to the accounts on pages 9 to 12 form part of these financial statements.

Notes to the financial statements for the year ended 31 March 2003.

1. Accounting policies

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 1985 and applicable accounting standards. The principal accounting policies are set out below.

Foreign currencies - All foreign currency transactions have been converted into Sterling at the mid-market rate prevailing on the date that the transaction is booked. The Company currently has limited exposure to foreign currencies as substantially all the Company's business is transacted in the UK.

Turnover - Turnover is recognised on an accruals basis.

2. Cash flow statement and related party disclosures

As permitted by FRS1 (revised 1996) the Company's cash flow statement has not been included as it is a wholly owned subsidiary of Fleming Family & Partners Limited and its cash flow appears as part of the Group consolidated cash flow in the Group's accounts.

The Company has taken advantage of the provisions of FRS8, which exempts it from disclosing related party transactions where the related party is part of the Fleming Family & Partners group or is an investor in the Group.

3. Turnover

The Company received £7.1 million (2002: £0.4million) of revenue in the year.

4. Operating profit

Salary costs and audit fees are not borne directly by the Company but are recharged to the Company by FFP Services Limited, another subsidiary within the Fleming Family & Partners Limited group. Audit fees recharged amounted to £7,000 (2002: £3,000). Total recharges from the service company for the year amounted to £5.3 million (2002: £1.0 million).

5. Directors' emoluments

Directors of the Company are paid salaries by FFP Services Limited. No directors' fees for services of directors of the Company are paid by this Company.

	2003 £'000	2002 £'000
Aggregate emoluments	698	118
Pension contributions	1	5
	699	123

Highest Paid Director

Aggregate emoluments	417	48
Pension contributions	-	2
	417	50

6. Employee information

No employees work directly for the Company but are employed by FFP Services Limited, another subsidiary of the Fleming Family & Partners group, and recharged to the Company.

7. Tax on profit on ordinary activities

	2003 £'000	2002 £'000
Current tax:		
UK corporation tax on profits of the year	212	-
Tax on profit on ordinary activities	212	-

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

Profit on ordinary activities before tax	1,567	(632)
Tax on profit on ordinary activities at 30%	470	(190)
Effects of:		
Losses not utilised in current year	-	190
Losses brought forward from earlier periods	(258)	-
Actual current year tax charge	212	-

8. Dividends

No dividends were declared in the year (2002: nil).

9. Debtors

	2003 £'000	2002 £'000
Trade Debtors	1,450	16
Prepayments & Accrued Income	-	5
Taxation and social security	46	44
	1,496	65

10. Creditors – Amounts falling due within one year

	2003 £'000	2002 £'000
Other creditors	(1)	(10)
Corporation tax payable	(212)	-
	(213)	(10)

11. Called up share capital

	2003 £'000	2002 £'000
Authorised		
3,000,000 ordinary shares of £1 each	3,000	3,000
	3,000	3,000
Allotted and fully paid		
2,650,000 ordinary shares of £1 each, fully paid	2,650	1,900
	2,650	1,900

During the year 750,000 ordinary shares with a nominal value of £0.75 million were issued at par for cash.

12. Reserves

	2003 £'000
At 1 April 2002	(866)
Accumulated profit for the financial year	1,355
As at 31 March 2003	489

13. Reconciliation of movement in shareholder's funds

	2003 £'000	2002 £'000
Total shareholder's funds		
Opening balance of shareholder's funds	1,034	766
Net proceeds of issue of equity shares	750	900
Profit and loss appropriation	1,355	(632)
Closing shareholder's funds	3,139	1,034

14. Contingent Liabilities

The Company had no contingent liabilities as at 31 March 2003 (2002: nil).

15. Related Party Disclosure

Highland Gold Mining Limited/GG-Media Limited/Highland Ventures Limited/High Tops Gold Limited - The Group has provided services to, or been reimbursed expenses incurred on behalf of these companies whose shareholders include discretionary trusts, of which a Director is a beneficiary.

Highland Gold Mining Limited, High Tops Gold Limited and Highland Ventures Limited are clients of the Group's UK Advisory operation and paid the Group fees of £7,095,000 in the year ended March 2003.

	Amounts payable by the Group £'000	Group - 2003 Amounts receivable by the Group £'000	Balance due to Group as at 31 March 2003 £'000
GG Media	-	10	-
High Tops Gold Limited	-	4,287	1,450
Highland Gold Mining Limited	-	1,993	-
Highland Ventures	-	815	-
	-	7,105	1,450

16. Ultimate Parent Undertaking

The immediate and ultimate parent undertaking and controlling party is Fleming Family & Partners Limited, a company incorporated in England (registered number 4006741). Copies of the Group's consolidated financial statements can be obtained from the Company Secretary at 37 Dover Street, London W1S 4NJ.