

## **MPC Investors Limited**

Report and Accounts  
*31 December 2001*



---

OFFICERS AND PROFESSIONAL ADVISERS

**The Board of Directors** M R Hadsley-Chaplin  
C S Maude  
P B J German  
D A Robins

**Company Secretary** C S Maude

**Auditors** Rees Pollock  
7 Pilgrim Street  
London  
EC4V 6DR

**Bankers** HSBC  
18 High Street  
Reigate  
Surrey  
RH2 9BB

**Solicitors** Dechert  
2 Serjeants' Inn  
London  
EC4Y 1LT

**Registered Office** 26 Eccleston Square  
London  
SW1V 1NS

**Registered Number** 03517613

---

**DIRECTORS' REPORT**

The directors present their report and accounts of the company for the year ended 31 December 2001.

**Principal activities and business review**

The principal activity of the company during the year was fund management. The directors intend to continue to expand the business in the future.

**Results and dividends**

The trading results for the year and the company's financial position at the end of the year are shown in the attached report and accounts.

The directors have not recommended a dividend.

**The directors and their interests**

The directors who served the company during the year together with their beneficial interests, including family holdings, in the share capital of the company were as follows:

	<b>Ordinary Shares of £1 each</b>	
	<b>At 31 December 2001</b>	<b>At 1 January 2001 or later date of appointment</b>
M R Hadsley-Chaplin	32,500	32,500
C S Maude	8,750	8,750
P B J German	8,750	8,750
D A Robins	<u>1,000</u>	<u>1,000</u>

D A Robins was appointed as a director on 16 March 2001.

The company has granted directors with the following options for ordinary shares:

	<b>Options</b>	<b>Exercise price £</b>
M R Hadsley-Chaplin	6,000	50
C S Maude	3,000	50
P B J German	3,000	50
D A Robins	500	50

Options are exercisable at anytime from 2 years from the date of grant up to 10 years.

**Directors' responsibilities**

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those accounts, the directors are required to select suitable accounting policies, as described on page 8, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

**Directors' responsibilities (continued)**

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the accounts comply with the Companies Act 1985. The directors 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.

**Auditors**

A resolution to re-appoint Rees Pollock as auditors for the ensuing year will be proposed at the annual general meeting.

BY ORDER OF THE BOARD



C S Maude  
Company Secretary

22 April 2002



# REES POLLOCK

Chartered Accountants

7 Pilgrim Street  
London EC4V 6DR  
Telephone 020 7329 6404  
Fax 020 7329 6408

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MPC INVESTORS LIMITED**

We have audited the accounts on pages 5 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

### **Respective responsibilities of the directors and the auditors**

As described on pages 2 to 3, the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility to audit the report and accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the report and accounts 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 report and accounts, 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.

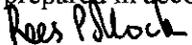
### **Basis of audit opinion**

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 report and accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the report and accounts and of whether the accounting policies are appropriate to the company'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 report and accounts 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 report and accounts.

### **Opinion**

In our opinion the report and accounts give a true and fair view of the state of the company's affairs as at 31 December 2001 and of the loss of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Rees Pollock  
Chartered Accountants  
Registered Auditor  
22 April 2002

MPC Investors Limited

**PROFIT AND LOSS ACCOUNT**  
for the year ended 31 December 2001

	Note	Year to 31 Dec 01 £	Period from 1 Mar 00 to 31 Dec 00 £
<b>TURNOVER</b>	2	480,096	12,631
Cost of sales		126,580	-
<b>GROSS PROFIT</b>		353,516	12,631
Administrative expenses		556,384	193,202
<b>OPERATING LOSS</b>	3	(202,868)	(180,571)
Interest receivable		15,010	13,736
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(187,858)	(166,835)
Tax on loss on ordinary activities		-	-
<b>LOSS FOR THE FINANCIAL YEAR</b>		(187,858)	(166,835)
Balance brought forward		(166,835)	-
Balance carried forward		(354,693)	(166,835)

The company has no recognised gains or losses other than the results for the year as set out above.

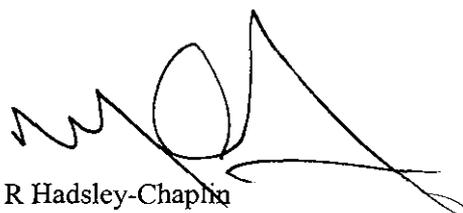
All of the activities of the company are classed as continuing.

