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*Noble Group*  
LIMITED

*The Twenty-Second  
Annual Report and Accounts  
for the year ended  
31 August 2002*



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*Directors and Advisers*

DIRECTORS:	Timothy Noble (Chairman) Benjamin Thomson (Chief Executive) Henry Chaplin Timothy Kimber Angus MacDonald Joseph Philipsz David Potter
SECRETARY:	Robin Smeaton
REGISTERED OFFICE:	76 George Street Edinburgh EH2 3BU
BANKERS:	The Royal Bank of Scotland plc 36 St Andrew Square Edinburgh EH2 2YB
SOLICITORS:	Murray Beith Murray WS 39 Castle Street Edinburgh EH2 3BH
AUDITOR:	Scott-Moncrieff 17 Melville Street Edinburgh EH3 7PH

## *Chairman's Statement*

### RESULTS

Our year to 31 August 2002 started ten days before the terrible events of 11 September in the United States and the blow these produced for stock markets and economic confidence factors in the western world, which were already fragile before 11 September. I therefore warned in my chairman's statement last year that it would be an amazing result to match last year's record profits. The results for the year bear this out. Our turnover was marginally lower at £5.0m, as against £5.3m the previous year, and our profits before tax were £609,000, as compared with £1,068,000. Despite the fall in profits, it did prove to be our second best year.

### OPERATIONS

#### Corporate finance

The economic climate and falling stock markets affected the willingness of clients to do deals and that of institutions to invest. It was a struggle to get issues away and to finalise purchases or sales of companies. Many of our competitors made losses and made employees redundant. However, we were busy throughout the year, made nobody redundant and recorded a very creditable profit. In comparative terms we therefore turned in a good performance.

*The highlights of the year included the following transactions:*

- Floating a patent agent (Murgitroyd) and a manufacturer of technical airport equipment (Avionic Services) on the AiM market and raising £6m for these companies
- Raising £11m in further EIS issues for Capital Pubs and for Loch Fyne Restaurants
- Raising £30m in further issues for Artemis Aim VCT and Baronsmead VCT 4
- Completing PFI projects totalling £72m for Dudley Schools and, after the end of the year, for East Lothian Schools
- Selling its private client portfolio management subsidiary (previously called Stewart Ivory) for First State Investments to Adam & Company

#### Corporate services

The corporate services team continued to look after a large number of clients, including limited partnerships underwriting at Lloyd's, PFI companies, venture capital trusts, property partnerships, enterprise zone trusts, forestry funds, investment management companies, and other entities. In particular, the number of PFI company clients expanded during the year and at the end of the year the team used its expertise in the administration of limited partnerships to help two large international banks restructure a joint venture. Since the year end further PFI clients have been won and a new activity has been established for the management, as opposed to administration, of PFI companies.

#### Fund management

As a result of falling investment valuations, to which its income is linked, this new arm of the business had a poor year. Its aim of creating new funds to manage was not achieved but it laid the groundwork for several new funds, including in particular a fund to help complete software projects for new computer games.

## *Chairman's Statement*

### STRATEGIC DEVELOPMENTS

*None of our planned developments materialised during the year. We were hoping to establish the computer games fund (mentioned above) and also a second PFI fund, but these are now targets for the current year. In addition, we looked at acquiring a venture capital fund management business, a fund administration business and a bond broking business, but none of these possible acquisitions were concluded.*

*We will continue to be alive to possible strategic developments, including acquisitions. In the current climate, opportunities may become available at attractive prices.*

### PEOPLE

*The year was marked in February 2002 by the sad death of Johnny Noble at the early age of 65. He was a founding shareholder of the company and was a non executive director for 20 years, from the start in June 1980 until the end of December 2000. We will all miss his cheery good humour and good sense.*

*There were no significant changes in our team during the year. As from 1 September, the PFI team switched from Noble & Company to Noble Fund Managers to reflect the fact that their role is more one of fund management, while Alan Jessop moved to Noble Partnership to help build up the business of managing PFI companies, as well as the present business of administering them.*

*Since the year end, John Llewellyn Lloyd has joined Noble & Company as a corporate finance director.*

