

POCKET WATCH PROJECTS LIMITED

Report and Accounts

31 December 2001

Registered Number: SC 209623

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Pocket Watch Projects Limited

REPORT OF THE DIRECTORS

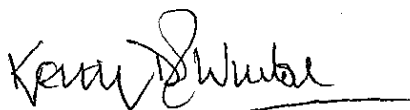
The directors submit their report together with the accounts of the company for the period from incorporation on 02 August 2000 to 31 December 2001.

DIRECTORS

The directors of the company at the period end and their interests as defined in the Companies Act 1985, in the company's ordinary £0.01 shares were:

			<i>At</i>
			<i>31 December 2001</i>
A. Heneveld		(appointed 7 September 2000)	1,026
G. Maa		(appointed 26 February 2001, resigned 31 August 2001)	0
R. Strong		(appointed 12 February 2002.)	0
J. Swan		(appointed 12 February 2002.)	0
K. Winton	Non Executive	(appointed 2 August 2000)	0
D. Gray	Non Executive	(appointed 15 December 2000)	594
J. MacDonald	Non Executive	(appointed 15 December 2000)	25

On behalf of the Board



for and on behalf of
Edinburgh Technology Fund Limited.
Secretary

14 May 2002

Pocket Watch Projects Limited

BALANCE SHEET

at 31 December 2001

	Note	2001 £
FIXED ASSETS		
Tangible assets	2	21,753
CURRENT ASSETS		
Debtors	3	19,061
Cash at bank and in hand		141,141
		160,202
CREDITORS: amounts falling due within one year	4	28,424
NET CURRENT ASSETS		131,778
TOTAL ASSETS LESS CURRENT LIABILITIES		153,531
CREDITORS: amounts falling due after more than one year		-
		153,531
CAPITAL AND RESERVES		
Called up share capital	5	2,529
Share premium account		604,983
Profit and loss account		(453,981)
EQUITY SHAREHOLDERS' FUNDS		153,531

Directors' audit exemption statement

The directors:

- confirm that for the period ended 31 December 2001 the company was entitled to the exemption under subsection (1) of section 249A;
- confirm that no notice requiring an audit has been deposited under subsection (2) of section 249B in relation to the accounts for the financial period; and
- acknowledge their responsibility for:
 - ensuring that the company keeps accounting records which comply with section 221; and
 - preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the company.

These accounts are prepared in accordance with the provisions of Part V11 of the Companies Act 1985, as amended, relating to small companies.

The financial statements on pages 3 to 5 were approved by the Board of Directors on 14 May 2002 and signed on its behalf by John Swan.



Director
14 May 2002

Pocket Watch Projects Limited

NOTES TO THE ACCOUNTS

For the period ended 31 December 2001

1. ACCOUNTING POLICIES

Basis of preparation

The accounts have been prepared under the historical cost convention.

The company is exempt from the requirements to prepare a cash flow statement as it qualifies as a small company.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Tangible fixed assets

Depreciation of fixed assets is calculated to write off their cost or valuation, less any residual value over their estimated useful life, as follows:

Plant and equipment	2 years
Fixtures and fittings	4 years

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Foreign currencies

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

All differences are taken to the profit and loss account.

2. TANGIBLE FIXED ASSETS

	<i>Computers & Software</i>	<i>Fixtures & fittings</i>	<i>Total</i>
	£	£	£
Cost:			
At 2 August 2000	-	-	-
Additions	23,776	7,432	31,208
At 31 December 2001	23,776	7,432	31,208
Depreciation:			
At 2 August 2000	-	-	-
Charge for the period	8,224	1,231	9,455
At 31 December 2001	8,224	1,231	9,455
Net book value:			
At 31 December 2001	15,552	6,201	21,753
At 2 August 2000	-	-	-

Pocket Watch Projects Limited

NOTES TO THE ACCOUNTS

For the period ended 31 December 2001

3. DEBTORS

	2001
	£
Prepayments	4,500
VAT	14,561
	<u>19,061</u>

4. CREDITORS

	2001
	£
Trade creditors	6,507
Other taxes and social security costs	9,574
Accruals	12,343
	<u>28,424</u>

5. CALLED UP SHARE CAPITAL

	Authorised	2001
	No	£
Authorised:		
Non Voting Deferred shares of £0.01 each	249,988	2,500
Ordinary shares of £0.01 each	10,012	100
	<u>260,000</u>	<u>2,600</u>

	Allotted, called up and fully paid	2001
	No	£
Allotted, called up and fully paid:		
Non Voting Deferred shares of £0.01 each	249,988	2,500
Ordinary shares of £0.01 each	2,938	29
	<u>252,926</u>	<u>2,529</u>