

SC71689

Noble Group
LIMITED

*The Twenty-First
Annual Report & Accounts
for the year ended
31 August 2001*

W



SCT SXNC1A98 0120
COMPANIES HOUSE 25/04/02

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

It is a great pleasure to be able to report a record year. The group's turnover rose from £3.8m (including £350,000 attributable to Noble Asset Managers in the months before it was sold) to £5.3m, an increase of 40%. The profits before tax also rose from £486,000 to £1,068,000, an increase of 120%. Although much of the increase was due to one big project, it is a great achievement to make seven-figure profits at last.

OPERATIONS

Corporate Finance

The most successful contributors to the group's results during the year were the PFI team, which finally completed various deals, and the distribution team, which sells tax-efficient investments through IFAs.

They deserve particular praise.

The highlights of the year included the following transactions:

- *Financing the commitments of Edison Capital for 12 PFI projects with total project costs of some £460m*
- *Raising £40m for Baronsmead VCT, £30m for Artemis VCT and £11m for Enterprise VCT*
- *Completing the two PFI hospital extension projects at Luton and Wansbeck which had been scheduled to be completed the previous year*
- *Raising £7m for Capital Pubs through an EIS issue*
- *Floating a technology company (i-document systems) and a property development company (Halladale) on the AiM market and raising £6m for these companies at a difficult time for their sectors*

Administration

The expansion of the administration team allowed it to win new business from other sources, in particular from the Peabody property fund as well as from PFI companies and investment vehicles. The new clients more than offset the decline in the administration of limited partnerships for Lloyd's Names and increased the funds administered substantially to some £750m.

This arm of the group's business has been concentrated within Noble Partnership which now has an external turnover of nearly £1m per annum.

Fund Management

By raising £11m of new money for Enterprise VCT, we increased our technology funds at a time when technology investments have fallen in value. We are currently working to create several substantial new funds under our management.

Chairman's Statement

STRATEGIC DEVELOPMENTS

Having sold two businesses last year, we have continued the process of building the three areas mentioned in last year's report.

One is PFI where the restructuring of the Edison Capital PFI commitments also allowed us to recruit its team of experienced executives and thus to become one of the country's market leaders in this important area. Our £50m equity fund became fully invested in the process.

A second is fund management. Our principal client is Enterprise VCT for which we raised more funds during the year. We have now established a new subsidiary (called Noble Fund Managers) to develop and expand our private equity fund management operations.

The third is distribution, where the team has, as forecast, started to be active in placing investments with institutional fund managers, while still continuing to sell tax-efficient investments through the IFA market. As part of this process, we have become a nominated broker for AiM-listed clients and we have gained four such clients already. In this area we are delegating day-to-day trading to other businesses and concentrating on primary placings.

PEOPLE

As forecast last year, we have recruited a number of employees in the current year although some of them are replacements for those who have left.

Peter Homer, who retired early due to ill health at the beginning of 2001, sadly died in April after his long battle with cancer. His replacement is John Barker who had previously been a director of Kleinwort Benson and then of Close Brothers and who joined Noble & Company as deputy chairman based in London.

The Edison Capital PFI team of Alan Jessop, Paul McCulloch, Michael Ryan and Alistair Ray joined us in June to expand this area, while Rory Christie was promoted to be a director of Noble & Company at the same time.

Charles McMicking joined us in July from Electra to take charge of our private equity funds in the technology sector and to help grow Noble Fund Managers as an executive director.

Other senior managerial appointments were Hugh Anderson, joining the corporate finance team from Scottish & Newcastle, and Simon Peck, joining the administration team from CBS in the Lloyd's market in London.

Perhaps most importantly of all, a further well-merited promotion at the end of the year saw Joseph Philipsz being appointed an executive director of Noble Group, taking on group roles in addition to his role as an executive director of Noble & Company.

REGULATORY FRAMEWORK

In November 2001, all the regulatory organisations merged into one body with the acronym of FSA. This was the excuse for the fourth major overhaul of the rule books since regulation was introduced in 1988, an exercise which was undoubtedly satisfying for the bureaucrats but another major cost for those regulated. Furthermore, it creates a massive monolith which needs to conduct itself in future as if it has competition rather than as a monopoly, if only because all those it regulates are subject to competition from outside the scope of the FSA. From our perspective, I am pleased to say that all our companies have been classified as having the lowest risk category. This is a tribute to our efforts in complying with the regulatory regime over the years.