*He was previously with Hill Samuel and then with Close Brothers where he was head of corporate finance.*

*We are hoping that it may be possible to recruit more high quality senior employees as a result of the "downsizing" of many major houses in London.*

*There were a couple of well-deserved promotions. Alasdair Robinson was appointed an assistant director and Alexia Taylor a manager of Noble & Company.*

### BUSINESS ENVIRONMENT

*The present British government started with the goodwill of the business community in 1997. However, like other members of the business community we have noted recent government decisions which have increased taxes in all but name, and which have imposed extra costs on businesses to achieve political objectives. This is an unhealthy trend.*

*Chairman's Statement*

## FUTURE OUTLOOK

There is discussion of whether the economy of the western world is heading for a depression. We do not presently believe that this will happen in Britain: unemployment is low, the balance sheets of banks are sound, and consumer debt affordability is still reasonable. However, it is clear that stock markets are still going through turbulent times; three years of falling stock markets in a row is a very rare occurrence. It also seems probable that economic activity will slow for a period or even decline as house prices stop rising or fall and consumer confidence is reduced for a period. The economy is likely to be weak and this is likely to continue to affect our corporate finance activities adversely.

*Nevertheless, our financial position is strong. We are well placed to weather any downturn and to take advantage of any upturn, provided that we control our overheads carefully before the upturn arrives.*

## CONCLUSION

It has been a difficult year and all the team deserves hearty congratulations for the hard work in producing the results which are presented in these accounts. The atmosphere around the office and in the boardroom has continued to be enthusiastic, constructive in the face of problems, and fun. It has been a pleasure to come to work.

All we need now is record profits again in the current year. As with last year, our budgets and the quality of the projects we are working on imply that this is a realistic outcome, but the state of the economy makes us believe that record profits this year would once again be an amazing achievement.



TIMOTHY NOBLE

CHAIRMAN

19 DECEMBER 2002

## *Details of the Directors*

### TIMOTHY NOBLE (58) EXECUTIVE CHAIRMAN

A law graduate from Oxford University and a barrister, he worked initially for Kleinwort Benson in London. He then obtained a business degree at INSEAD in Fontainebleau and worked in Paris, Bruxelles and Glasgow before helping to found the company in 1980. He is currently also chairman of Palmaris Capital plc, Darnaway Venture Capital plc and the British Ski Academy, and a non executive director of Murray Global Return Trust plc and Scottish Friendly Assurance Society Limited.

### BENJAMIN THOMSON (39) CHIEF EXECUTIVE

Ben is a physics graduate from Edinburgh University. He started work in the City for Kleinwort Benson Limited. He then joined Nobles in 1990. His expertise is in corporate finance particularly in the financial services sector where he has expertise in Lloyd's and London Market companies, investment trusts, building societies, broking firms and law firms. Ben was appointed as chief executive of Noble & Company in 1997 and of Noble Group in 2000. He is currently a non executive director of Martin Currie Portfolio Investment Trust plc and Scottish Financial Enterprise. He was previously a non executive director of Wellington Underwriting plc, a quoted insurance company, and is a non executive director of various unquoted companies.

### HENRY CHAPLIN (39) EXECUTIVE DIRECTOR

He was an Army Officer for 5 years, reaching the rank of Captain, and then worked in management consultancy before joining Nobles in 1990. Appointed a director of Noble & Company in 1996 and of Noble Group in 2000, he is responsible for all corporate finance execution and for group administration.

### TIMOTHY KIMBER (66) NON EXECUTIVE DIRECTOR

After National Service in the Royal Navy, he joined English Electric (GEC) in 1958 as a management trainee. He joined Lazard Brothers in 1966 and retired as a director in 1989 having had responsibility for management of the firm's Investment Trusts and Far East asset management business. In 1989 he co-founded Border Asset Management of which he remains a director and shareholder. He is currently chairman of Dartmoor Investment Trust plc, Exeter Selective Assets Investment Trust plc, Martin Currie Pacific Trust plc, Taiwan Opportunity Fund Ltd and a non executive director of Invesco Japan Discovery Trust plc, Jardine Fleming India Fund Inc., Cumberland Building Society, New Zealand Investment Trust plc and Adam & Company Investment Management Ltd.

