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JUSTIN WILSON PLC

**Financial statements
31 December 2003**



JUSTIN WILSON PLC

Financial statements for the 11 month period ended 31 December 2003

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JUSTIN WILSON PLC

Directors, officers and advisers

Directors

Dr J C Palmer (managing director)
J F Britten (non-executive Chairman)
J B Wilson (non-executive)
K R Wilson (non-executive)

Secretary

N J F Owen

Registered office

The Old Post Office
Worthing Road
Southwater
Horsham
West Sussex RH13 9EZ

Registered number

04654814

Auditors

Chantrey Vellacott DFK
Chartered Accountants
Russell Square House
10-12 Russell Square
London WC1B 5LF

Bankers

Barclays Bank plc
Horsham Branch
2 Carfax
Horsham RH12 1DN

JUSTIN WILSON PLC

Directors' report for the 11 month period ended 31 December 2003

The directors present their report and the audited financial statements for the first period of trading since incorporation being the 11 month period ended 31 December 2003.

Review of the business

The company was incorporated as Chorlane plc on 3 February 2003 and changed its name to Justin Wilson plc on 24 February 2003. The company commenced trading on 5 February 2003.

The principal activity of the company is to manage, promote and market the racing driver Justin Wilson.

The company is contractually entitled to receive all of the income that is derived from Justin Wilson's activities as a racing driver for a period of ten years to 31 December 2012.

During the period, \$2m (£1,243,895) was paid to the motor racing team, Minardi Team S.p.a., to enable Justin Wilson to drive for the Minardi team in 2003. The company qualifies under the Enterprise Investment Scheme and the Corporate Venturing Scheme to enable investors to obtain tax relief on their subscriptions.

Results and dividends

The results for the 11 month period ended 31 December 2003 are shown in the profit and loss account on page 5. The trading loss for the period after taxation was £1,435,406.

The directors do not recommend the payment of a dividend.

Future developments and events since the period end

Since the period end, the company has continued its activities of managing, promoting and marketing Justin Wilson for the forthcoming racing season and has successfully negotiated an agreement for Justin Wilson to participate with Mi-Jack Conquest Racing in the 2004 Champ Car Championship.

Directors and their interests

The directors who held office during the period, and their direct beneficial interest in the shares of the company, were as follows:

	At 31 December 2003	
	Ordinary shares of £1 each	"A" ordinary shares of £1 each
Dr J C Palmer (appointed 4 February 2003)	94,000	-
J F Britten (appointed 4 February 2003)	100,000	-
J B Wilson (appointed 4 February 2003)	-	-
K R Wilson (appointed 4 February 2003)	2	60,000

Waterlow Nominees Limited (appointed 3 February 2003, resigned 4 February)

Waterlow Secretaries Limited (appointed 3 February 2003, resigned 4 February)

At 31 December 2003, JPM Limited owned 100,000 ordinary £1 shares. This company is under the direct control of Dr J C Palmer, who owned 94% of the issued share capital of that company at the year end.

JUSTIN WILSON PLC

Directors' report for the 11 month period ended 31 December 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 for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and 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;
- 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 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.

Auditors

The auditors, Chantrey Vellacott DFK, were appointed by the directors during the period and will be proposed for appointment in accordance with section 385 of the Companies Act 1985 at the forthcoming Annual General Meeting.

Approved by the Board of Directors on 14 May 2004
and signed on their behalf by:

N J F OWEN
Secretary



JUSTIN WILSON PLC

Independent auditors' report to the shareholders of Justin Wilson PLC

We have audited the financial statements of Justin Wilson plc for the period ended 31 December 2003 which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement and related notes. 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 auditors' 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 directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of 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 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 Directors' Report and 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.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board of the Financial Reporting Council. 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.

