

E JEWSON SERVICES TO CHARITIES LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2002

Company No. 2638482



E JEWSON SERVICES TO CHARITIES LIMITED

DIRECTORS AND ADVISORS

Directors	J J C Edwards, Chairman E R R Jewson, Managing Director Earl of Euston J R B Stoddart
Secretary	J M Shackleton
Company number	2638482
Registered office	Wacton House Wacton Norfolk NR15 2UF
Auditors	Saffery Champness Lion House Red Lion Street London WC1R 4GB
Solicitors	Macfarlanes 10 Norwich Street London EC4A 1BD
Bankers	Bank of Scotland 3 Queen Street Norwich NR2 4SG

E JEWSON SERVICES TO CHARITIES LIMITED

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E JEWSON SERVICES TO CHARITIES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2002

The directors present their report together with the audited consolidated financial statements for the year ended 31st December 2002.

Principal activities

The group's principal activity continued to be that of financial consultants to registered charities and private clients.

The group is regulated by the Financial Services Authority with effect from 21st January 2003.

Results and dividends

The results for the year are set out on page 5.

The directors do not recommend the payment of a dividend.

Future developments

The group is extending the investment consultancy services it provides to charities and private clients, and is actively seeking new instructions.

Directors

The directors who served during the year and their beneficial interests in the share capital of the company and its subsidiary were:

	'A' Ordinary shares		'B' Ordinary shares		'C' Ordinary shares	
	31st	1st	31st	1st	31st	1st
	December	January	December	January	December	January
	2002	2001	2002	2001	2002	2001
J J C Edwards	-	-	1,105	1,105	566	566
E R R Jewson	19,605	18,899	-	-	-	-
Earl of Euston	-	-	-	-	756	378
J R B Stoddart	-	-	552	552	566	566

E JEWSON SERVICES TO CHARITIES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2002

	'D' Ordinary shares		'E' Preferred ordinary shares		Preference shares	
	31 st December 2002	1 st January 2001	31 st December 2002	1 st January 2001	31 st December 2002	1 st January 2001
J J C Edwards	666	-	-	-	28,895	28,895
E R R Jewson	-	-	-	-	-	-
Earl of Euston	295	-	-	-	-	-
J R B Stoddart	-	-	-	-	14,448	14,448

James Stoddart is a director of Bamboo Investments Plc, which also holds shares in the company. James Stoddart has a direct holding and an indirect holding in the share capital of Bamboo Investments Plc.

Auditors

A resolution to appoint Saffery Champness as the company's auditors was approved at a board meeting held on 19th March 2003.


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 company and of the group and of the profit or loss of the group for that year. In preparing these 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;
- 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 the group and 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board


J M Shackleton, Secretary

Date: ...4/6/03.....

INDEPENDENT AUDITOR'S REPORT TO

THE SHAREHOLDERS OF E JEWSON SERVICES TO CHARITIES LIMITED

We have audited the group financial statements of E Jewson Services to Charities Limited for the year ended 31st December 2002 on pages 5 to 16. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2 the 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.

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 auditor's 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.

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 director's 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 or material inconsistencies with the financial statements.

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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's and the group's circumstances, consistently applied and adequately disclosed.

INDEPENDENT AUDITOR'S REPORT TO

THE SHAREHOLDERS OF E JEWSON SERVICES TO CHARITIES LIMITED

We planned and performed our audit so as to obtain all of 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 the company's and the group's affairs as at 31st December 2002 and of the group's loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Saffery Champness
.....
5-6.03

Saffery Champness

Chartered Accountants
Registered Auditors
Lion House
Red Lion Street
London
WC1R 4GB

E JEWSON SERVICES TO CHARITIES LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31ST DECEMBER 2002**

	Notes	2002 £	2001 £
Turnover	2	545,616	339,635
Administrative expenses		<u>643,085</u>	<u>458,266</u>
Operating loss	3	(97,469)	(118,631)
Other interest receivable and similar income		3,419	3,185
Interest payable and similar charges	4	<u>(16,288)</u>	<u>(17,062)</u>
Loss on ordinary activities before taxation		(110,338)	(132,508)
Tax on loss on ordinary activities		<u>-</u>	<u>-</u>
Loss for the financial year		(110,338)	(132,508)
Retained loss brought forward		<u>(553,370)</u>	<u>(420,862)</u>
Retained loss carried forward		<u>(663,708)</u>	<u>(553,370)</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There were no recognised gains or losses other than those passing through the profit and loss account.

The notes on pages 9 to 16 form part of these financial statements.