## *Details of the Directors*

### ANGUS MACDONALD (40) NON EXECUTIVE DIRECTOR

*Following four years as an Investment Manager at Martin Currie he founded Edinburgh Financial Publishing in 1990, which was sold in 1997 largely to Barra Inc. He acquired a major shareholding in Financial News in 1997 and is chief executive.*

### JOSEPH PHILIPSZ (35) EXECUTIVE DIRECTOR

*A law graduate from Oxford University, he worked initially in Canada, returning to join Nobles in 1991. He was appointed a director of Noble & Company in 1998 and of Noble Group in 2001. He is responsible for building the technology and project finance sectors and for the group's IT.*

### DAVID POTTER (58) NON EXECUTIVE DIRECTOR

*A graduate of Oxford University he has worked in the City all of his career. In 1965 he joined The National Discount Company, moving to CSFB in 1969. From 1981 to 1989 he was a managing director of Samuel Montagu and subsequently at its owner, The Midland Bank, where he ran its global corporate banking division. From 1990 to 1998 he was group chief executive of Guinness Mahon Holdings until its acquisition by Investec. His current interests include being non executive chairman of InfoCandy, Dictascribe and Eon Lifestyle, a non executive director of New Media Spark, WMC Communications, and FCS Ltd, the treasurer of Kings College London, a governor of Bryanston School, and a trustee of various charities.*



## *Directors' Report*

The directors have pleasure in presenting their twenty-second annual report together with the financial statements of the company and the group for the year ended 31 August 2002.

### ACTIVITIES

The principal activities of the group are the provision of financial, advisory and administrative services to corporate bodies, partnerships and trusts.

### RESULTS

The results for the year ended 31 August 2002 are set out in the accompanying financial statements and attached notes. A review of the business is provided in the chairman's statement.

### DIVIDENDS

An interim dividend of £100,000 was declared in September 2002. The directors are now proposing a final dividend of £300,000 in respect of the current year (2001: Interim £120,000 Final £380,000).

### FIXED ASSETS

Information relating to changes in fixed assets is given in the notes to the financial statements.

### DIRECTORS

The directors of the company during the year to 31 August 2002, and their shareholdings in the ultimate holding company, Usail Limited, were as follows:

	USAIL LIMITED ORDINARY SHARES OF 10P EACH			
	31 AUGUST 2002		31 AUGUST 2001	
	BENEFICIAL	NON-BENEFICIAL	BENEFICIAL	NON-BENEFICIAL
Timothy Noble	70,000	10,400	74,400	6,000
Benjamin Thomson	75,180	-	75,180	-
Henry Chaplin	60,620	-	60,620	-
Timothy Kimber	1,900	-	1,900	-
Angus MacDonald	2,000	-	2,000	-
Joseph Philipsz	46,200	-	46,200	-
David Potter	2,000	-	2,000	-

No director had any interest in the share capital of the company during the year.

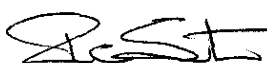
### AUDITOR

Scott-Moncrieff has agreed to offer itself for re-appointment as auditor of the company.

BY ORDER OF THE BOARD

**ROBIN SMEATON**  
COMPANY SECRETARY  
EDINBURGH

19 DECEMBER 2002



### *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 group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make adjustments 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.

*Independent Auditor's Report  
to the Shareholders of Noble Group Limited*

We have audited the financial statements of Noble Group Limited for the year ended 31 August 2002 set out on pages 11 to 24. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 11.

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 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 within it.

BASIS OF AUDIT OPINION

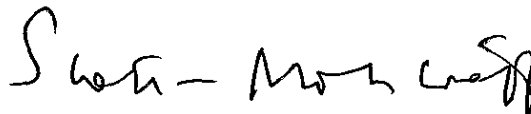
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group'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 affairs of the company and group as at 31 August 2002 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

SCOTT-MONCRIEFF  
CHARTERED ACCOUNTANTS  
REGISTERED AUDITOR  
17 MELVILLE STREET  
EDINBURGH  
EH3 7PH  
19 DECEMBER 2002



## *Accounting Policies*

### ACCOUNTING CONVENTION

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and in accordance with applicable accounting standards and the Companies Act 1985.

### CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the company and all its subsidiaries and are prepared on an acquisition basis. In accordance with S230(3) of the Companies Act 1985, a separate profit and loss account of the company is not presented.

### INCOME

Income represents the value of work done and is credited to the profit and loss account on an accruals basis.

### FOREIGN CURRENCIES

Revenue and expenditure in foreign currencies are translated at the rates of exchange ruling on the dates of such transactions. Foreign currency costs in respect of overseas investments are translated at the rates ruling at the time the investment is made. Other assets and liabilities held in foreign currencies are translated at the rates ruling on the balance sheet date. Exchange differences arising are taken to the profit and loss account.

### FIXED TANGIBLE ASSETS

*Heritable property, antique furniture and paintings are considered by the company to have a useful life in excess of 50 years. No provision for depreciation is therefore considered necessary.*

Office equipment and motor vehicles which are owned by the company or its subsidiaries are depreciated on a straight line basis over a three to five year period in order to write off their cost over their expected useful lives.

### LEASES AND HIRE PURCHASE AGREEMENTS

Assets acquired under finance leases and hire purchase agreements are capitalised and are depreciated on the same basis as owned assets or over the period of the lease or hire purchase agreement as appropriate.

*Outstanding obligations under finance leases and hire purchase agreements, net of finance charges,* are included as a liability.

*Operating lease costs are charged on a straight line basis to the profit and loss account.*

### INVESTMENTS

Unlisted investments are included at the lower of cost or directors' valuation.

### DEFERRED TAXATION

Deferred taxation is provided at the appropriate rate of corporation tax on timing differences where there is a reasonable probability that a liability will arise in the foreseeable future.

### WORK-IN-PROGRESS

Work-in-progress is stated at the lower of cost and net realisable value. Costs include direct costs and an appropriate apportionment of attributable overheads.

*Consolidated Profit and Loss Account*

FOR THE YEAR ENDED 31 AUGUST 2002

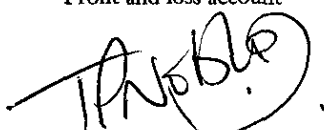
	NOTES	2002 £	2001 £
TURNOVER		5,041,279	5,324,490
Administrative expenses	1	(4,524,298)	(4,386,089)
		<u>516,981</u>	<u>938,401</u>
Net interest receivable	3	54,512	63,559
Share of operating profit in associates	4	34,800	55,052
OPERATING PROFIT		<u>606,293</u>	<u>1,057,012</u>
Gain on sale of investment		2,857	95,000
Waiver of repayment of loan		-	(84,000)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>609,150</u>	<u>1,068,012</u>
Taxation	5	(176,931)	(322,205)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>432,219</u>	<u>745,807</u>
Dividends		(400,000)	(500,000)
RETAINED PROFIT FOR THE FINANCIAL YEAR	12	<u><u>32,219</u></u>	<u><u>245,807</u></u>

All activities of the group arise from continuing operations.

*Consolidated Balance Sheet*

AS AT 31 AUGUST 2002

	NOTES	2002 £	2001 £
FIXED ASSETS			
Tangible assets	6	111,542	147,688
Investments	7	154,051	120,931
		<u>265,593</u>	<u>268,619</u>
CURRENT ASSETS			
Stock and work-in-progress	8	382,913	5,000
Debtors	9	1,590,516	2,562,481
Cash at bank and in hand		972,275	1,255,678
		<u>2,945,704</u>	<u>3,823,159</u>
CREDITORS			
Amounts falling due within one year	10	(1,360,373)	(2,273,073)
NET CURRENT ASSETS		<u>1,585,331</u>	<u>1,550,086</u>
NET ASSETS		<u>1,850,924</u>	<u>1,818,705</u>
CAPITAL AND RESERVES			
Called up share capital	11	100,000	100,000
Revaluation reserve	12	10,000	10,000
Profit and loss account	12	1,740,924	1,708,705
		<u>1,850,924</u>	<u>1,818,705</u>