The notes on pages 8 to 12 form part of these accounts.

MPC Investors Limited

BALANCE SHEET  
at 31 December 2001

	Note	£	2001 £	2000 £
<b>FIXED ASSETS</b>				
Intangible assets	6		-	21,381
Tangible assets	7		70,055	45,092
			<u>70,055</u>	<u>66,473</u>
<b>CURRENT ASSETS</b>				
Debtors	8	134,194		53,567
Cash at bank		208,196		421,128
			<u>342,390</u>	<u>474,695</u>
<b>CREDITORS: amounts falling due within one year</b>	9	<u>(40,888)</u>		<u>(31,753)</u>
<b>NET CURRENT ASSETS</b>			<u>301,502</u>	<u>442,942</u>
<b>NET ASSETS</b>			<u>371,557</u>	<u>509,415</u>
<b>CAPITAL AND RESERVES</b>				
Called-up equity share capital	10		64,500	63,500
Share premium account	11		661,750	612,750
Profit and loss account			(354,693)	(166,835)
<b>EQUITY SHAREHOLDERS' FUNDS</b>	12		<u>371,557</u>	<u>509,415</u>



M R Hadsley-Chaplin  
Director

22 April 2002

The notes on pages 8 to 12 form part of these accounts.

**CASH FLOW STATEMENT**

for the year ended 31 December 2001

	Note	£	Year to 31 Dec 01 £	Period from 1 Mar 00 to 31 Dec 00 £
<b>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>	13		(228,934)	(182,340)
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>				
Interest received		15,010		13,736
<b>NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			15,010	13,736
<b>CAPITAL EXPENDITURE</b>				
Payments to acquire intangible fixed assets		-		(37,367)
Payments to acquire tangible fixed assets		(49,008)		(48,151)
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>			(49,008)	(85,518)
<b>FINANCING</b>				
Issue of equity share capital		1,000		62,500
Share premium on issue of equity share capital		49,000		612,750
<b>NET CASH INFLOW FROM FINANCING</b>			50,000	675,250
<b>(DECREASE)/INCREASE IN CASH</b>	14		(212,932)	421,128

The notes on pages 8 to 12 form part of these accounts.

---

NOTES TO THE ACCOUNTS

for the year ended 31 December 2001

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

**Amortisation**

Amortisation is provided so as to write off the cost of an asset, over the useful economic life of that asset as follows:

Development costs - 1 year straight line

**Depreciation**

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of an asset, less its estimated residual value, evenly over its expected useful economic life as follows:

Fixtures & fittings - 3 years straight line

Equipment - 3 years straight line

Software - 3 years straight line

**Deferred taxation**

Deferred taxation is provided on all timing differences, without discounting, calculated at the rate at which it is estimated that tax will be payable, except where otherwise required by accounting standards.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

**2. TURNOVER**

The turnover shown in the profit and loss account represents the value of services provided during the year, stated net of value added tax.

The company's turnover is derived entirely from outside the UK.

## NOTES TO THE ACCOUNTS

for the year ended 31 December 2001

**3. OPERATING LOSS**

Operating loss is stated after charging:

	Year to 31 Dec 01	Period from 1 Mar 00 to 31 Dec 00
	£	£
Amortisation	21,381	15,986
Depreciation	24,045	3,059
Auditors' remuneration		
- audit fees	4,000	3,500
- other	4,550	4,500
Net loss on foreign currency translation	250	148

**4. PARTICULARS OF EMPLOYEES**

The average number of staff employed by the company during the financial year amounted to:

	Year to 31 Dec 01	Period from 1 Mar 00 to 31 Dec 00
	No.	No.
Number of administrative staff	1	1
Number of management staff	5	4
	<u>6</u>	<u>5</u>

The aggregate payroll costs of the above were:

	Year to 31 Dec 01	Period from 1 Mar 00 to 31 Dec 00
	£	£
Wages and salaries	419,623	93,285
Social security costs	46,230	9,013
	<u>465,853</u>	<u>102,298</u>

**5. DIRECTORS' EMOLUMENTS**

	Year to 31 Dec 01	Period from 1 Mar 00 to 31 Dec 00
	£	£
Aggregate emoluments	<u>154,500</u>	<u>50,001</u>

