

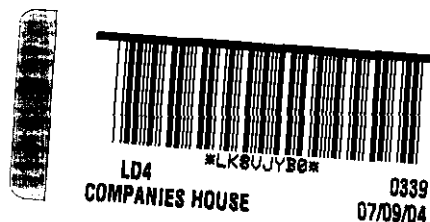
Company Registration No. 3994446 (England and Wales)

## COMPANIES HOUSE COPY

**WISE CAPITAL LIMITED**

**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2004**



# **WISE CAPITAL LIMITED**

## **COMPANY INFORMATION**

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<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

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# WISE CAPITAL LIMITED

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# WISE CAPITAL LIMITED

## DIRECTOR'S REPORT FOR THE YEAR ENDED 30 JUNE 2004

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The director presents his report and financial statements for the year ended 30 June 2004.

### Principal activities and review of the business

The results for the year and the financial position at the year end were considered satisfactory by the director.

The results for the year and the financial position at the year end were considered satisfactory by the director.

### Results and dividends

The results for the year are set out on page 4.

Interim ordinary dividends were paid amounting to £97,033. The director does not recommend payment of a final dividend.

### Director

The following director has held office since 1 July 2003:

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 2004	1 July 2003
R H D Wise	100,000	100,000

### Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that UHY Hacker Young (formerly 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 2004**

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### **Director's responsibilities**

The director is required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss for that period. It is also the director's responsibility to maintain adequate accounting records, safeguard the assets of the company and take reasonable steps in preventing and detecting fraud and other irregularities.

The director confirms that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of the financial statements on a going concern basis.

On behalf of the board



R H D Wise

**Director**

3 September 2004

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

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We have audited the financial statements of Wise Capital Limited on pages 4 to 14 for the year ended 30 June 2004. These financial statements have been prepared under the historical cost convention and 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 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.

**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.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 director's remuneration and transactions with the company 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.

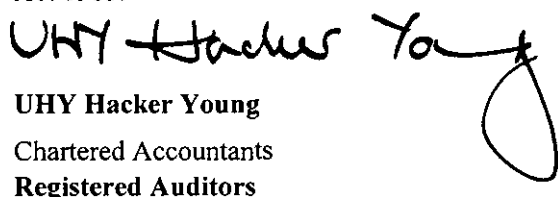
**Basis of opinion**

We conducted our audit in accordance with 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 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.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
**UHY Hacker Young**  
Chartered Accountants  
Registered Auditors

3 September 2004

# WISE CAPITAL LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2004

	Notes	2004 £	2003 £
<b>Turnover</b>	<b>2</b>	279,444	1,165,033
Administrative expenses		(388,674)	(528,485)
<b>Operating (loss)/profit</b>	<b>3</b>	(109,230)	636,548
Other interest receivable and similar income	<b>4</b>	7,725	5,906
Interest payable and similar charges	<b>5</b>	-	(1,138)
<b>(Loss)/profit on ordinary activities before taxation</b>		(101,505)	641,316
Tax on (loss)/profit on ordinary activities	<b>6</b>	33,519	(169,480)
<b>(Loss)/profit on ordinary activities after taxation</b>		(67,986)	471,836
Dividends	<b>7</b>	(97,033)	(107,091)
<b>Retained (loss)/profit for the year</b>	<b>14</b>	(165,019)	364,745

The company's operation in the year continued unchanged; no operations were disposed of or acquired.

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

# WISE CAPITAL LIMITED

## BALANCE SHEET AS AT 30 JUNE 2004

	Notes	2004 £	£	2003 £	£
<b>Fixed assets</b>					
Tangible assets	8	2,973		1,985	
Investments	9	10,000		10,000	
		<u>12,973</u>		<u>11,985</u>	
<b>Current assets</b>					
Debtors	10	50,866		272,190	
Cash at bank and in hand		314,234		456,345	
		<u>365,100</u>		<u>728,535</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(15,545)</u>		<u>(212,973)</u>	
<b>Net current assets</b>		<u>349,555</u>		<u>515,562</u>	
<b>Total assets less current liabilities</b>		<u>362,528</u>		<u>527,547</u>	
<b>Provisions for liabilities and charges</b>	12	<u>(400)</u>		<u>(400)</u>	
		<u>362,128</u>		<u>527,147</u>	
<b>Capital and reserves</b>					
Called up share capital	13	100,000		100,000	
Profit and loss account	14	262,128		427,147	
<b>Shareholders' funds - equity interests</b>	18	<u>362,128</u>		<u>527,147</u>	