TIMOTHY NOBLE  
DIRECTOR

19 DECEMBER 2002

*Company Balance Sheet*

AS AT 31 AUGUST 2002

	NOTES	2002 £	2001 £
FIXED ASSETS			
Tangible assets	6	70,298	75,113
Investments	7	327,629	315,509
		<u>397,927</u>	<u>390,622</u>
CURRENT ASSETS			
Debtors	9	1,399,600	1,625,646
Cash at bank and in hand		561,187	621,120
		<u>1,960,787</u>	<u>2,246,766</u>
CREDITORS			
Amounts falling due within one year	10	(1,021,892)	(1,516,668)
NET CURRENT ASSETS			
		<u>938,895</u>	<u>730,098</u>
NET ASSETS			
		<u>1,336,822</u>	<u>1,120,720</u>
CAPITAL AND RESERVES			
Called up share capital	11	100,000	100,000
Revaluation reserve	12	10,000	10,000
Profit and loss account		1,226,822	1,010,720
		<u>1,336,822</u>	<u>1,120,720</u>



**TIMOTHY NOBLE**  
DIRECTOR

19 DECEMBER 2002

*Consolidated Cash Flow Statement*

FOR THE YEAR ENDED 31 AUGUST 2002

	NOTES	2002 £	2001 £
Cash flow from operating activities	13	463,182	1,175,488
Returns on investments and servicing of finance	14	54,512	63,559
Taxation		(311,930)	(165,645)
Capital expenditure and financial investment	14	(39,167)	18,666
Equity dividends paid		(450,000)	(136,000)
(Decrease)/increase in cash in the year		<u>(283,403)</u>	<u>956,068</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
(Decrease)/increase in cash in the year		<u>(283,403)</u>	<u>956,068</u>
Change in net funds resulting from cash flows		<u>(283,403)</u>	<u>956,068</u>
Movement in net funds in the year		(283,403)	956,068
Net funds at beginning of year		<u>1,255,678</u>	<u>299,610</u>
Net funds as at 31 August 2002	15	<u>972,275</u>	<u>1,255,678</u>



*Consolidated Statement of Total Recognised Gains and Losses*

FOR THE YEAR ENDED 31 AUGUST 2002

	2002 £	2001 £
Profit for the financial year	609,150	1,068,012
Total recognised gains and losses relating to the year	<u>609,150</u>	<u>1,068,012</u>
NOTE OF HISTORICAL COST PROFITS		
Reported profit on ordinary activities before taxation	609,150	1,068,012
Historical cost profit for the year before taxation	<u>609,150</u>	<u>1,068,012</u>
Historical cost profit for the year after taxation and dividends	<u>32,219</u>	<u>245,807</u>
RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS		
Retained profit for the financial year	32,219	245,807
Opening shareholders' funds	<u>1,818,705</u>	<u>1,572,898</u>
Closing shareholders' funds	<u>1,850,924</u>	<u>1,818,705</u>

*Notes to the Accounts*

	2002 £	2001 £
<b>1. ADMINISTRATIVE EXPENSES</b>		
Administrative expenses include:		
Operating leases - property	203,959	83,407
Auditor's remuneration - for audit of Noble Group Ltd	5,640	9,140
- for audit of subsidiaries	14,850	10,515
Depreciation of fixed tangible assets	45,050	48,295
Directors' emoluments (including pension contributions and benefits)	658,463	691,634
Particulars of directors' emoluments and other remuneration:		
Consultancy fees	36,876	40,000
Other emoluments	566,392	604,368
Pension scheme contributions	55,195	47,266
	658,463	691,634

The emoluments of the highest paid director were £142,143 (2001 - £217,658) excluding pension contributions amounting to £30,820 (2001 - £13,000). Retirement benefits are accruing to three (2001 - three) directors under money purchase schemes. Other emoluments were paid to four (2001 - three) directors.

