

# **Picus Services Limited**

Registered No 4792364

## **Report and Financial Statements**

For the year ended 30 November 2006

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COMPANIES HOUSE

# Picus Services Limited

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Registered No 4792364

## **Directors**

W T Healey  
R J Hartmann

## **Secretary**

Throgmorton Secretaries Limited  
42 Portman Road  
Reading  
Berkshire  
RG30 1EA

## **Auditors**

Ernst & Young LLP  
1 More London Place  
London  
SE1 2AF

## **Bankers**

Coutts & Co  
440 Strand  
London  
WC2R 0QS

## **Solicitors**

Schulte Roth & Zabel International LLP  
Heathcoat House  
20 Savile Row  
London  
W1S 3PR

## **Registered Office**

42 Portman Road  
Reading  
Berkshire  
RG30 1EA

## Directors' report

The directors of Picus Services Limited ("the company") present their report and the audited financial statements for the year ended 30 November 2006

### Results and dividends

The company's profit for the year amounted to £87,751 (2005 loss of £179,315) No dividend is proposed and the loss has been transferred to reserves

### Principal activity and review of the business

The principal activity of the company in the year under review was that of a service company

### Principal risks and uncertainties

It is the directors' opinion that there are no risks or uncertainties facing the company other than the systematic risk that exists in the financial sector

### Directors and their interests

The directors that served during the year and their beneficial interest in the shares of the company, were as follows

	<i>At 30 November 2006</i>	<i>At 30 November 2005</i>
W T Healey	—	—
R J Hartmann	—	—

### Disclosure of Information

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he is obligated to take as a director in order to have made himself aware of any relevant audit information and to establish that the auditor is aware of that information

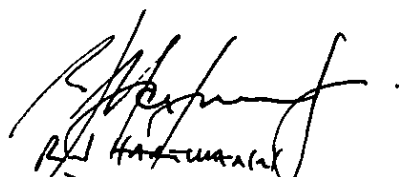
### Auditors

The directors have elected to dispense with the requirement to appoint auditors annually in accordance with section 386 Companies Act 1985

On behalf of the board

W T Healey  
Director

Date 29 March 2007

  
R J Hartmann  
DIRECTOR  
29-3-07

## **Statement of directors' responsibilities in respect of the financial statements**

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 year

The directors are responsible for preparing the annual report and financial statements in accordance with applicable laws and regulations. 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements

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

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

## Independent auditors' report

### to the members of Picus Services Limited

We have audited the company's financial statements for the year ended 30 November 2006 which comprise Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, Statement of Cash Flows and the related notes 1 to 17. These financial statements have been prepared on the basis of 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 the directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 consistent with the financial statements.

In addition to report to you 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the director's report. 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.

### Basis of audit opinion

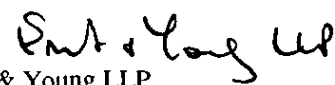
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 November 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.

  
Ernst & Young LLP  
Registered Auditor  
London

29 March 2007

## Profit and loss account

For the year ended 30 November 2006

	Notes	2006 £	2005 £
<b>Turnover</b>	<b>2</b>		
Service charges		353,287	–
Profit share from Picus Capital Management LLP		–	396,115
Administrative expenses		(349,788)	(575,433)
<b>Operating profit / (loss)</b>	<b>5</b>	<b>3,499</b>	<b>(179,318)</b>
Interest receivable and similar income	<b>6</b>	<b>1</b>	<b>3</b>
<b>Profit / (loss) on ordinary activities before taxation</b>		<b>3,500</b>	<b>(179,315)</b>
Taxation on profit / (loss) on ordinary activities	<b>7</b>	84,251	–
<b>Profit / (loss) for the financial year</b>		<b>87,751</b>	<b>(179,315)</b>

All amounts are in respect of continuing activities

### Statement of total recognised gains and losses

The company has no recognised gains or losses other than the profit attributable to the shareholders of the company of £87,751 in the year (2005 loss of £179,315)

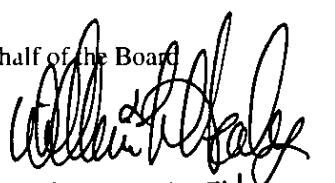
The notes on pages 8 to 13 form part of these financial statements