Chairman's Statement

FUTURE OUTLOOK

The major economies of the world have been weakening during the year and then suffered a significant extra blow from the tragic events in New York and Washington in September. Much of the fall in the stock markets was likely to happen anyway, but this fall and the reaction of the world's central banks in cutting interest rates and increasing liquidity have helped create the right platform for economic recovery in the latter part of 2002, provided that no further shocks to the system are experienced. The British economy, in particular, seems to be among the more robust.

Our own workload is as strong as ever and the quality of projects being worked on is very heartening. There is no doubt that the prices of deals will have to reflect the lower levels of the stock market and this may mean some deals will not complete, but our potential fees on identified projects give us comfort that we should achieve reasonable profits in the current year.

CONCLUSION

It is always pleasant to report record results for the year just completed, and our budget for the current year would, if achieved, allow me to do the same next year. Our team of people performed extremely well last year, but the achievement of record results this year would be an amazing performance in current economic conditions. I am sure all shareholders will support me in thanking all those working in the business for their efforts last year and encouraging them to do the same or better this year.



TIMOTHY NOBLE

CHAIRMAN

20 DECEMBER 2001

Details of the Directors

TIMOTHY NOBLE (57) 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 (38) CHIEF EXECUTIVE

A physics graduate from Edinburgh University, he worked initially for Kleinwort Benson in London. He then joined Nobles in 1990, 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.

HENRY CHAPLIN (38) 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 (65)

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 Preferred Capital Investment Trust plc, Martin Currie Pacific Trust plc, Taiwan Opportunities Trust plc and a non-executive director of Invesco Japan Discovery Trust plc, Jardine Fleming India Fund Inc., Cumberland Building Society and Adam Investment Management Ltd.

ANGUS MACDONALD (40)

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. He is also a director of Edinburgh Fund Manager Group plc.

JOSEPH PHILIPPSZ (34) 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 (57)

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 – 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, when he became deputy chairman of Investec Bank (UK) Ltd. His current interests include being non-executive chairman of InfoCandy, Dictascribe and Eon Lifestyle, a non-executive director of WMC Communications, 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-first annual report together with the financial statements of the company and the group for the year ended 31 August 2001.

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 2001 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 £50,000 was paid in April 2001 on the ordinary shares and a second interim of £70,000 in October 2001. The directors are now proposing a final dividend of £380,000 in respect of the current year (2000 – interim £80,000 final £30,000).

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 2001, and their shareholdings in the ultimate holding company, Uasail Limited, were as follows:

	UASAIL LIMITED ORDINARY SHARES OF 10P EACH			
	31 AUGUST 2001		31 AUGUST 2000	
	BENEFICIAL	NON-BENEFICIAL	BENEFICIAL	NON-BENEFICIAL
Timothy Noble	74,400	6,000	74,400	6,000
Benjamin Thomson	75,180	-	75,180	-
Henry Chaplin	60,620	-	60,620	-
Timothy Kimber	1,900	-	400	-
Angus MacDonald	2,000	-	-	-
John Noble	5,600	-	5,600	-
(RESIGNED 21 DECEMBER 2000)				
Joseph Philipsz	46,200	-	46,200	-
(APPOINTED 31 AUGUST 2001)				
David Potter	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



29 DECEMBER 2001

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.

*Report of the Auditor
To the members of Noble Group Limited*

We have audited the financial statements on pages 9 to 22.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 7 the company's directors are responsible for the preparation of financial statements.

It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relating 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 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 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 the group as at 31 August 2001 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



20 DECEMBER 2001

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 2001

	NOTES	2001 £	2000 £
<i>Income</i>			
- continuing operations		5,324,490	3,433,773
- discontinued operations		-	359,077
		<u>5,324,490</u>	<u>3,792,850</u>
Administrative expenses	1	(4,386,089)	(3,454,532)
		<u>938,401</u>	<u>338,318</u>
Net interest receivable	3	63,559	53,352
Share of operating profit in associates	4	55,052	47,610
		<u>1,057,012</u>	<u>439,280</u>
<i>Operating profit</i>			
Net gain on sale of fixed assets		-	1,768
Gain on disposal of discontinued operation		-	79,838
Loss on disposal of a subsidiary company		-	(143)
Fee for past service		-	(35,000)
Gain on sale of investment		95,000	-
Waiver of repayment of loan		(84,000)	-
		<u>1,068,012</u>	<u>485,743</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			
Taxation	5	(322,205)	(133,532)
		<u>745,807</u>	<u>352,211</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			
Dividends		(500,000)	(100,000)
		<u>245,807</u>	<u>252,211</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR	12		

