

Company Registration No. 3994446 (England and Wales)

**WISE CAPITAL LIMITED**

**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2006**

# **WISE CAPITAL LIMITED**

## **COMPANY INFORMATION**

---

<b>Director</b>	R H D Wise
<b>Secretary</b>	Jordan Company Secretaries Limited
<b>Company number</b>	3994446
<b>Registered office</b>	20-22 Bedford Row London WC1R 4JS
<b>Auditors</b>	UHY Hacker Young St Alphage House 2 Fore Street London EC2Y 5DH

---

# WISE CAPITAL LIMITED

## CONTENTS

---

	<b>Page</b>
Director's report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Statement of total recognised gains and losses	6
Balance sheet	7
Cash flow statement	8
Notes to the cash flow statement	9
Notes to the financial statements	10 - 16

---

# WISE CAPITAL LIMITED

## DIRECTOR'S REPORT

### FOR THE YEAR ENDED 30 JUNE 2006

---

The director presents his report and financial statements for the year ended 30 June 2006.

#### Principal activities and review of the business

During the year the company conducted its business of placement of alternative asset management products to Middle Eastern (Gulf Corporation Council) governments, pension funds, investment companies and banks.

The principal risk faced by the business is that products of insufficient volume and quality are placed with the target market resulting in a loss of earnings.

The director feels that the business is operating in accordance with its low overhead business model. The quality and volume of financial products placed in the financial year was sufficient to generate revenues significantly in excess of operating overheads.

#### Results and dividends

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

Final ordinary dividends were paid amounting to £50,000.

#### Director

The following director has held office since 1 July 2005:

R H D Wise

#### Director's interests

The director's interest in the shares of the company was as stated below:

	Ordinary shares of £ 1 each	
	30 June 2006	1 July 2005
R H D Wise	100,000	100,000

Charitable donations	2006	2005
	£	£

During the year the company made the following payments:

Charitable donations	500	-
----------------------	-----	---

#### Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that UHY Hacker Young be reappointed as auditors of the company will be put to the Annual General Meeting.

# WISE CAPITAL LIMITED

## DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2006

---

### Director's responsibilities

The director is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the director 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 profit or loss of the company for that period. In preparing those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.


The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

### Statement of disclosure to auditor

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



R H D Wise

Director

18 September 2006

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WISE CAPITAL LIMITED**

---

We have audited the financial statements of Wise Capital Limited for the year ended 30 June 2006 set out on pages 5 to 16. These financial statements have been prepared under the accounting policies set out therein.

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 auditors' 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.

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

As described in the Statement of Director's Responsibilities on page 2 the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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, and whether in our opinion the information given in the director's report is consistent with the financial statements. We also report to you if, in our opinion, 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 director's remuneration and other transactions is not disclosed.

We read the director's 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 International Standards on Auditing (UK and Ireland) 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 director in the preparation of the financial statements, 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 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.

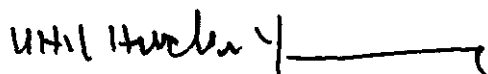
**INDEPENDENT AUDITORS' REPORT (CONTINUED)  
TO THE SHAREHOLDERS OF WISE CAPITAL LIMITED**

---

**Opinion**

In our opinion:

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2006 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the director's report is consistent with the financial statements.

  
UHY Hacker Young

28/9/2006  
.....

Chartered Accountants  
Registered Auditor

**WISE CAPITAL LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 30 JUNE 2006**

		<b>2006</b>	<b>2005</b>
	<b>Notes</b>	<b>£</b>	<b>as restated £</b>
<b>Turnover</b>	<b>2</b>	208,967	983,030
Cost of sales		(178,514)	(836,759)
<b>Gross profit</b>		30,453	146,271
Administrative expenses		(70,918)	(215,692)
<b>Operating loss</b>	<b>3</b>	(40,465)	(69,421)
Other interest receivable and similar income	<b>4</b>	6,410	3,742
Amounts written off investments	<b>5</b>	(10,000)	-
Interest payable and similar charges	<b>6</b>	(14)	-
<b>Loss on ordinary activities before taxation</b>		(44,069)	(65,679)
Tax on loss on ordinary activities	<b>7</b>	400	(398)
<b>Loss for the year</b>	<b>14</b>	(43,669)	(66,077)

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



**WISE CAPITAL LIMITED**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

**FOR THE YEAR ENDED 30 JUNE 2006**

---

		<b>2006</b>	<b>2005</b>
	<b>Notes</b>	<b>£</b>	<b>as restated £</b>
<b>Loss for the financial year</b>		<b>(43,669)</b>	<b>(66,077)</b>
<b>Prior year adjustment</b>	<b>14</b>	<b>50,000</b>	<b>-</b>
		<hr/>	<hr/>
<b>Total gains and losses recognised since last financial statements</b>		<b>6,331</b>	<b>(66,077)</b>
		<hr/>	<hr/>