	2002 £	2001 £
<b>2. EMPLOYEES</b>		
The average number of employees during the year was 52 (2001 - 47)		
Salaries	2,826,082	2,554,467
Social security costs	315,485	306,574
Other pension costs	60,780	64,572
	3,202,347	2,925,613

*Notes to the Accounts*

	2002 £	2001 £
3. INTEREST		
Interest receivable and other income	57,099	63,968
Interest payable	(2,587)	(409)
	<u>54,512</u>	<u>63,559</u>

## 4. SHARE OF OPERATING PROFIT IN ASSOCIATES

The figures for the years to 31 August 2002 and 31 August 2001 relate to Gap Fund Managers Limited which was established in 1999 and whose first audited accounts were made up to 31 December 1999. The profit shown is a combination of the Noble Group share of the audited profit to 31 December 2001 and an estimate of the share of that company's profits to 31 August 2002.

	2002 £	2001 £
5. TAXATION		
UK corporation tax	192,000	332,921
Over provision in previous years	(15,069)	(10,716)
	<u>176,931</u>	<u>322,205</u>

Taxation represents corporation tax at 30% (2001 -30%) on the taxable profits for the year.

*Notes to the Accounts*

## 6. FIXED TANGIBLE ASSETS - COMPANY

	HERITABLE PROPERTY £	OFFICE EQUIPMENT £	COMPUTER EQUIPMENT £	ANTIQUE FURNITURE, PAINTINGS £	MOTOR VEHICLES £	TOTAL £
COST/VALUATION						
At 1 September 2001	25,000	107,974	78,665	41,863	-	253,502
Additions	-	-	-	404	-	404
At 31 August 2002	25,000	107,974	78,665	42,267	-	253,906
DEPRECIATION						
At 1 September 2001	-	101,056	77,333	-	-	178,389
Charge for year	-	3,887	1,332	-	-	5,219
At 31 August 2002	-	104,943	78,665	-	-	183,608
NET BOOK VALUE						
At 31 August 2002	25,000	3,031	-	42,267	-	70,298
At 1 September 2001	25,000	6,918	1,332	41,863	-	75,113

## FIXED TANGIBLE ASSETS - CONSOLIDATED

	HERITABLE PROPERTY £	OFFICE EQUIPMENT £	COMPUTER EQUIPMENT £	ANTIQUE FURNITURE, PAINTINGS £	MOTOR VEHICLES £	TOTAL £
COST/VALUATION						
At 1 September 2001	25,000	159,579	188,366	47,703	8,737	429,385
Additions	-	8,500	-	404	-	8,904
At 31 August 2002	25,000	168,079	188,366	48,107	8,737	438,289
DEPRECIATION						
At 1 September 2001	-	127,027	152,486	-	2,184	281,697
Charge for year	-	16,381	26,484	-	2,185	45,050
At 31 August 2002	-	143,408	178,970	-	4,369	326,747
NET BOOK VALUE						
At 31 August 2002	25,000	24,671	9,396	48,107	4,368	111,542
At 1 September 2001	25,000	32,552	35,880	47,703	6,553	147,688

## *Notes to the Accounts*

### 7. FIXED ASSET INVESTMENTS

	SHARES IN GROUP UNDERTAKINGS £	SHARES IN UNDERTAKINGS IN WHICH GROUP HAS A PARTICIPATING INTEREST £	INTERESTS IN ASSOCIATE UNDERTAKINGS £	LOANS TO UNDERTAKINGS WITH WHICH GROUP/ COMPANY HAS A TRADING INTEREST £	TOTAL £
<b>GROUP</b>					
At 1 September 2001	-	50,001	70,930	-	120,931
Additions at cost	-	-	-	58,160	58,160
Disposals at cost	-	(12,880)	-	-	(12,880)
Net movement in year	-	-	(12,160)	-	(12,160)
At 31 August 2002	-	37,121	58,770	58,160	154,051
<b>COMPANY</b>					
At 1 September 2001	261,508	50,001	4,000	-	315,509
Additions at cost	25,000	-	-	-	25,000
Disposals at cost	-	(12,880)	-	-	(12,880)
At 31 August 2002	286,508	37,121	4,000	-	327,629

Details of significant subsidiary undertakings are as noted below.