E JEWSON SERVICES TO CHARITIES LIMITED

BALANCE SHEETS

AS AT 31ST DECEMBER 2002

	Notes	Group 2002 £	2001 £	Company 2002 £	2001 £
Fixed assets					
Tangible assets	8	88,228	54,824	88,228	54,824
Investments	9	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
		88,228	54,824	88,229	54,825
Current assets					
Debtors	11	211,344	105,338	211,306	105,338
Cash at bank and in hand		119,531	122	109,723	122
		330,875	105,460	321,029	105,460
Creditors: amounts falling due within one year	12	114,426	132,400	114,426	132,401
Net current assets/(liabilities)		216,449	(26,940)	206,603	(26,941)
Total assets less current liabilities		304,677	27,884	294,832	27,884
Creditors: amounts falling due after more than one year	13	87,074	140,466	87,074	140,466
Net assets/(liabilities)		217,603	(112,582)	207,758	(112,582)
Capital and reserves					
Share capital - equity	14	44,775	36,252	44,775	36,252
Share capital - non equity	14	404,536	404,536	404,536	404,536
Share premium account	14	432,000	-	432,000	-
Profit and loss account		(663,708)	(553,370)	(673,553)	(553,370)
		217,603	(112,582)	207,758	(112,582)
Shareholders' funds					
Equity		(186,933)	(517,118)	(196,778)	(517,118)
Non-equity		404,536	404,536	404,536	404,536
		217,603	(112,582)	207,758	(112,582)

The notes on pages 9 to 16 form part of these financial statements.

The financial statements were approved by the Board on 14 June 2003 and signed on its behalf.


J J C Edwards, Chairman and Director


E R R Jewson, Managing Director

E JEWSON SERVICES TO CHARITIES LIMITED**CONSOLIDATED CASH FLOW STATEMENT**

FOR THE YEAR ENDED 31ST DECEMBER 2002

	£	2002 £	£	2001 £
Net cash outflow from operating activities		(194,488)		(133,665)
Returns on investments and servicing of finance				
Interest received	3,419		3,185	
Interest paid	<u>(16,288)</u>		<u>(17,062)</u>	
Net cash outflow from returns on investments and servicing of finance		(12,869)		(13,877)
Taxation		-		-
Capital expenditure (Payments)/receipts to (acquire)/dispose of tangible assets				
	<u>(46,096)</u>		<u>5,303</u>	
Net cash (outflow)/inflow from capital expenditure		(46,096)		5,303
Net cash outflow before management of liquid resources and financing		(253,453)		(142,239)
Financing				
Issue of ordinary share capital	440,523		378	
Decrease in bank loans	(45,455)		(45,455)	
Capital element of finance lease rental payments	<u>(5,272)</u>		<u>(17,130)</u>	
Net cash inflow/(outflow) from financing		389,796		(62,207)
Increase/(decrease) in cash and cash equivalents		136,343		(204,446)

E JEWSON SERVICES TO CHARITIES LIMITED**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT****FOR THE YEAR ENDED 31ST DECEMBER 2002**

1	Reconciliation of operating loss to net cash outflow from operating activities	2002	2001
		£	£
	Operating loss	(97,469)	(118,631)
	Depreciation of tangible assets	12,692	5,491
	Increase in debtors	(106,006)	(4,498)
	Decrease in creditors within one year	(3,705)	(16,027)
	Net cash outflow from operating activities	(194,488)	(133,665)
2	Analysis of net funds	1st January 2002 £	31st December 2002 £
	Cash at bank and in hand	122	119,409
	Bank overdraft	(16,934)	16,934
	Net funds/(debt)	(16,812)	119,531
3	Reconciliation of net cash flow to movement in net funds	2002	2001
		£	£
	Increase/(decrease) in cash in the year	136,343	(204,446)
	Movement in net funds in the year	136,343	(204,446)
	Opening net funds	(16,812)	187,634
	Closing net funds	119,531	(16,812)

E JEWSON SERVICES TO CHARITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2002

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertaking made up to 31st December 2002. Intra-group sales and profits are eliminated fully on consolidation.

1.4 Turnover

Turnover represents the invoiced amounts of services provided net of value added tax.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided to write down the cost less estimated residual value of all tangible fixed assets over their expected useful lives as follows:

Computer equipment	33% straight line basis
Leasehold improvements	10% straight line basis
Motor vehicles	25% reducing balance basis
Office equipment	15% reducing balance basis

1.6 Investments

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

1.7 Deferred taxation

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise.

