

Mourant & Co Capital (SPV) Limited

Reports and Accounts

For the year ended 30 September 2002



Mourant & Co Capital (SPV) Limited

REPORT OF THE DIRECTORS

The directors present their annual report to the members together with the audited accounts for the year ended 30 September 2002.

INCORPORATION.

The company was incorporated in England and Wales on 18th October 2000, Company No. 4092438.

ACTIVITIES.

The principal activity of the company is the provision of trustee and administration services.

RESULTS AND DIVIDENDS.

The net loss for the year is shown on page 4.

The directors are unable to recommend the payment of a dividend.

DIRECTORS.

The directors who held office during the year and subsequently were:-

M.R. Bonsall
N.C. Bradley
J.A.J. Chapman
N.C. Davies
J. Walker
R. Walker

AUDITORS.

Ernst & Young LLP have expressed their willingness to continue in office.

REGISTERED OFFICE.

4th Floor
35 New Bridge Street
Blackfriars
LONDON
EC4V 6BW

BY ORDER OF THE BOARD.



Authorised Signatory
Mourant & Co. Capital Secretaries Limited
Secretary

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

UK Company Law requires the directors to prepare accounts which shall be in accordance with generally accepted accounting principles and show a true and fair view of the profit or loss of the company for the period and of the state of the company's affairs at the end of the period.

In preparing the accounts the directors should:

- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * prepare the accounts on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping accounting records which are sufficient to show and explain the company's transactions and are such to 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 UK 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, errors and other irregularities.

INDEPENDENT AUDITORS' REPORT
to the Members of Maurant & Co Capital (SPV) Limited

We have audited the company's accounts for the year ended 30 September 2002 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 12. These accounts have been prepared on the basis of the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards.

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 Report of the Directors 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 the information specified by law regarding directors remuneration and transactions with the company is not disclosed.

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

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.

Qualified opinion arising from disagreement about accounting treatment

The cost of professional work carried out but not billed during the year has been charged to the profit and loss account. This is not in accordance with Statement of Standard Accounting Practice SSAP 9 which requires such work in progress to be recorded as stock in the balance sheet at the lower of cost and net realisable value. The inclusion of any amount in respect of work in progress in the balance sheet would result in a corresponding adjustment to profit for the year. We are unable to quantify the effect of this departure from SSAP 9 on the accounts.

Except for the failure to account for work in progress in accordance with SSAP 9, in our opinion the accounts give a true and fair view of the state of affairs of the company as at 30 September 2002 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Registered Auditor
Jersey, Channel Islands

Date: 27 JANUARY 2003

Mourant & Co Capital (SPV) Limited

PROFIT AND LOSS ACCOUNT**For the year ended 30 September 2002**

	<u>Note</u>	<u>01-Oct-01</u> <u>to</u> <u>30-Sep-02</u>	<u>18-Oct-00</u> <u>to</u> <u>30-Sep-01</u>
FEE INCOME		257,385	135,616
OPERATING EXPENDITURE	3	(331,069)	(184,226)
OPERATING LOSS		(73,684)	(48,610)
OTHER INCOME		3,707	-
FINANCE CHARGES NET	4	130	(11,392)
LOSS FOR THE YEAR		£ (69,847)	£ (60,002)
BALANCE BROUGHT FORWARD		(60,002)	-
BALANCE CARRIED FORWARD		£ (129,849)	£ (60,002)

Recognised gains and losses

There are no other recognised gains or losses attributable to the shareholders of the company other than a loss of £69,847 for the year ended 30 September 2002 and a loss of £60,002 for the period ended 30 September 2001.