SUBSIDIARY UNDERTAKINGS	COUNTRY OF REGISTRATION	PRINCIPAL ACTIVITY	PERCENTAGE OF SHARES HELD
Noble & Company Limited	Scotland	Corporate finance advice	100%
Noble Partnership Limited	Scotland	Company secretarial, accounting and compliance services	100%
Noble Fund Managers Limited	Scotland	Fund management	100%
Noble Capital Limited	England	Administration of trusts	100%

The company holds a 40% share in Gap Fund Managers Limited, which started trading in 1999.  
Therefore the group share of profits is shown in the consolidated profit & loss account.

*Notes to the Accounts*

## 8. WORK-IN-PROGRESS

	GROUP	2002 COMPANY	GROUP	2001 COMPANY
	£	£	£	£
Work-in-progress	382,913	-	5,000	-
	<u>382,913</u>	<u>-</u>	<u>5,000</u>	<u>-</u>

## 9. DEBTORS

	GROUP	2002 COMPANY	GROUP	2001 COMPANY
	£	£	£	£
Trade debtors	924,297	21,907	1,549,579	9,909
Other debtors	56,999	56,824	87,090	84,525
Prepayments and accrued income	415,489	52,123	732,081	135,834
Amounts owed by group undertakings	-	596,015	-	1,051,647
Dividends receivable	-	424,000	-	150,000
Loan investments	193,731	248,731	193,731	193,731
	<u>1,590,516</u>	<u>1,399,600</u>	<u>2,562,481</u>	<u>1,625,646</u>

## 10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP	2002 COMPANY	GROUP	2001 COMPANY
	£	£	£	£
Trade creditors	51,841	12,675	73,818	11,362
Other tax and social security	218,051	5,552	331,265	37,271
Other creditors	33,729	33,312	135,807	61,958
Accruals and prepaid income	485,492	166,344	975,924	425,424
Taxation	171,260	20,448	306,259	180,758
Dividend	400,000	400,000	450,000	450,000
Amounts owed to group undertakings	-	383,561	-	349,895
	<u>1,360,373</u>	<u>1,021,892</u>	<u>2,273,073</u>	<u>1,516,668</u>

## *Notes to the Accounts*

### 11. SHARE CAPITAL

	AUTHORISED		ALLOTTED AND FULLY PAID	
	2002	2001	2002	2001
	£	£	£	£
Ordinary shares of £1 each	100,000	100,000	100,000	100,000

### 12. RESERVES

	2002 REVALUATION RESERVE £	2002 PROFIT AND LOSS £	2001 REVALUATION RESERVE £	2001 PROFIT AND LOSS £
At beginning of year	10,000	1,708,705	10,000	1,462,898
Profit for the year	-	32,219	-	245,807
Balance at end of year	10,000	1,740,924	10,000	1,708,705

PROFIT FOR THE FINANCIAL YEAR IS RETAINED IN

The company	216,102	67,451
Subsidiary and associate undertakings	(183,883)	178,356
	32,219	245,807

### 13. RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOW

	2002 £	2001 £
Operating profit	606,293	1,057,012
Depreciation charges	45,050	48,295
Net interest receivable	(54,512)	(63,559)
(Increase)/decrease in work-in-progress	(377,913)	90,000
Decrease/(increase) in debtors	971,965	(768,876)
(Decrease)/increase in creditors	(727,701)	812,616
	463,182	1,175,488

*Notes to the Accounts*

## 14. ANALYSIS OF CASH FLOWS

## RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2002 £	2001 £
Interest received	57,099	63,968
Interest paid	(2,587)	(409)
	<u>54,512</u>	<u>63,559</u>

## CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2002 £	2001 £
Purchase of investments	(58,160)	(97,800)
Advance of loan	-	(100,201)
Purchase of tangible fixed assets	(8,904)	(72,064)
Sale of investments	27,897	288,731
	<u>(39,167)</u>	<u>18,666</u>

## 15. ANALYSIS OF NET FUNDS

	2002 £	CASH FLOW	2001 £
Cash in hand and at bank	972,275	(283,403)	1,255,678
	<u>972,275</u>	<u>(283,403)</u>	<u>1,255,678</u>

## 16. CASH AND DEPOSITS

	GROUP £	2002 COMPANY £	GROUP £	2001 COMPANY £
Cash in hand and at bank	972,275	561,187	1,255,678	621,120
	<u>972,275</u>	<u>561,187</u>	<u>1,255,678</u>	<u>621,120</u>



## *Notes to the Accounts*

### 17. DEFERRED TAXATION

Deferred tax, calculated in accordance with Financial Reporting Standard 19, is wholly immaterial to these financial statements and is not disclosed.