## NOTES TO THE ACCOUNTS

for the year ended 31 December 2001

## 6. INTANGIBLE FIXED ASSETS

	Development Costs £
Cost	
At 1 January 2001 and 31 December 2001	<u>37,367</u>
Amortisation	
At 1 January 2001	15,986
Charge for the year	<u>21,381</u>
At 31 December 2001	<u>37,367</u>
Net Book Value	
At 31 December 2001	-
At 31 December 2000	<u>21,381</u>

## 7. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Equipment £	Software £	Total £
Cost				
At 1 January 2001	25,402	22,749	-	48,151
Additions	<u>7,834</u>	<u>10,079</u>	<u>31,095</u>	<u>49,008</u>
At 31 December 2001	<u>33,236</u>	<u>32,828</u>	<u>31,095</u>	<u>97,159</u>
Depreciation				
At 1 January 2001	851	2,208	-	3,059
Charge for the year	<u>10,788</u>	<u>10,496</u>	<u>2,761</u>	<u>24,045</u>
At 31 December 2001	<u>11,639</u>	<u>12,704</u>	<u>2,761</u>	<u>27,104</u>
Net Book Value				
At 31 December 2001	<u>21,597</u>	<u>20,124</u>	<u>28,334</u>	<u>70,055</u>
At 31 December 2000	<u>24,551</u>	<u>20,541</u>	-	<u>45,092</u>

## 8. DEBTORS

	2001 £	2000 £
Trade debtors	43,005	5,953
Other debtors	52,038	44,071
Prepayments and accrued income	<u>39,151</u>	<u>3,543</u>
	<u>134,194</u>	<u>53,567</u>

Included in other debtors is an amount of £19,035 (2000: £19,385) which is due after more than one year.

## NOTES TO THE ACCOUNTS

for the year ended 31 December 2001

## 9. CREDITORS: Amounts falling due within one year

	2001	2000
	£	£
Trade creditors	1,691	19,001
Directors' loan accounts	3,965	-
Taxation and social security	14,584	-
Other creditors	-	4,020
Accruals and deferred income	20,648	8,732
	<u>40,888</u>	<u>31,753</u>

## 10. SHARE CAPITAL

## Authorised share capital:

	2001	2000
	£	£
100,000 Ordinary shares of £1.00 each	<u>100,000</u>	<u>100,000</u>

## Allotted, called up and fully paid:

	2001	2000
	£	£
Ordinary share capital brought forward	63,500	1,000
Issue of ordinary shares	1,000	62,500
	<u>64,500</u>	<u>63,500</u>

## 11. SHARE PREMIUM ACCOUNT

	Year to 31 Dec 01	Period from 1 Mar 00 to 31 Dec 00
	£	£
Balance brought forward	612,750	-
Premium on shares issued in the year	49,000	612,750
	<u>661,750</u>	<u>612,750</u>

## NOTES TO THE ACCOUNTS

for the year ended 31 December 2001

**12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2001	2000
£	£	£
Loss for the financial year	(187,858)	(166,835)
New equity share capital subscribed	1,000	62,500
Premium on new share capital subscribed	49,000	612,750
	<u>50,000</u>	<u>675,250</u>
Net (reduction)/addition to funds	(137,858)	508,415
Opening equity shareholders' funds	509,415	1,000
Closing equity shareholders' funds	<u>371,557</u>	<u>509,415</u>

**13. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES**

	Year to 31 Dec 01	Period from 1 Mar 00 to 31 Dec 00
	£	£
Operating loss	(202,868)	(180,571)
Amortisation	21,381	15,986
Depreciation	24,045	3,059
Increase in debtors	(80,627)	(52,567)
Increase in creditors	9,135	31,753
Net cash outflow from operating activities	<u>(228,934)</u>	<u>(182,340)</u>

**14. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**

	2001	2000
	£	£
(Decrease)/increase in cash in the period	(212,932)	421,128
Change in net funds	(212,932)	421,128
Net funds at 1 January 2001	421,128	-
Net funds at 31 December 2001	<u>208,196</u>	<u>421,128</u>

**15. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1 Jan 2001	Cash flows	At 31 Dec 2001
	£	£	£
Net funds:			
Cash at bank	421,128	(212,932)	208,196
	<u>421,128</u>	<u>(212,932)</u>	<u>208,196</u>