

POCKET WATCH PROJECTS LIMITED

Report and Accounts

31 December 2002

Registered Number: SC 209623



Pocket Watch Projects Limited

REPORT OF THE DIRECTORS

The directors submit their report together with the accounts of the company for the year to 31 December 2002.

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:

			At 31 December 2002	At 31 December 2001
			<i>Ordinary Shares of £0.01</i>	<i>Ordinary Shares of £0.01</i>
			No.	No.
A. Heneveld			1,051	1,026
R. Strong		(appointed 12 February 2002.)	0	0
J. Swan		(appointed 12 February 2002.)	0	0
K. Winton	Non Executive		0	0
D. Gray	Non Executive		899	594
J. MacDonald	Non Executive		63	25
K Bradshaw	Non Executive	(appointed 12 February 2002, resigned 4 October 2002)	0	0

On behalf of the Board



for and on behalf of

Edinburgh Technology Fund Limited.
Secretary

2nd April 2003

Pocket Watch Projects Limited

BALANCE SHEET at 31 December 2002

	Note	2002 £	2001 £
FIXED ASSETS			
Tangible assets	2	1,137	21,753
CURRENT ASSETS			
Debtors	3	17	19,061
Cash at bank and in hand		44,265	141,141
		44,282	160,202
CREDITORS: amounts falling due within one year	4	5,138	28,424
NET CURRENT ASSETS		39,144	131,778
TOTAL ASSETS LESS CURRENT LIABILITIES		40,281	153,531
CREDITORS: amounts falling due after more than one year		-	-
		40,281	153,531
CAPITAL AND RESERVES			
Called up share capital	5	2,537	2,529
Share premium account	6	769,975	604,983
Profit and loss account	6	(732,231)	(453,981)
EQUITY SHAREHOLDERS' FUNDS		40,281	153,531

Directors' audit exemption statement

The directors:

1. confirm that for the year ended 31 December 2002 the company was entitled to the exemption under subsection (1) of section 249A;
2. 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
3. acknowledge their responsibility for:
 - a) ensuring that the company keeps accounting records which comply with section 221; and
 - b) 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 2nd April 2003 and signed on its behalf by Keith D R Winton.



Director
2nd April 2003

Pocket Watch Projects Limited

NOTES TO THE ACCOUNTS

For the year ended 31 December 2002

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 01 January 2002	23,776	7,432	31,208
Additions	-	-	-
Disposals	(15,790)	(7,432)	(23,222)
At 31 December 2002	7,986	-	7,986
Depreciation:			
At 01 January 2002	8,224	1,231	9,455
Charge for the period	7,283	774	8,057
Disposals	(8,658)	(2,005)	(10,663)
At 31 December 2002	6,849	-	6,849
Net book value:			
At 31 December 2002	1,137	-	1,137
At 31 December 2001	15,552	6,201	21,753

Pocket Watch Projects Limited

NOTES TO THE ACCOUNTS

For the year ended 31 December 2002

3. DEBTORS

	2002	2001
	£	£
Prepayments	-	4,500
VAT	17	14,561
	<u>17</u>	<u>19,061</u>

4. CREDITORS

	2002	2001
	£	£
Trade creditors	2,938	6,507
Other taxes and social security costs	-	9,574
Accruals	2,200	12,343
	<u>5,138</u>	<u>28,424</u>

5. CALLED UP SHARE CAPITAL

	2002	2001	2002	2001
	No.	No.	£	£
<i>Authorised:</i>				
Non Voting Deferred shares of £0.01 each	249,988	249,988	2,500	2,500
Ordinary shares of £0.01 each	10,012	10,012	100	100
	<u>260,000</u>	<u>260,000</u>	<u>2,600</u>	<u>2,600</u>

	2002	2001	2002	2001
	No.	No.	£	£
<i>Allotted, called up and fully paid:</i>				
Non Voting Deferred shares of £0.01 each	249,988	249,988	2,500	2,500
Ordinary shares of £0.01 each	3,688	2,938	37	29
	<u>253,676</u>	<u>252,926</u>	<u>2,537</u>	<u>2,529</u>

6. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share capital	Share premium	Profit & loss	Total shareholders funds
	£	£	£	£
At 01 January 2001	2,529	604,983	(453,981)	153,531
Loss for year	-	-	(278,250)	(278,250)
Arising on issue of shares	8	164,992	-	165,000
At 31 December 2002	<u>2,537</u>	<u>769,975</u>	<u>(732,231)</u>	<u>40,281</u>