### 18. PENSIONS

Employees with an approved pension arrangement may receive contributions (on a non-contributory basis) from the group to their pension plans.

The pension cost charge represents contributions payable by the company to the funds of individual employees and amounted to £60,780 (2001 - £64,572). As at 31 August 2002 there were outstanding contributions payable of £nil (2001 - £nil).

### 19. COMMITMENTS AND CONTINGENT LIABILITIES

#### CAPITAL COMMITMENTS

There were no capital commitments at the year end (2001: none).

#### OPERATING LEASES

At 31 August 2002 the company had annual commitments under operating leases as follows:

	2002 £	2001 £
Operating leases which expire:		
After five years	249,000	188,000

*10 Year Financial Record*

YEAR TO 31 AUGUST	1993 £000	1994 £000	1995 £000	1996 £000	1997 £000	1998 £000	1999 £000	2000 £000	2001 £000	2002 £000
Turnover	753	944	1,047	1,391	2,290	3,244	3,624	3,793	5,324	5,041
Operating costs	(708)	(844)	(917)	(1,224)	(2,006)	(2,853)	(3,316)	(3,455)	(4,386)	(4,524)
Operating profit	45	100	130	167	284	391	308	338	938	517
Investment income	(43)	(26)	(12)	(1)	(27)	132	117	53	64	54
Associated companies	-	-	-	-	6	19	1	48	55	35
Capital items	8	(29)	(30)	5	195	(25)	(15)	47	11	3
Profits before tax	10	45	88	171	458	517	411	486	1,068	609
Taxation	(4)	(19)	(34)	(43)	(187)	(174)	(123)	(134)	(322)	(177)
Profits after tax	6	26	54	128	271	343	288	352	746	432
Dividends	-	-	-	-	(70)	(84)	(84)	(100)	(500)	(400)
Retained profits	6	26	54	128	201	259	204	252	246	32
Property	575	575	575	575	25	25	25	25	25	25
Investments	166	52	10	0	44	115	120	301	121	154
Other fixed assets	107	105	74	142	157	101	88	99	123	87
Net current assets	(150)	(76)	11	59	651	875	1,088	1,148	1,550	1,585
Long-term liabilities	(289)	(221)	(181)	(159)	(20)	-	-	-	-	-
Net assets	409	435	489	617	857	1,116	1,321	1,573	1,819	1,851

## *Organisation Structure*

AS AT 1 SEPTEMBER 2002

NOBLE GROUP	Executive chairman: Timothy Noble Chief executive: Ben Thomson Executive directors: Henry Chaplin Joseph Philipsz
NOBLE & COMPANY (Corporate finance, broking and distribution)	Chairman: Timothy Noble Deputy chairman: John Barker Chief executive: Ben Thomson Executive directors: Patrick Booth-Clibborn Henry Chaplin Hugh Nash Joseph Philipsz Assistant director: Alasdair Robinson Senior managers: John Cordiner Hugh Anderson Manager: Alexia Taylor
NOBLE PARTNERSHIP (Fund and corporate administration)	Chairman: Henry Chaplin Chief executive: Robin Smeaton Executive director: Alan Jessop Managers: Stephen Churchill Anjali Dholakia David Donaldson Des French Simon Peck
NOBLE FUND MANAGERS (Private equity and project finance funds)	Chairman: Henry Chaplin Executive directors: Rory Christie John Gregory Paul McCulloch Charles McMicking Michael Ryan Senior manager: Alistair Ray
GAP FUND MANAGERS (Venture capital funds) (40% associate)	Chairman: Timothy Noble Chief executive: Nelson Gray Executive director: Donald Thomson