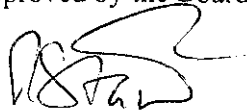
# WISE CAPITAL LIMITED

## BALANCE SHEET

AS AT 30 JUNE 2006

		2006		2005	
	Notes	£	£	£	as restated £
<b>Fixed assets</b>					
Tangible assets	9		1,862		1,870
Investments			-		10,000
			<u>1,862</u>		<u>11,870</u>
<b>Current assets</b>					
Debtors	10	10,742		46,637	
Cash at bank and in hand		162,907		973,214	
		<u>173,649</u>		<u>1,019,851</u>	
<b>Creditors: amounts falling due within one year</b>	11	(14,561)		(776,703)	
<b>Net current assets</b>			<u>159,088</u>		<u>243,148</u>
<b>Total assets less current liabilities</b>			<u>160,950</u>		<u>255,018</u>
<b>Provisions for liabilities</b>			-		(400)
			<u>160,950</u>		<u>254,618</u>
<b>Capital and reserves</b>					
Called up share capital	13	100,000		100,000	
Profit and loss account	14	60,950		154,618	
<b>Shareholders' funds</b>	15	<u>160,950</u>		<u>254,618</u>	

Approved by the Board and authorised for issue on 19 September 2006



R H D Wise  
Director

**WISE CAPITAL LIMITED**

**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 30 JUNE 2006**

		<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Net cash (outflow)/inflow from operating activities</b>		(798,115)	697,056
<b>Returns on investments and servicing of finance</b>			
Interest received	6,410	3,742	
<b>Net cash inflow for returns on investments and servicing of finance</b>		6,410	3,742
<b>Taxation</b>		32,597	-
<b>Capital expenditure</b>			
Payments to acquire tangible assets	(1,199)	(1,462)	
Receipts from sales of tangible assets	-	1,077	
<b>Net cash outflow for capital expenditure</b>		(1,199)	(385)
<b>Equity dividends paid</b>		(50,000)	(41,433)
<b>Net cash (outflow)/inflow before management of liquid resources and financing</b>		(760,307)	658,980
<b>Management of liquid resources</b>			
Bank deposits	775,964	(664,446)	
		775,964	(664,446)
<b>Increase/(decrease) in cash in the year</b>		(34,343)	(5,466)

**WISE CAPITAL LIMITED**

**NOTES TO THE CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 30 JUNE 2006**

<b>1 Reconciliation of operating loss to net cash (outflow)/inflow from operating activities</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Operating loss	(40,465)	(69,421)
Depreciation of tangible assets	1,208	2,564
Profit on disposal of tangible assets	-	(1,076)
Decrease in debtors	3,298	3,831
(Decrease)/Increase in creditors within one year	(762,156)	761,158
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(798,115)</b>	<b>697,056</b>

<b>2 Analysis of net (debt)/funds</b>	<b>1 July 2005</b>	<b>Cash flow</b>	<b>Other non- 30 June 2006 cash changes</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Net cash:			
Cash at bank and in hand	197,250	(34,343)	162,907
Liquid resources:			
Bank deposits	775,964	(775,964)	-
<b>Net funds/(debt)</b>	<b>973,214</b>	<b>(810,307)</b>	<b>162,907</b>

<b>3 Reconciliation of net cash flow to movement in net (debt)/funds</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Decrease in cash in the year	(34,343)	(5,466)
Cash inflow/(outflow) from decrease/(increase) in liquid resources	(775,964)	664,446
<b>Movement in net (debt)/funds in the year</b>	<b>(810,307)</b>	<b>658,980</b>
Opening net funds	973,214	314,234
<b>Closing net (debt)/funds</b>	<b>162,907</b>	<b>973,214</b>

# **WISE CAPITAL LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 30 JUNE 2006**

---

#### **1 Accounting policies**

##### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention.

##### **1.2 Turnover**

Turnover represents amounts receivable for services net of VAT.

##### **1.3 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	25% per annum straight line
--------------------------------	-----------------------------

##### **1.4 Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

##### **1.5 Pensions**

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

##### **1.6 Deferred taxation**

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

##### **1.7 Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

##### **1.8 Prior year proposed final dividend treatment**

The treatment of the 2005 proposed final dividend has been altered in the comparative Profit and Loss Account in order to comply with FRS 25. The effect of the adjustment is set out in Note 14.