JUSTIN WILSON PLC

Independent auditors' report to the shareholders of Justin Wilson PLC

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2003 and of its results for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Chantrey Vellacott DFK

CHANTREY VELLACOTT DFK

Chartered Accountants
Registered Auditors

LONDON

14 May 2004

Chantrey Vellacott DFK

JUSTIN WILSON PLC**Profit and loss account****For the period 3 February 2003 to 31 December 2003****(Trading commenced 5 February 2003)**

	Notes	2003 £
Turnover	2	86,789
Cost of sales		(1,297,194)
Gross loss		(1,210,405)
Administrative expenses		(228,651)
Operating loss	3	(1,439,056)
Interest receivable and similar income	5	3,650
Loss on ordinary activities before taxation		(1,435,406)
Taxation	6	-
Loss on ordinary activities after taxation and carried forward		(1,435,406)

All of the above amounts relate to continuing activities, which commenced during the period.

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

There is no difference between the results shown above and their historical cost equivalent.

The notes on pages 8 to 11 form part of these financial statements.

JUSTIN WILSON PLC

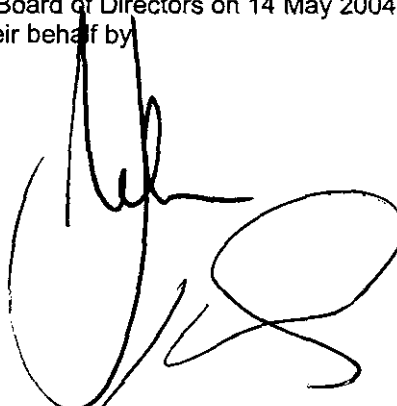
Balance sheet as at 31 December 2003

	Notes	2003 £
Current assets		
Debtors	7	31,981
Cash at bank		192,216
		<u>224,197</u>
Creditors: amounts falling due within one year	8	<u>(50,480)</u>
Net current assets and total assets less current liabilities		<u>173,717</u>
Capital and reserves		
Called-up share capital	9	1,425,918
Share premium	10	183,205
Profit and loss account - deficit		<u>(1,435,406)</u>
Equity shareholders' funds	11	<u>173,717</u>

Approved by the Board of Directors on 14 May 2004
and signed on their behalf by

DR J C PALMER

K R WILSON



The notes on pages 8 to 11 form part of these financial statements.

JUSTIN WILSON PLC

Cash flow statement

For the 11 month period ended 31 December 2003

	Notes	2003 £
Net cash outflow from operating activities	12	(1,420,557)
Returns on investments and servicing of finance		
Interest received		<u>3,650</u>
Net cash inflow from returns on investments and servicing of finance		<u>3,650</u>
Financing		
Proceeds from issue of shares		<u>1,609,123</u>
Net cash inflow from financing		<u>1,609,123</u>
Increase in cash	13	<u><u>192,216</u></u>

The notes on pages 8 to 11 form part of these financial statements.

JUSTIN WILSON PLC

Notes to the financial statements For the 11 month period ended 31 December 2003

1. Accounting policies

(a) Basis of preparing the financial statements

The financial statements are prepared under the historical cost basis of accounting and in accordance with applicable accounting standards.

(b) Foreign currencies

Assets and liabilities expressed in foreign currencies are translated into sterling at the rate prevailing at the year end and any differences on exchange arising are dealt with through the profit and loss account.

(c) Deferred taxation

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

2. Turnover

Turnover represents the amounts receivable in the ordinary course of business for services rendered as principal excluding VAT.

3. Operating loss

Period ended
31 December
2003
£

This is stated after charging (crediting):

Auditors' remuneration	3,000
Exchange gain	(7,370)
	<u> </u>

4. Employee information

The only persons employed by the company were the directors. There were no staff costs.

During the period, fees of £50,000 were paid to Justin Wilson Racing Limited, a company which employees Justin Wilson.

5. Interest receivable and similar income

Period ended
31 December
2003
£

Bank interest	2,677
Other interest	973
	<u> </u>
	<u>3,650</u>

6. Taxation

No taxation liability arises in the period, as a result of taxable losses being incurred.