The financial statements were approved by the Board on 3 September 2004



R H D Wise  
Director



# WISE CAPITAL LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2004

	Notes	£	2004 £	£	2003 £
<b>Net cash inflow from operating activities</b>	<b>15</b>		122,410		415,837
<b>Returns on investments and servicing of finance</b>					
Interest received		7,725		5,906	
Interest paid		-		(1,138)	
<b>Net cash inflow for returns on investments and servicing of finance</b>			7,725		4,768
<b>Taxation</b>			(169,476)		(29,330)
<b>Capital expenditure</b>					
Payments to acquire tangible assets		(3,071)		-	
<b>Net cash outflow for capital expenditure</b>			(3,071)		-
<b>Equity dividends paid</b>			(99,699)		(104,425)
<b>Net cash (outflow)/inflow before management of liquid resources and financing</b>			(142,111)		286,850
<b>Management of liquid resources</b>					
Bank deposits		(111,518)		-	
			(111,518)		-
<b>(Decrease)/increase in cash in the year 16</b>			(253,629)		286,850

# WISE CAPITAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

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### **1 Accounting policies**

#### **1.1 Basis of preparation**

The financial statements are prepared under the historical cost convention.

#### **1.2 Turnover**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### **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
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#### **1.4 Investments**

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

#### **1.5 Pensions**

Payments to the company's defined contribution pension scheme are charged to the profit and loss account as they become 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.

### **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 2004

<b>3</b>	<b>Operating (loss)/profit</b>	<b>2004</b>	<b>2003</b>
		<b>£</b>	<b>£</b>
	Operating (loss)/profit is stated after charging:		
	Depreciation of tangible assets	2,083	1,909
	Loss on foreign exchange transactions	11,865	-
	Auditors' remuneration	2,000	2,000
	and after crediting:		
	Profit on foreign exchange transactions	-	(1,898)
		<u>          </u>	<u>          </u>
<b>4</b>	<b>Other interest receivable and similar income</b>	<b>2004</b>	<b>2003</b>
		<b>£</b>	<b>£</b>
	Bank interest	7,725	5,858
	Other interest	-	48
		<u>          </u>	<u>          </u>
		<u>7,725</u>	<u>5,906</u>
<b>5</b>	<b>Interest payable</b>	<b>2004</b>	<b>2003</b>
		<b>£</b>	<b>£</b>
	Other interest	-	1,138
		<u>          </u>	<u>          </u>

# WISE CAPITAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2004

6	Taxation	2004	2003
		£	£
	<b>Domestic current year tax</b>		
	U.K. corporation tax	-	170,000
	Adjustment for prior years	(33,519)	(170)
		<u>(33,519)</u>	<u>(170)</u>
	<b>Current tax charge</b>	(33,519)	169,830
	<b>Deferred tax</b>		
	Deferred tax charge/credit current year	-	(350)
		<u>(33,519)</u>	<u>169,480</u>
	<b>Factors affecting the tax charge for the year</b>		
	(Loss)/profit on ordinary activities before taxation	<u>(101,505)</u>	<u>641,316</u>
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2003: 30.00%)	<u>(30,452)</u>	<u>192,395</u>
	Effects of:		
	Non deductible expenses	30,195	64
	Depreciation add back	257	573
	Adjustments to previous periods	(33,519)	(170)
	Other tax adjustments	-	(23,032)
		<u>(3,067)</u>	<u>(22,565)</u>
	<b>Current tax charge</b>	<u>(33,519)</u>	<u>169,830</u>
7	Dividends	2004	2003
		£	£
	Ordinary interim paid	97,033	104,425
	Ordinary final proposed	-	2,666
		<u>97,033</u>	<u>107,091</u>