Consolidated Balance Sheet

AS AT 31 AUGUST 2001

	NOTES	2001 £	2000 £
FIXED ASSETS			
Tangible assets	6	147,688	123,919
Investments	7	120,931	300,862
		<u>268,619</u>	<u>424,781</u>
CURRENT ASSETS			
Stock and work-in-progress	8	5,000	95,000
Debtors	9	2,562,481	1,693,404
Cash at bank and in hand		1,255,678	299,610
		<u>3,823,159</u>	<u>2,088,014</u>
CREDITORS			
Amounts falling due within one year	10	(2,273,073)	(939,897)
NET CURRENT ASSETS			
		<u>1,550,086</u>	<u>1,148,117</u>
NET ASSETS			
		<u>1,818,705</u>	<u>1,572,898</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	1,708,705	1,462,898
		<u>1,818,705</u>	<u>1,572,898</u>

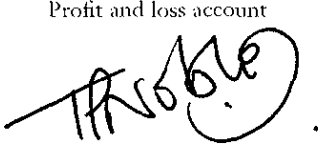

TIMOTHY NOBLE
DIRECTOR

20 DECEMBER 2001

Company Balance Sheet

AS AT 31 AUGUST 2001

	NOTES	2001 £	2000 £
FIXED ASSETS			
Tangible assets	6	75,113	78,641
Investments	7	315,509	487,877
		<u>390,622</u>	<u>566,518</u>
CURRENT ASSETS			
Debtors	9	1,625,646	352,538
Cash at bank and in hand		621,120	359,229
		<u>2,246,766</u>	<u>711,767</u>
CREDITORS			
Amounts falling due within one year	10	(1,516,668)	(225,016)
NET CURRENT ASSETS			
		<u>730,098</u>	<u>486,751</u>
NET ASSETS			
		<u>1,120,720</u>	<u>1,053,269</u>
CAPITAL AND RESERVES			
Called up share capital	11	100,000	100,000
Revaluation reserve	12	10,000	10,000
Profit and loss account		1,010,720	943,269
		<u>1,120,720</u>	<u>1,053,269</u>



TIMOTHY NOBLE
DIRECTOR

20 DECEMBER 2001

Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31 AUGUST 2001

	NOTES	2001 £	2000 £
Cash flow from operating activities	13	1,175,488	(247,523)
Returns on investments and servicing of finance	14	63,559	53,352
Taxation		(165,645)	(88,993)
Capital expenditure and financial investment	14	18,666	(191,578)
Acquisitions and disposals	14	-	135,478
Equity dividends		(136,000)	(98,000)
Cash flow before financing		956,068	(437,264)
Increase/(decrease) in cash in the year		956,068	(437,264)
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
Increase/(decrease) in cash in the year		956,068	(437,264)
Change in net funds resulting from cash flows		956,068	(437,264)
<i>Movement in net funds in the year</i>		956,068	(437,264)
<i>Net funds at beginning of year</i>		299,610	736,874
Net funds as at 31 August 2001	15	1,255,678	299,610

Consolidated Statement of Total Recognised Gains and Losses

FOR THE YEAR ENDED 31 AUGUST 2001

	2001 £	2000 £
Profit for the financial year	1,068,012	485,743
Total recognised gains and losses relating to the year	<u>1,068,012</u>	<u>485,743</u>
NOTE OF HISTORICAL COST PROFITS		
Reported profit on ordinary activities before taxation	1,068,012	485,743
Historical cost profit for the year before taxation	<u>1,068,012</u>	<u>485,743</u>
Historical cost profit for the year after taxation and dividends	<u>245,807</u>	<u>252,211</u>
RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS		
Retained profit for the financial year	245,807	252,211
Opening shareholders' funds	<u>1,572,898</u>	<u>1,320,687</u>
Closing shareholders' funds	<u>1,818,705</u>	<u>1,572,898</u>

Notes to the Accounts

	2001 £	2000 £
1. ADMINISTRATIVE EXPENSES		
Continuing operations	4,386,089	3,095,598
Discontinued operations	-	358,934
	<u>4,386,089</u>	<u>3,454,532</u>
Administrative expenses include:		
Operating lease – property	83,407	82,500
Auditor's remuneration - for audit of Noble Group	9,140	7,531
- for audit of subsidiaries	10,515	13,015
Depreciation of fixed tangible assets	48,295	45,131
Directors' emoluments (including pension contributions and benefits)	<u>691,634</u>	<u>498,213</u>
Particulars of directors' emoluments and other:		
Consultancy fees	40,000	259,500
Other emoluments	604,368	191,436
Pension scheme contributions	<u>47,266</u>	<u>47,277</u>
	<u>691,634</u>	<u>498,213</u>

The emoluments of the highest paid director were £217,658 (2000 – £189,736) excluding pension contributions amounting to £13,000 (2000 – £47,277, including £17,777 in respect of previous years).

