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Wickam Capital Limited

Report and Accounts
30 November 2002



OFFICERS AND PROFESSIONAL ADVISERS

The Board of Directors E B Christian
Lord R A Innes Ker

Company Secretary E B Christian

Registered Office 7 Pilgrim Street
London
EC4V 6DR

Auditors Rees Pollock
7 Pilgrim Street
London
EC4V 6DR

Bankers Barclays Bank Plc
11 Bruton Street
London
W1J 6LA

Registered Number 4061756

The directors present their report and accounts of the company for the year ended 30 November 2002.

Principal activities and business review

The company is regulated by the Financial Services Authority (FSA).

The principal activity of the company during the period has been that of investment management business. The directors intend to expand the business further in the following year.

Results and dividends

The trading results for the year, and the company's financial position at the end of the year are shown in the attached accounts.

The directors have not recommended the payment of a dividend.

The directors and their interests

The directors who served the company during the year, together with their beneficial interests in the share capital of the company, were as follows:

	Ordinary Shares of £1 each	
	At 30 November 2002	At 1 December 2001
E B Christian	56,500	56,500
Lord R A Innes Ker	<u>56,500</u>	<u>56,500</u>

Directors' responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those accounts, the directors are required to:

select suitable accounting policies, as described on page 8, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; and

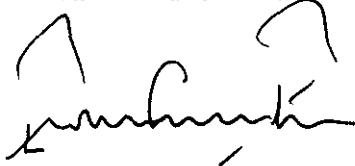
prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 accounts comply with the Companies Act 1985. The directors 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.

Auditors

A resolution to re-appoint Rees Pollock as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read 'E B Christian', is written over the printed name.

E B Christian
Director

21st March 2003



REES POLLOCK

Chartered Accountants

7 Pilgrim Street
London EC4V 6DR
Telephone 020 7329 6404
Fax 020 7329 6408

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WICKAM CAPITAL LIMITED

We have audited the accounts on pages 5 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

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 directors and the auditors

The directors' responsibilities for preparing the Annual Report and the accounts in accordance with applicable United Kingdom law and Accounting Standards are set out in the Statement of Directors' Responsibilities on page 2.

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

We report to you our opinion as to whether the accounts 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 accounts, 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 Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30 November 2002 and of its loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Rees Pollock
Chartered Accountants
Registered Auditors

21 March 2003

PROFIT AND LOSS ACCOUNT
 for the year ended 30 November 2002

		Year to 30 Nov 02 £	Period from 30 Aug 00 to 30 Nov 01 £
	Note		
TURNOVER	2	142,084	33,883
Administrative expenses		450,636	124,096
OPERATING LOSS	3	(308,552)	(90,213)
Interest receivable		7,189	1,374
Interest payable	6	—	(8)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(301,363)	(88,847)
Tax on loss on ordinary activities	7	—	—
LOSS FOR THE FINANCIAL YEAR		(301,363)	(88,847)
Balance brought forward		(88,847)	—
Balance carried forward		<u>(390,210)</u>	<u>(88,847)</u>

The company has no recognised gains or losses other than the results for the year as set out above.

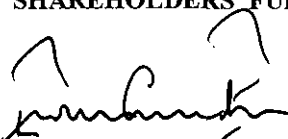
All of the activities of the company are classed as continuing.

The notes on pages 8 to 13 form part of these accounts.

Wickam Capital Limited

BALANCE SHEET
at 30 November 2002

	Note	£	2002 £	2001 £
FIXED ASSETS				
Tangible assets	8		6,024	7,546
CURRENT ASSETS				
Debtors	9	24,739		16,435
Cash at bank and in hand		267,928		34,148
		292,667		50,583
CREDITORS: amounts falling due within one year	10	27,568		18,976
NET CURRENT ASSETS			265,099	31,607
TOTAL ASSETS LESS CURRENT LIABILITIES			271,123	39,153
CREDITORS: amounts falling due after more than one year	11		15,000	15,000
			256,123	24,153
CAPITAL AND RESERVES				
Called-up equity share capital	13		137,432	113,000
Share premium account	14		508,901	—
Profit and loss account			(390,210)	(88,847)
SHAREHOLDERS' FUNDS	15		256,123	24,153



E B Christian
Director

21st March 2003

The notes on pages 8 to 13 form part of these accounts.