#### **2 Turnover**

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

**WISE CAPITAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2006**

<b>3</b>	<b>Operating loss</b>	<b>2006</b>	<b>2005</b>
		<b>£</b>	<b>£</b>
	Operating loss is stated after charging:		
	Depreciation of tangible assets	1,208	2,564
	Loss on foreign exchange transactions	-	5,247
	Auditors' remuneration	2,100	2,100
	and after crediting:		
	Profit on disposal of tangible assets	-	(1,076)
	Profit on foreign exchange transactions	(13,288)	-
		<u><u>          </u></u>	<u><u>          </u></u>
<b>4</b>	<b>Investment income</b>	<b>2006</b>	<b>2005</b>
		<b>£</b>	<b>£</b>
	Bank interest	4,903	3,742
	Other interest	1,507	-
		<u><u>          </u></u>	<u><u>          </u></u>
		6,410	3,742
		<u><u>          </u></u>	<u><u>          </u></u>
<b>5</b>	<b>Amounts written off investments</b>	<b>2006</b>	<b>2005</b>
		<b>£</b>	<b>£</b>
	Amounts written off fixed asset investments:		
	- permanent diminution in value	10,000	-
		<u><u>          </u></u>	<u><u>          </u></u>
<b>6</b>	<b>Interest payable</b>	<b>2006</b>	<b>2005</b>
		<b>£</b>	<b>£</b>
	Other interest	14	-
		<u><u>          </u></u>	<u><u>          </u></u>

**WISE CAPITAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2006**

<b>7</b>	<b>Taxation</b>	<b>2006</b> <b>£</b>	<b>2005</b> <b>£</b>
	<b>Domestic current year tax</b>		
	Adjustment for prior years	-	398
	<b>Current tax charge</b>	-	398
	<b>Deferred tax</b>		
	Deferred tax charge/credit current year	(400)	-
		(400)	398
	<b>Factors affecting the tax charge for the year</b>		
	Loss on ordinary activities before taxation	(44,069)	(65,679)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30% (2005 - 30%)	(13,221)	(19,704)
	Effects of:		
	Non deductible expenses	3,075	56
	Depreciation add back	362	198
	Tax losses utilised	9,784	19,450
	Adjustments to previous periods	-	398
		13,221	20,102
	<b>Current tax charge</b>	-	398
<b>8</b>	<b>Dividends</b>	<b>2006</b> <b>£</b>	<b>2005</b> <b>£</b>
	Ordinary interim paid	-	41,433
	Ordinary final proposed	50,000	-
		50,000	41,433

**WISE CAPITAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2006**

**9 Tangible fixed assets**

	<b>Fixtures, fittings &amp; equipment £</b>
<b>Cost</b>	
At 1 July 2005	10,270
Additions	1,200
	<hr/>
At 30 June 2006	11,470
	<hr/>
<b>Depreciation</b>	
At 1 July 2005	8,400
Charge for the year	1,208
	<hr/>
At 30 June 2006	9,608
	<hr/>
<b>Net book value</b>	
At 30 June 2006	1,862
	<hr/> <hr/>
At 30 June 2005	1,870
	<hr/> <hr/>

<b>10 Debtors</b>	<b>2006 £</b>	<b>2005 £</b>
Corporation tax	-	32,597
Other debtors	6,450	10,815
Prepayments and accrued income	4,292	3,225
	<hr/>	<hr/>
	10,742	46,637
	<hr/> <hr/>	<hr/> <hr/>



**WISE CAPITAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2006**

<b>11 Creditors: amounts falling due within one year</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Trade creditors	6,002	770,756
Taxes and social security costs	1,388	1,437
Other creditors	3,071	-
Accruals and deferred income	4,100	4,510
	<u>14,561</u>	<u>776,703</u>

**12 Pension costs**

**Defined contribution**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Contributions payable by the company for the year	<u>2,242</u>	<u>4,443</u>

**13 Share capital**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
<b>Allotted, called up and fully paid</b>		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

**WISE CAPITAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2006**

**14 Statement of movements on profit and loss account**

	<b>Profit and loss account £</b>
Balance at 1 July 2005 as previously reported	104,619
Prior year adjustment	50,000
Balance at 1 July 2005 as restated	154,619
Loss for the year	(43,669)
Dividends paid	(50,000)
Balance at 30 June 2006	60,950

**15 Reconciliation of movements in shareholders' funds**

	<b>2006 £</b>	<b>2005 £</b>
Loss for the financial year	(43,669)	(66,077)
Dividends	(50,000)	(41,433)
Net depletion in shareholders' funds	(93,669)	(107,510)
Opening shareholders' funds	254,618	362,128
Closing shareholders' funds	160,950	254,618

**16 Director's emoluments**

	<b>2006 £</b>	<b>2005 £</b>
Emoluments for qualifying services	8,000	52,600
Company pension contributions to money purchase schemes	2,242	2,818
	10,242	55,418

# WISE CAPITAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2006

### 17 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	2006 Number	2005 Number
Administration	1	1

#### Employment costs

	2006 £	2005 £
Wages and salaries	8,000	79,600
Social security costs	1,409	10,335
Other pension costs	2,242	4,443
	11,651	94,378

### 18 Control

The ultimate controlling party is R D H Wise, the director and sole shareholder of the company.

### 19 Related party transactions

Included within other debtors is an interest free loan of £Nil (2005: £3,000) made to Clarges Energy Limited during the year. Clarges Energy Limited is a related party by virtue of having a common director.

A success fee of £172,485 (2005: £836,759) was payable to Wise Capital (Middle East) Limited in the year, a related party by virtue of common control.