# Balance sheet

As at 30 November 2006


	Notes	2006 £	2005 £
<b>Fixed asset</b>			
Tangible fixed assets	8	5,552	31,704
Investment	9	570,561	570,561
		<u>576,113</u>	<u>602,265</u>
<b>Current assets</b>			
Debtors	10	180,341	20,809
Cash at bank and in hand		3,731	60,194
		<u>184,072</u>	<u>81,003</u>
<b>Creditors</b> amounts falling due within one year	11	(19,953)	(30,787)
<b>Net current assets</b>		<u>164,119</u>	<u>50,216</u>
<b>Total assets less liabilities</b>		<u>740,232</u>	<u>652,481</u>
<b>Capital and reserves</b>			
Called up share capital	12	15	15
Share premium	13	1,173,985	1,173,985
Profit and loss account	13	(433,768)	(521,519)
<b>Equity shareholders' funds</b>	13	<u>740,232</u>	<u>652,481</u>

Signed on behalf of the Board

  
William T. Healey

Director

Date 29 March 2007

  
R. J. Harrington  
29 March 07

The notes of pages 8 to 13 form part of these financial statements

## Statement of cash flows

for the year ended 30 November 2006

	<i>Notes</i>	<i>2006</i> £	<i>2005</i> £
<b>Net cash outflow from operating activities</b>	14 (a)	(56,464)	(5,179)
<b>Returns on investments and servicing of finance</b>			
Interest received		1	3
		<hr/>	<hr/>
Decrease in cash	14 (b)	(56,463)	(5,176)
		<hr/> <hr/>	<hr/> <hr/>

### Reconciliation of net cash flow to movement in net funds

		<i>2006</i> £	<i>2005</i> £
Decrease in cash in the year		(56,463)	(5,176)
Change in net funds resulting from cash flows	14 (b)	(56,463)	(5,176)
		<hr/>	<hr/>
Net funds as at 1 December 2005		60,194	65,370
		<hr/>	<hr/>
Net funds as at 30 November 2006		3,731	60,194
		<hr/> <hr/>	<hr/> <hr/>

The notes of pages 8 to 13 form part of these financial statements



## Notes to the financial statements

For the year ended 30 November 2006

### 1. Accounting policies

#### Basis of accounting

The financial statements have been prepared a going concern basis in accordance with applicable accounting standards and under the historical cost convention. They are prepared on a going concern basis, which assumes that the company will continue in existence for the foreseeable future and to be able to meet its liabilities as they fall due.

#### Investments

Investments are held at cost less provision for any permanent diminution in value.

#### Depreciation

All fixed assets are recorded at cost, and then depreciated on a straight line basis over their useful economic lives at the following rates:

Computer equipment                      -              over 3 years

#### Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

#### Revenue recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding VAT.

#### Operating Leases

Rentals paid under operating leases are charged to the profit and loss account as incurred.

#### Deferred taxation

Deferred taxation is provided on all timing differences that have originated but not reversed by the balance sheet date other than those differences regarded as permanent. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain. Any deferred tax asset or liability recognised is provided at the average rate of tax expected to apply when the asset or liability crystallises and is not discounted.

### 2. Turnover

Turnover comprises service charges made to companies in the financial services sector. Fees and other income are recognised on the accruals basis and are shown exclusive of Value Added Tax. All turnover is generated in the UK and derives from service charges.

## Notes to the financial statements

For the year ended 30 November 2006

### 3. Staff costs

	2006 £	2005 £
Wages and salaries	258,237	320,675
Social security costs	31,230	39,257
	<u>289,467</u>	<u>359,932</u>

The average monthly number of employees including the Directors during the year was as follows

	2006	2005
Administration	<u>3</u>	<u>4</u>

### 4. Director's emoluments

There were no payments made to the directors during the year (2005 nil)

### 5. Operating profit / (loss)

This is stated after charging

	2006 £	2005 £
Depreciation of tangible fixed assets	26,152	27,567
Auditors' remuneration		
- audit of the financial statements	7,500	4,300
- taxation compliance services	295	14,650
	<u></u>	<u></u>

### 6. Interest receivable and similar income

	2006 £	2005 £
Bank interest receivable	<u>1</u>	<u>3</u>

## Notes to the financial statements

For the year ended 30 November 2006

### 7. Taxation

#### (a) Tax on profit / (loss) on ordinary activities

The tax charge is made up as follows

	2006 £	2005 £
<i>Current tax</i>		
UK corporation tax at 30% - note 7 (b)	–	–
Deferred taxation - note 10	(84,251)	–
<b>Total current tax</b>	<b>(84,251)</b>	<b>–</b>

#### (b) Factors affecting the current tax charge for the year

The corporation tax assessed on the profit on ordinary activities for the year is lower than the standard companies rate of tax of 30% (2005 30%) The differences are explained below

	2006 £	2005 £
Profit / (loss) on ordinary activities before taxation	3,500	(179,315)
Profit / (loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005 30%)	1,050	(53,795)
Expenses not deductible for tax purposes	63	42,271
Timing differences	47,653	8,270
Utilisation of losses brought forward from earlier years	(48,676)	–
Tax losses carried forward	–	3,254
<b>UK corporation tax at 30% - note 7 (a)</b>	<b>–</b>	<b>–</b>