JUSTIN WILSON PLC

Notes to the financial statements

For the 11 month period ended 31 December 2003

7.	Debtors		2003 £
	Amount due from related undertakings (note 14(b))		20,202
	VAT recoverable		5,841
	Other debtors and prepayments		5,938
			<u>31,981</u>
8.	Creditors: amounts falling due within one year		2003 £
	Trade creditors		2,644
	Amounts due to related undertakings (note 14(a))		39,536
	Accruals and deferred income		8,300
			<u>50,480</u>
9.	Called-up share capital	Authorised 2003 £	Allotted 2003 £
	Ordinary shares of £1 each	2,000,000	1,365,918
	'A' Ordinary shares of £1 each	500,000	60,000
		<u>2,500,000</u>	<u>1,425,918</u>

The company was incorporated with an authorised share capital of 50,000 ordinary shares of £1 each and an initial share capital of 2 ordinary shares of £1 each.

On 5 February 2003, the authorised share capital of the company was increased by £2,450,000 to £2,500,000 by the creation of 1,950,000 ordinary shares of £1 each and 500,000 'A' ordinary shares of £1 each.

On 5 February 2003, 60,000 'A' ordinary shares of £1 were issued and allotted for cash at £4.0534 each, in order to increase the working capital of the company. The related premium on issue of £183,205 has been allocated to the share premium account (note 10).

On the same day, the company issued and allotted 60,916 ordinary shares of £1 each for cash, at par, in order to increase the working capital of the company.

JUSTIN WILSON PLC

Notes to the financial statements

For the 11 month period ended 31 December 2003

9. Called-up share capital (continued)

In relation to the 'Offer for Subscription under the Enterprise Investment Scheme and Corporate Venturing Scheme' of up to 1,200,000 ordinary shares of £1 each, as set out in the Prospectus dated 7 March 2003, the following shares were issued for cash at par:

Date	Number of ordinary £1 shares
4 April	372,584
11 April	569,000
30 April	124,000
30 June	134,416

In addition, a further 105,000 ordinary £1 shares were issued for cash at par on 19 June 2003.

The 'A' ordinary £1 shares carry enhanced rights once investors have received a return of £2 for each £1 invested, either by way of sale of their shares or distribution under a winding-up. Once investors have received £2, then 90% of any excess will accrue for the benefit of the 'A' shareholders and the remaining 10% for the benefit of investors.

10.	Share premium account	2003
		£
	At 3 February 2003	-
	Shares issued in period (note 9)	<u>183,205</u>
	At 31 December 2003	<u><u>183,205</u></u>
11.	Reconciliation of movement in shareholders' funds	Period ended
		31 December
		2003
		£
	Loss for the period	(1,435,406)
	Issue of shares	<u>1,609,123</u>
	Closing shareholders' funds	<u><u>173,717</u></u>
12.	Reconciliation of operating loss to net cash outflow from operating activities	Period ended
		31 December
		2003
		£
	Operating loss	(1,439,056)
	Change in debtors	(31,981)
	Change in creditors	<u>50,480</u>
		<u><u>(1,420,557)</u></u>

JUSTIN WILSON PLC

Notes to the financial statements For the 11 month period ended 31 December 2003

13.	Reconciliation of net cash flow to movement in net funds	Period ended 31 December 2003 £
	Balance at 3 February 2003	-
	Balance at 31 December 2003	<u>192,216</u>
	Movement in period	<u>192,216</u>

14. Related undertakings and directors' interests

(a) JPM Limited

A company in which Dr J C Palmer, a company director, owned 94% of the issued share capital. The company is contracted to carry out the management, promotion and marketing of Justin Wilson.

During the period, the company invoiced JPM Limited £12,750 for appearances at track days by Justin Wilson.