E JEWSON SERVICES TO CHARITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2002

1.8 Leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of lease payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

1.9 Pension costs

The group operates a defined contribution pension scheme for the benefit of its employees. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate.

2 Turnover

The total turnover of the group for the year has been derived from its principal activity which was carried out wholly in the UK.

3 Operating loss

The operating loss is stated after charging:	2002	2001
	£	£
Depreciation of owned assets	5,076	4,181
Depreciation of assets held under finance leases and hire purchase contracts	7,616	8,807
Rent under operating leases – land and buildings	32,969	29,268
Auditors' remuneration – current year auditors	4,000	-
Auditors' remuneration – prior year auditors	-	1,500
Accountancy work - prior year auditors	8,568	-

E JEWSON SERVICES TO CHARITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2002

4 Interest payable and similar charges

Interest payable includes:	2002 £	2001 £
On finance lease and hire purchase contracts	<u>4,269</u>	<u>4,293</u>

5 Particulars of employees

The average number of persons employed by the group, including the director, during the year was as follows:	2002 Number	2001 Number
Management	2	2
Administration	<u>3</u>	<u>1</u>
	<u>5</u>	<u>3</u>
	£	£
Staff costs, including directors' emoluments, were:		
Wages and salaries	310,216	220,805
Social security costs	27,425	23,717
Other pension costs	<u>15,165</u>	<u>10,616</u>
	<u>352,806</u>	<u>255,138</u>

6 Pension commitments

The group makes defined contributions to a personal pension scheme for each of its employees. Pension assets are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable by the group to the funds and amounted to £15,165 (2001: £10,616). At 31st December 2002 there were no outstanding contributions payable to the funds (2001: £nil).

7 Directors' emoluments

	2002 £	2001 £
Directors' remuneration	167,214	97,811
Pension costs	<u>5,400</u>	<u>5,400</u>

One director received benefits under a money purchase pension scheme (2001: one).

E JEWSON SERVICES TO CHARITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2002

8	Tangible fixed assets					
	Group and Company	Leasehold	Motor	Computer	Office	Total
		Improvements	Vehicles	Equipment	Equipment	
		£	£	£	£	£
	Cost					
	At 1 st January 2002	7,000	25,155	2,750	40,061	74,966
	Additions	30,291	-	12,843	2,962	46,096
	At 31st December 2002	37,291	25,155	15,593	43,023	121,062
	Depreciation					
	At 1 st January 2002	1,400	6,289	413	12,040	20,142
	Charge for the year	1,080	4,716	2,628	4,268	12,692
	At 31st December 2002	2,480	11,005	3,041	16,308	32,834
	Net book value					
	At 31st December 2002	34,811	14,150	12,552	26,715	88,228
	At 31 st December 2001	5,600	18,866	2,337	28,021	54,824

Assets held under finance leases originally cost £50,809 (2001: £43,077) and have a net book value of £28,300 (2001: £33,152).

9	Investments	Shares in
	Company	Group
		Undertakings
		£
	Cost	
	At 1 st January 2002	1
	Additions	-
	At 31st December 2002	1
	Net book value	
	At 31st December 2002	1
	At 31 st December 2001	1

E JEWSON SERVICES TO CHARITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2002

10 Subsidiary undertaking

Name of company	Country of registration	Holding	Proportion of voting rights and shares held	Nature of business
E Jewson Consultants Limited	England	Ordinary £1 shares	100%	Investment review consultants

Capital and reserves	2002 £	2001 £
E Jewson Consultants Limited	<u>1</u>	<u>1</u>
Profit/(loss) for the year	2002 £	2001 £
E Jewson Consultants Limited	<u>9,845</u>	<u>nil</u>

11 Debtors

	Group		Company	
	2002 £	2001 £	2002 £	2001 £
Trade debtors	169,320	88,870	169,320	88,870
Other debtors	26,267	16,468	26,229	16,468
Prepayments and accrued income	15,757	-	15,757	-
	<u>211,344</u>	<u>105,338</u>	<u>211,306</u>	<u>105,338</u>

12 Creditors: amounts falling due within one year

	Group		Company	
	2002 £	2001 £	2002 £	2001 £
Bank loans and overdrafts	45,455	62,389	45,455	62,389
Other taxes and social security costs	19,396	16,265	19,396	16,265
Accruals and deferred income	33,456	40,291	33,456	40,292
Obligations under hire purchase and finance lease contracts	16,119	13,455	16,119	13,455
	<u>114,426</u>	<u>132,400</u>	<u>114,426</u>	<u>132,401</u>

E JEWSON SERVICES TO CHARITIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31ST DECEMBER 2002