Retirement benefits are accruing to three (2000 – one) directors under money purchase schemes.

Other emoluments were paid to three (2000 – one) directors.

2. EMPLOYEES	2001 £	2000 £
The average number of employees during the year was 47 (2000 – 42)		
Salaries	2,554,467	1,474,213
Social security costs	306,574	190,674
Other pension costs	<u>64,572</u>	<u>93,032</u>
	<u>2,925,613</u>	<u>1,757,919</u>

Notes to the Accounts

3. INTEREST

	2001 £	2000 £
Interest receivable and other income	63,968	54,132
Interest payable	(409)	(780)
	<u>63,559</u>	<u>53,352</u>

4. SHARE OF OPERATING PROFIT IN ASSOCIATES

The figures for the years to 31 August 2001 and 31 August 2000 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 2000 and an estimate of the share of that company's profits to 31 August 2001.

5. TAXATION

	2001 £	2000 £
UK corporation tax	332,921	145,500
Over provision in previous years	(10,716)	(11,968)
	<u>322,205</u>	<u>133,532</u>

Taxation represents corporation tax at 30% (2000 – 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 2000	25,000	107,717	78,665	35,488	-	246,870
Additions	-	257	-	6,375	-	6,632
Disposals	-	-	-	-	-	-
At 31 August 2001	25,000	107,974	78,665	41,863	-	253,502
DEPRECIATION						
At 1 September 2000	-	94,265	73,964	-	-	168,229
Charge for year	-	6,791	3,369	-	-	10,160
Eliminated on disposal	-	-	-	-	-	-
At 31 August 2001	-	101,056	77,333	-	-	178,389
NET BOOK VALUE						
At 31 August 2001	25,000	6,918	1,332	41,863	-	75,113
At 1 September 2000	25,000	13,452	4,701	35,488	-	78,641

FIXED TANGIBLE ASSETS - CONSOLIDATED

	HERITABLE PROPERTY £	OFFICE EQUIPMENT £	COMPUTER EQUIPMENT £	ANTIQUE FURNITURE, PAINTINGS £	MOTOR VEHICLES £	TOTAL £
COST/VALUATION						
At 1 September 2000	25,000	136,653	160,180	35,488	-	357,321
Additions	-	22,926	28,186	12,215	8,737	72,064
Disposals	-	-	-	-	-	-
At 31 August 2001	25,000	159,579	188,366	47,703	8,737	429,385
DEPRECIATION						
At 1 September 2000	-	109,867	123,535	-	-	233,402
Charge for year	-	17,160	28,951	-	2,184	48,295
Eliminated on disposal	-	-	-	-	-	-
At 31 August 2001	-	127,027	152,486	-	2,184	281,697
NET BOOK VALUE						
At 31 August 2001	25,000	32,552	35,880	47,703	6,553	147,688
At 1 September 2000	25,000	26,786	36,645	35,488	-	123,919

Notes to the Accounts

7. FIXED ASSET INVESTMENTS

	SHARES IN GROUP UNDERTAKING £	SHARES IN UNDERTAKINGS IN WHICH GROUP HAS A PARTICIPATING INTEREST £	INTERESTS IN ASSOCIATE UNDERTAKINGS £	LOANS TO UNDERTAKINGS IN WHICH GROUP/ COMPANY HAS A TRADING INTEREST £	TOTAL £
GROUP					
At 1 September 2000	-	75,084	38,410	187,368	300,862
Additions at cost	-	50,000	32,520	15,280	97,800
Disposals at cost	-	(75,083)	-	(202,648)	(277,731)
At 31 August 2001	-	50,001	70,930	-	120,931
COMPANY					
At 1 September 2000	261,508	75,001	4,000	147,368	487,877
Additions at cost	-	50,000	-	15,280	65,280
Disposals at cost	-	(75,000)	-	(162,648)	(237,648)
At 31 August 2001	261,508	50,001	4,000	-	315,509

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. STOCK AND WORK-IN-PROGRESS

	GROUP £	2001 COMPANY £	GROUP £	2000 COMPANY £
Work-in-progress	5,000	-	95,000	-
	<u>5,000</u>	<u>-</u>	<u>95,000</u>	<u>-</u>