CASH FLOW STATEMENT

for the year ended 30 November 2002

			Year to	Period from
	Note	£	30 Nov 02	30 Aug 00
		£	£	to
				30 Nov 01
				£
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	16		(303,908)	(83,919)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received		7,189		1,374
Interest paid		—		(8)
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			7,189	1,366
CAPITAL EXPENDITURE				
Payments to acquire tangible fixed assets		(2,834)		(11,299)
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE			(2,834)	(11,299)
FINANCING				
Issue of equity share capital		24,432		113,000
Share premium on issue of equity share capital		508,901		—
Issue of long term subordinated loan		—		15,000
NET CASH INFLOW FROM FINANCING			533,333	128,000
INCREASE IN CASH	17		233,780	34,148

The notes on pages 8 to 13 form part of these accounts.

NOTES TO THE ACCOUNTS

for the year ended 30 November 2002

1. ACCOUNTING POLICIES**Basis of accounting**

The accounts have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Office equipment - over 3 years

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences, except for those which are not expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. All exchange differences are taken to the profit and loss account.

2. TURNOVER

The turnover shown in the profit and loss account represents the value of services provided during the year, stated net of value added tax.

3. OPERATING LOSS

Operating loss is stated after charging/(crediting):

	Year to 30 Nov 02	Period from 30 Aug 00 to 30 Nov 01
	£	£
Depreciation	4,356	3,753
Auditors' remuneration		
- as auditors	4,800	2,000
- for other services	2,200	9,850
Net profit on foreign currency translation	<u>(755)</u>	<u>(311)</u>

NOTES TO THE ACCOUNTS

for the year ended 30 November 2002

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	Year to 30 Nov 02 No.	Period from 30 Aug 00 to 30 Nov 01 No.
Number of staff	4	—

The aggregate payroll costs of the above were:

	Year to 30 Nov 02 £	Period from 30 Aug 00 to 30 Nov 01 £
Wages and salaries	270,406	—
Social security costs	29,093	—
	<u>299,499</u>	<u>—</u>

5. DIRECTORS' EMOLUMENTS

	Year to 30 Nov 02 £	Period from 30 Aug 00 to 30 Nov 01 £
Emoluments	214,667	—

Emoluments of highest paid director:

	Year to 30 Nov 02 £	Period from 30 Aug 00 to 30 Nov 01 £
Total emoluments (excluding pension contributions):	<u>107,337</u>	<u>—</u>

6. INTEREST PAYABLE

	Year to 30 Nov 02 £	Period from 30 Aug 00 to 30 Nov 01 £
Interest payable on bank borrowing	<u>—</u>	<u>8</u>

NOTES TO THE ACCOUNTS

for the year ended 30 November 2002

7. TAX ON LOSS ON ORDINARY ACTIVITIES

Analysis of charge in the period

	Year to 30 Nov 02 £	Period from 30 Aug 00 to 30 Nov 01 £
Current tax:		
Corporation tax	—	—
Factors affecting current tax charge		
	Year to 30 Nov 02 £	Period from 30 Aug 00 to 30 Nov 01 £
Loss on ordinary activities before taxation	(301,363)	(88,847)
Profit/(loss) on ordinary activities at 20%	(60,273)	(17,769)
Expenses not deductible for tax calculation	160	2,121
Movement in difference between capital allowances and depreciation	319	(1,509)
Movement in losses carried forward	59,794	17,157
Total current tax	—	—

8. TANGIBLE FIXED ASSETS

	Office equipment £
Cost	
At 1 December 2001	11,299
Additions	2,834
At 30 November 2002	14,133
Depreciation	
At 1 December 2001	3,753
Charge for the year	4,356
At 30 November 2002	8,109
Net book value	
At 30 November 2002	6,024
At 30 November 2001	7,546