#### (c) Deferred taxation

The deterred tax asset included in the balance sheet is as follows

Accelerated capital allowances	1,666	–
Unrelieved losses recognised in the year	(46,199)	–
Other timing differences	(39,718)	–
<b>(Increase) in deferred tax provision for the year - note 7 (a)</b>	<b>(84,251)</b>	<b>–</b>

In the year ended 30 November 2005, the company had unrelieved tax losses of £316,252. However, there was insufficient evidence that the company would generate sufficient taxable profits in the future to utilise these losses and therefore no deferred tax asset in respect of these losses was recognised.

## Notes to the financial statements

For the year ended 30 November 2006

### 8. Tangible fixed assets

	<i>Computer and office equipment</i> £	<i>Total</i> £
Cost		
At 1 December 2005	82,702	82,702
Additions	–	–
At 30 November 2006	82,702	82,702
Depreciation		
At 1 December 2005	50,998	50,998
Charge for the year	26,152	26,152
At 30 November 2006	77,150	77,150
Net Book value		
At 30 November 2006	5,552	5,552
At 1 December 2005	31,704	31,704

### 9. Fixed asset investment

	<i>Unlisted investments</i> £	<i>Total</i> £
At 1 December 2005	570,561	570,561
Provision for diminution made in the year	–	–
At 30 November 2006	570,561	570,561

The unlisted investment represents capital contributions made to Picus Capital Management LLP ("the Partnership"), and is stated at the lower of cost and the net realisable value. Consolidated accounts are not prepared as, under the terms of the Partnership Agreement dated 31 March 2004, the Partnership is controlled by parties other than the company.

### 10. Debtors

	2006 £	2005 £
Rent deposits	19,510	18,150
Amounts due from Picus Capital Management LLP	73,813	–
VAT recoverable	643	897
Prepayments	2,124	1,762
Deferred taxation	84,251	–
	180,341	20,809

# Notes to the financial statements

For the year ended 30 November 2006

## 11. Creditors: amounts falling due within one year

	2006 £	2005 £
Sundry creditors	1,728	1,454
Amounts payable to Picus Capital Management LLP	–	15,133
Accruals	18,225	14,200
	<u>19,953</u>	<u>30,787</u>

## 12. Called up share capital

	<i>Authorised</i>	<i>Issued and fully paid</i>	<i>Authorised</i>	<i>Issued and fully paid</i>
	2006	2006	2005	2005
	No	No	No	No
Ordinary shares of £1 each	1,000	15	1,000	15

## 13. Reconciliation of shareholders' funds and movements on reserves

	<i>Share capital</i> £	<i>Share premium</i> £	<i>Profit and loss account</i> £	<i>Total</i> £
At 1 December 2005	15	1,173,985	(521,519)	652,481
Profit for the year	–	–	87,751	87,751
At 30 November 2006	<u>15</u>	<u>1,173,985</u>	<u>(433,768)</u>	<u>740,232</u>

## 14. Notes to statement of cash flows

(a) Reconciliation of operating profit / (loss) to net cash outflow from operating activities

	2006 £	2005 £
Operating profit / (loss)	3,499	(179,318)
Depreciation charge	26,152	27,567
Provision for diminution	–	139,439
(Increase) / decrease in debtors	(75,281)	17,477
Decrease in creditors	(10,834)	(10,344)
Net cash outflow from operating activities	<u>(56,464)</u>	<u>(5,179)</u>

## Notes to the financial statements

For the year ended 30 November 2006

### 14. Notes to statement of cash flows (continued)

(b) Analysis

	At 30 November 2005 £	Cash flow £	At 30 November 2006 £
Cash in hand	60,194	(56,463)	3,731

### 15. Related party transactions

Picus Services Limited is a designated member of Picus Capital Management LLP ("the Partnership"), a limited liability partnership registered in England and Wales

During the year, the company provided services to the value of £353,287 (2005 £Nil) to the Partnership and received appropriations totalling £Nil (2005 £396,115) At the year end £73,813 was due from the Partnership (2005 £15,133 due to the Partnership)

### 16. Parent undertaking and controlling party

The company's immediate parent undertaking is Picus (Cayman) Limited, a company incorporated in the Cayman Islands In the directors' opinion, the ultimate controlling party is W T Healey

### 17. Other financial commitments

At 30 November 2006 the company had annual commitments under non-cancellable operating leases as set out below

	Land and Buildings 2006 £	2005 £
Operating leases which expire Within one year	117,060	99,825