9. DEBTORS

	GROUP £	2001 COMPANY £	GROUP £	2000 COMPANY £
Trade debtors	1,549,579	9,909	1,068,733	6,672
Other debtors	87,090	84,525	11,230	11,230
Prepayments and accrued income	732,081	135,834	519,911	116,242
Amounts owed by group undertakings	-	1,051,647	-	44,864
Dividends receivable	-	150,000	-	80,000
Loan investments	193,731	193,731	93,530	93,530
	<u>2,562,481</u>	<u>1,625,646</u>	<u>1,693,404</u>	<u>352,538</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP £	2001 COMPANY £	GROUP £	2000 COMPANY £
Trade creditors	73,818	11,362	170,793	47,069
Other tax and social security	331,265	37,271	187,748	6,174
Other creditors	135,807	61,958	244,559	30,000
Accruals and prepaid income	975,924	425,424	101,098	13,254
Taxation	306,259	180,758	149,699	42,519
Dividend	450,000	450,000	86,000	86,000
Amounts owed to group undertakings	-	349,895	-	-
	<u>2,273,073</u>	<u>1,516,668</u>	<u>939,897</u>	<u>225,016</u>

Notes to the Accounts

11. SHARE CAPITAL

	AUTHORISED		ALLOTTED AND FULLY PAID	
	2001	2000	2001	2000
	£	£	£	£
Ordinary shares of £1 each	100,000	100,000	100,000	100,000

12. RESERVES

	2001 REVALUATION RESERVE £	2001 PROFIT AND LOSS £	2000 REVALUATION RESERVE £	2000 PROFIT AND LOSS £
At beginning of year	10,000	1,462,898	10,000	1,210,687
Profit for the year	-	245,807	-	252,211
Balance at end of year	10,000	1,708,705	10,000	1,462,898
PROFIT FOR THE FINANCIAL YEAR IS RETAINED IN				
The company		67,451		279,673
Subsidiary and associate undertakings		178,356		(27,462)
		245,807		252,211

13. RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOW

	2001 £	2000 £
Operating profit	1,057,012	439,280
Depreciation charges	48,295	45,131
Net interest receivable	(63,559)	(53,352)
Fee for past service	-	(35,000)
Decrease/(increase) in work-in-progress	90,000	(62,120)
(Increase) in debtors	(768,876)	(419,942)
Increase/(decrease) in creditors	812,616	(161,520)
	1,175,488	(247,523)

14. ANALYSIS OF CASH FLOWS

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2001 £	2000 £
Interest received	63,968	54,132
Interest paid	(409)	(780)
	63,559	53,352

Notes to the Accounts

14. ANALYSIS OF CASH FLOWS (CONTINUED)

	2001 £	2000 £
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of investments	(97,800)	(180,978)
Advance of loan	(100,201)	-
Purchase of tangible fixed assets	(72,064)	(71,124)
Sale of investments	288,731	48,474
Sale of tangible fixed assets	-	12,050
	<u>18,666</u>	<u>(191,578)</u>

	2001 £	2000 £
FINANCING		
Finance leases	-	-
	<u>-</u>	<u>-</u>

	2001 £	2000 £
ACQUISITIONS AND DISPOSALS		
Sale of subsidiary	-	10,000
Sale of division	-	125,478
	<u>-</u>	<u>135,478</u>

15. ANALYSIS OF NET FUNDS

	2001 £	CASH FLOW	2000 £
Cash in hand and at bank	1,255,678	956,068	299,610
	<u>1,255,678</u>	<u>956,068</u>	<u>299,610</u>

16. CASH AND DEPOSITS

	GROUP £	2001 COMPANY £	GROUP £	2000 COMPANY £
Cash in hand and at bank	1,255,678	621,120	299,610	359,229
	<u>1,255,678</u>	<u>621,120</u>	<u>299,610</u>	<u>359,229</u>

Notes to the Accounts

17. DEFERRED TAXATION

No provision has been made for deferred taxation to take account of any timing differences.

18. PENSIONS

Employees with an approved pension arrangement 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 £64,572 (2000 – £93,032). As at 31 August 2001 there were outstanding contributions payable of £nil (2000 – £5,790).

With effect from 1 June 2000, the group's remuneration structure was revised. Employees no longer received both a salary and employer pension contributions (on a non-contributory basis) but received only an enhanced salary from which the employee was encouraged to make contributions to a pension scheme. Alternatively, the employee was permitted to take a reduced salary with the employer paying the balance of the salary into an approved pension scheme.

19. COMMITMENTS AND CONTINGENT LIABILITIES

CAPITAL COMMITMENTS

There were no capital commitments at the year end (2000 – none).

OPERATING LEASES

At 31 August 2001 the company had annual commitments under operating leases as follows:

	2001 £	2000 £
OPERATING LEASES WHICH EXPIRE:		
After five years	188,000	110,000

Financial Record

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

Organisation Structure

AS AT 1 SEPTEMBER 2001

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