13 Creditors: amounts falling due after more than one year

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Bank loans:				
Amounts repayable between one and two years	45,455	45,455	45,455	45,455
Amounts repayable between two and five years	37,878	83,332	37,878	83,332
Obligations under hire purchase and finance lease contracts				
Amounts repayable between one and five years	3,741	11,679	3,741	11,679
	87,074	140,466	87,074	140,466

14 Share capital

Authorised	2002	2001
	£	£
19,650 'A' ordinary shares of £1.00 each	19,650	18,900
15,464 'B' ordinary shares of £1.00 each	15,464	15,464
65,636 'C' ordinary shares of £1.00 each	65,636	65,636
7,500 'D' ordinary shares of £1.00 each	7,500	-
7,500 'E' preferred ordinary shares of £1.00 each	7,500	-
404,536 Cumulative Preference shares of £1.00 each	404,536	404,536

E JEWSON SERVICES TO CHARITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2002

Allotted	2002 £	2001 £
19,606 Allotted, called up and fully paid 'A' ordinary shares of £1.00 each	19,606	18,900
15,464 Allotted, called up and fully paid 'B' ordinary shares of £1.00 each	15,464	15,464
2,644 Allotted, called up and fully paid 'C' ordinary shares of £1.00 each	2,644	1,888
4,411 Allotted, called up and fully paid 'D' ordinary shares of £1.00 each	4,411	-
2,650 Allotted, called up and fully paid 'E' preferred ordinary shares of £1.00 each	2,650	-
	<u>44,775</u>	<u>36,252</u>
404,536 Cumulative Preference shares of £1.00 each	404,536	404,536
	<u>449,311</u>	<u>440,788</u>
Share premium account	2002 £	2001 £
4,411 'D' ordinary shares and 2,650 'E' preferred ordinary shares issued at £56.62 each	399,793	-
706 'A' ordinary shares issued at £56.62 each	39,974	-
Less nominal value of shares issued: 7,767 shares at £1 each	(7,767)	-
At 31 st December	<u>432,000</u>	<u>-</u>

During the year, the authorised share capital of the company was increased by the creation of 7,500 'D' ordinary shares and 7,500 'E' preferred ordinary shares of £1 each. A rights issue offering existing 'B' and 'C' ordinary shareholders the opportunity of subscribing for 16 new 'D' ordinary shares or 'E' preferred ordinary shares for every 41 'B' or 'C' ordinary shares held was fully subscribed during the year. Consequently 4,411 'D' ordinary shares and 2,650 'E' preferred ordinary shares were allotted, issued at a price of £56.62 and fully paid.

In addition the company issued 424 'A' ordinary shares at a price of £56.62 each and 282 'A' ordinary shares at a price of £56.62 each nil paid, in full satisfaction of the debt of £24,006.88 owed by the company to E R R Jewson, a director of the company. The payment schedule for the 282 'A' ordinary shares issued nil paid is 50% on 1st July 2003 and 50% on 1st January 2004.

During the year the company also issued 378 'C' ordinary shares at par in lieu of options granted to the Earl of Euston, a director of the company, and issued 378 'C' ordinary shares at par in lieu of options granted to a shareholder of the company.

E JEWSON SERVICES TO CHARITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2002

The 'A', 'B', 'C' and 'D' ordinary shares, carrying one vote each, rank equally in all respects except as to the division of proceeds on a sale or flotation which values the company in excess of £10 million on or before 31st March 2010. The 'E' preferred ordinary shares carry the same rights as the 'D' ordinary shares, except that from December 2005 onwards they shall entitle the holder to a dividend of 10% of the annual pre-tax profit of the company or the amount of the dividend payable on the other classes of ordinary shares, whichever is higher. The preference shares rank higher in priority to all other classes of shares with regard to dividends. Preference shares shall not entitle the holder to attend or vote at any general meeting in the ordinary course of business. Redemption of the preference shares is on a scheduled basis, with the final redemption due to take place on 31st December 2004.

15 Preference shares

The dividend payable on the 8% cumulative preference shares as at 31st December 2002 which was unpaid amounted to £56,635 (2001: £23,496).

On each of 31st December 2001, 30th June 2002 and 31st December 2002, £50,000 of the preference shares were due to be redeemed, however the company was prohibited from doing so under the Companies Act 1985. Redemption will take place immediately the company is eligible.

16 Operating lease commitments

At 31st December 2002 the group had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings	
	2002	2001
	£	£
Operating leases which expire:		
Between two and five years	28,886	27,468
After five years	21,000	-
	<u>49,886</u>	<u>27,468</u>