NOTES TO THE ACCOUNTS

for the year ended 30 November 2002

9. DEBTORS

	2002	2001
	£	£
Trade debtors	10,096	3,675
VAT recoverable	176	575
Other debtors	5,330	4,740
Prepayments and accrued income	9,137	7,445
	<u>24,739</u>	<u>16,435</u>

10. CREDITORS: amounts falling due within one year

	2002	2001
	£	£
Trade creditors	620	5,025
PAYE and social security	12,376	—
Other creditors	189	—
Accruals and deferred income	14,383	13,951
	<u>27,568</u>	<u>18,976</u>

11. CREDITORS: amounts falling due after more than one year

	2002	2001
	£	£
Subordinated loan	<u>15,000</u>	<u>15,000</u>

The loans are provided by the directors and are for a period of at least five years. They are repayable early only with the permission of FSA. There is no interest charged on the loans.

12. DEFERRED TAXATION

No provision has been made in the accounts and the amounts unprovided at the end of the year are as follows:

	Year to	Period from
	30 Nov 02	30 Aug 00
	£	to
		30 Nov 01
	£	£
Excess of taxation allowances over depreciation on fixed assets	1,190	1,509
Tax losses available	(76,951)	(17,157)
	<u>(75,761)</u>	<u>(15,648)</u>

NOTES TO THE ACCOUNTS

for the year ended 30 November 2002

13. SHARE CAPITAL

Authorised share capital:

	2002	2001
	£	£
200,000 Ordinary shares of £1 each	200,000	200,000
Allotted, called up and fully paid:		
	2002	2001
	£	£
Ordinary share capital	113,000	—
Issue of ordinary shares	24,432	113,000
	<u>137,432</u>	<u>113,000</u>

During the year 24,432 £1 Ordinary shares were issued for the consideration of £533,333.

Options carrying the rights for holders to subscribe for Ordinary £1 shares were issued during the year, as follows:

No. of shares	Dates between which option exercisable	Exercise price £
3,054	20 May 2004 - 19 May 2012	21.829294

14. SHARE PREMIUM ACCOUNT

	Year to 30 Nov 02 £	Period from 30 Aug 00 to 30 Nov 01 £
Premium on shares issued in the year	508,901	—
Balance carried forward	<u>508,901</u>	<u>—</u>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Loss for the financial year	(301,363)	(88,847)
New equity share capital subscribed	24,432	113,000
Premium on new share capital subscribed	<u>508,901</u>	<u>—</u>
	533,333	113,000
Net addition to funds	231,970	24,153
Opening equity shareholders' funds	24,153	—
Closing equity shareholders' funds	<u>256,123</u>	<u>24,153</u>

NOTES TO THE ACCOUNTS

for the year ended 30 November 2002

**16. RECONCILIATION OF OPERATING LOSS TO
NET CASH OUTFLOW FROM OPERATING ACTIVITIES**

	Year to 30 Nov 02 £	Period from 30 Aug 00 to 30 Nov 01 £
Operating loss	(308,552)	(90,213)
Depreciation	4,356	3,753
Increase in debtors	(8,304)	(16,435)
Increase in creditors	8,592	18,976
Net cash outflow from operating activities	<u>(303,908)</u>	<u>(83,919)</u>

17. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2002 £	2001 £
Increase in cash in the period	233,780	34,148
Net cash (inflow) from long term loan	—	(15,000)
	<u>233,780</u>	<u>19,148</u>
Change in net funds	233,780	19,148
Net funds at 1 December 2001	19,148	—
Net funds at 30 November 2002	<u>252,928</u>	<u>19,148</u>

18. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Dec 2001 £	Cash flows £	At 30 Nov 2002 £
Net cash:			
Cash in hand and at bank	34,148	233,780	267,928
Debt:			
Debt due after 1 year	(15,000)	—	(15,000)
Net funds	<u>19,148</u>	<u>233,780</u>	<u>252,928</u>