Mourant & Co Capital (SPV) Limited

BALANCE SHEET

As at 30 September 2002

	<u>Notes</u>	<u>2002</u>	<u>2001</u>
CURRENT ASSETS			
Debtors	5	290,726	199,957
Bank balances		16,498	14,382
		<u>307,224</u>	<u>214,339</u>
CREDITORS - amounts falling due within one year			
Creditors	6	(437,072)	(274,340)
TOTAL ASSETS LESS LIABILITIES		<u>£ (129,848)</u>	<u>£ (60,001)</u>
CAPITAL DEFICIT			
Called up share capital	7	1	1
Profit and loss account		(129,849)	(60,002)
		<u>£ (129,848)</u>	<u>£ (60,001)</u>

Approved by the Directors on the 29 day of January 2003

Director:

NOTES TO THE ACCOUNTS

For the year ended 30 September 2002

1. FUNDAMENTAL ACCOUNTING CONCEPT

The company is dependent on continuing finance being made available from other group entities. Continuing finance is required both to enable the company to meet its liabilities as they fall due and to continue operating without immediate realisation of all its assets.

The directors believe that continuing finance will be available and that it is therefore appropriate to prepare the accounts on a going concern basis.

2. ACCOUNTING POLICIES

Accounting principles

These accounts have been prepared under the historical cost convention and, except for that noted in work in progress below, in accordance with United Kingdom accounting standards.

Work in progress

No account is taken at the end of the year of the value of professional work carried out but not billed.

Fees

Fees, representing the provision of trustee and administration services are recognised on an accruals basis.

Cash flow statement

The company is exempt from preparing a cash flow under FRS1 on the grounds of size.

Related party transactions

The company is exempt from disclosing related party transactions with other group entities as it is itself a wholly owned subsidiary of Mourant Group, a partnership that prepares consolidated accounts.

Nominee and Trustee Transactions

The company acts as nominee and trustee and therefore has securities and bank accounts, registered in its name, of which it is not the beneficial owner and which are not reflected in these accounts.

3. OPERATING EXPENDITURE

All expenses are actually incurred by related entities and are then recharged to the company.

	<u>2002</u>	<u>2001</u>
Mourant Services (UK) Limited Staff and other costs	£ 289,710	£ 273,465
Mourant Services Limited - Staff and other costs	£ 41,359	£ (89,239)
	<u>£ 331,069</u>	<u>£ 184,226</u>

NOTES TO THE ACCOUNTS

For the year ended 30 September 2002

4. FINANCE CHARGES - NET	<u>2002</u>	<u>2001</u>
Bank and other interest paid	(52)	(11,392)
Bank interest receivable	182	-
	<u>£ 130</u>	<u>£ (11,392)</u>

5. DEBTORS AND PREPAYMENTS	<u>2002</u>	<u>2001</u>
Trade debtors and prepayments	178,682	20,445
Amounts due from related entities	112,044	179,512
	<u>£ 290,726</u>	<u>£ 199,957</u>

6. CREDITORS	<u>2002</u>	<u>2001</u>
Amount payable to related entities	331,068	273,465
Other creditors	32,129	875
Upfront fees	73,875	-
	<u>£ 437,072</u>	<u>£ 274,340</u>

7. CALLED UP SHARE CAPITAL	<u>2002</u>	<u>2001</u>
AUTHORISED:		
1,000 ordinary shares of £1 each	<u>£ 1,000</u>	<u>£ 1,000</u>
ISSUED AND FULLY PAID:		
1 ordinary shares of £1 each	<u>£ 1</u>	<u>£ 1</u>

- 8. PENSION FUND**
The Mourant group operates a money purchase scheme that is open to certain eligible employees. Contributions to the scheme are charged to the profit and loss account of Mourant Services UK Limited, on an accruals basis. Contributions are then recharged to other group companies through a service charge.

- 9. AUDITORS REMUNERATION**
The company's audit fee has been paid by Mourant Services Limited as part of the Mourant group audit fee, and recharged to the company.

- 10. TAXATION**
The company is liable to UK taxation on taxable profit. No liability arises in respect of the year ended 30 September 2002 as the company has made a loss.

NOTES TO THE ACCOUNTS

For the year ended 30 September 2002

11. DIRECTOR'S REMUNERATION

None of the directors received any fees or remuneration for services as a director of the company during the financial year (2001 - nil),

12. PARENT UNDERTAKING AND CONTROLLING PARTY

The company is wholly owned by Mourant Holdings Limited. In the director's opinion, the company's ultimate parent undertaking and controlling party is the Mourant Group partnership.