In addition, the following costs were recharged by JPM Limited during the period:

	£
Travel and subsistence	41,374
Printing, stationery and photography	30,229
Advertising, marketing and promotion	16,844
Other sundry expenses	9,381
	<u>97,828</u>

At 31 December 2003 an amount of £39,536 was due to JPM Limited.

(b) Justin Wilson Racing Limited

A company owned and controlled by Justin Wilson, a company director.

During the period, fees of £50,000 were paid to Justin Wilson Racing Limited, a company which employs Justin Wilson.

At 31 December 2003 an amount of £20,202 was due from Justin Wilson Racing Limited.

JUSTIN WILSON PLC

NOTICE OF MEETING

Notice is hereby given that the first Annual General Meeting of Justin Wilson PLC will be held at Motorsport Vision Centre, Brands Hatch Circuit, Fawkham, Longfield, Kent DA3 8NG on Monday 14 June 2004 at 12 pm when the following business will be considered:

1. To receive and adopt the report and accounts for the period ended 31 December 2003 and the report of the auditors thereon.
2. To declare a nil dividend.
3. To re-elect Mr J F Britten as a director. Mr J F Britten retires by rotation and offers himself for re-election, in accordance with the Articles of Association, as a director of the company.
4. To approve the directors' remuneration.
5. To appoint the auditors, Chantrey Vellacott DFK, to hold office until the conclusion of the next general meeting at which accounts are laid before the company.
6. To authorise the directors to fix the auditors' remuneration.

By order of the Board

N J F Owen
Secretary

The Old Post Office
Worthing Road
Southwater
Horsham
West Sussex
RH13 9EZ

20 May 2004

Notes

1. A member entitled to vote at the meeting may appoint one or more proxies to attend and, on a poll, vote instead of the member. A proxy need not be a member of the company. A form of proxy for the use of shareholders is enclosed with the annual report. To be valid this proxy must be lodged with the company's registered office, The Old Post Office, Worthing Road, Southwater, Horsham, West Sussex RH13 9EZ not later than 48 hours before the time fixed for the meeting together with, if appropriate, the power of attorney or other authority under which it is signed or a copy of that power or authority certified in accordance with the articles of association of the company.
 2. Unless otherwise directed the proxy may vote or abstain from voting as the proxy thinks fit.
 3. Completion and return of the Form of Proxy will not preclude members from attending and voting at the meeting in person.
 4. Directors' service contracts will be available for inspection at the meeting.
-

FORM OF PROXY FOR USE AT ANNUAL GENERAL MEETING
(photocopies will be accepted)

JUSTIN WILSON PLC

I/We (*Block capitals please*).....

of

being a Member/Members of the above named Company and entitled to vote, hereby appoint the Chairman of the meeting

.....

of

as my/our Proxy, to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company, to be held at noon on Monday 14 June 2004 and at any adjournment thereof.

Please indicate with an X in the spaces below how you wish your votes to be cast.

Resolution 1	To receive the report and accounts	For	<input type="checkbox"/>	Against	<input type="checkbox"/>
Resolution 2	To declare a nil dividend	For	<input type="checkbox"/>	Against	<input type="checkbox"/>
Resolution 3	To re-elect Mr J F Britten a director	For	<input type="checkbox"/>	Against	<input type="checkbox"/>
Resolution 4	To approve the directors' remuneration	For	<input type="checkbox"/>	Against	<input type="checkbox"/>
Resolution 5	To re-appoint the auditors	For	<input type="checkbox"/>	Against	<input type="checkbox"/>
Resolution 6	To authorise the directors to fix the auditors' remuneration	For	<input type="checkbox"/>	Against	<input type="checkbox"/>

Dated 2004

..... *Signature of Member*

NOTES

1. A member may appoint a proxy of his own choice. If such an appointment is made delete the words "the Chairman of the meeting" and insert the name of the person appointed proxy in the space provided.
2. In the case of joint holders, the signature of any one holder will be sufficient, but the names of all joint holders should be stated
3. This form of proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.