# WISE CAPITAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2004

### 8 Tangible fixed assets

	Fixtures, fittings & equipment £
<b>Cost</b>	
At 1 July 2003	7,646
Additions	3,071
	<hr/>
At 30 June 2004	10,717
	<hr/>
<b>Depreciation</b>	
At 1 July 2003	5,661
Charge for the year	2,083
	<hr/>
At 30 June 2004	7,744
	<hr/>
<b>Net book value</b>	
At 30 June 2004	2,973
	<hr/>
At 30 June 2003	1,985
	<hr/>

### 9 Fixed asset investments

	Unlisted investments £
<b>Cost</b>	
At 1 July 2003 & at 30 June 2004	10,000
	<hr/>

### 10 Debtors

	2004 £	2003 £
Trade debtors	787	787
Corporation tax	32,995	-
Other debtors	14,084	12,600
Prepayments and accrued income	3,000	258,803
	<hr/>	<hr/>
	50,866	272,190
	<hr/>	<hr/>

# WISE CAPITAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2004

<b>11 Creditors: amounts falling due within one year</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Trade creditors	6,470	8,647
Corporation tax	-	170,000
Other taxes and social security costs	4,920	10,112
Director's current accounts	-	5,000
Accruals and deferred income	4,155	16,548
Proposed dividend	-	2,666
	<u>15,545</u>	<u>212,973</u>

## **12 Provisions for liabilities and charges**

	<b>Deferred taxation £</b>
Balance at 1 July 2003 & at 30 June 2004	<u>400</u>

Deferred taxation provided in the financial statements is as follows:

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	<u>400</u>	<u>400</u>

## **13 Share capital**

	<b>2004</b>	<b>2003</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 2004

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

	Profit and loss account £
Balance at 1 July 2003	427,147
Retained loss for the year	(165,019)
	<hr/>
Balance at 30 June 2004	262,128
	<hr/>

15 Reconciliation of operating (loss)/profit to net cash inflow from operating activities	2004	2003
	£	£
Operating (loss)/profit	(109,230)	636,548
Depreciation of tangible assets	2,083	1,909
Decrease/(increase) in debtors	254,319	(246,575)
(Decrease)/Increase in creditors within one year	(24,762)	23,955
	<hr/>	<hr/>
Net cash inflow from operating activities	122,410	415,837
	<hr/>	<hr/>

16 Analysis of net debt	1 July 2003	Cash flow 30 June 2004	
	£	£	£
Net cash:			
Cash at bank and in hand	456,345	(253,629)	202,716
Liquid resources:			
Bank deposits	-	111,518	111,518
	<hr/>	<hr/>	<hr/>
Net (debt)/funds	456,345	(142,111)	314,234
	<hr/>	<hr/>	<hr/>

# WISE CAPITAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2004

<b>17 Reconciliation of net cash flow to movement in net debt</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
(Decrease)/increase in cash in the year	(253,629)	286,850
Cash outflow from increase in liquid resources	111,518	-
<b>Movement in net funds in the year</b>	<b>(142,111)</b>	<b>286,850</b>
Opening net funds	456,345	169,495
<b>Closing net funds</b>	<b>314,234</b>	<b>456,345</b>
<b>18 Reconciliation of movements in shareholders' funds</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
(Loss)/Profit for the financial year	(67,986)	471,836
Dividends	(97,033)	(107,091)
<b>Net (depletion in)/addition to shareholders' funds</b>	<b>(165,019)</b>	<b>364,745</b>
Opening shareholders' funds	527,147	162,402
<b>Closing shareholders' funds</b>	<b>362,128</b>	<b>527,147</b>
<b>19 Director's emoluments</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Emoluments for qualifying services	97,200	105,890
Company pension contributions to money purchase schemes	39,261	84,000
	<b>136,461</b>	<b>189,890</b>



# WISE CAPITAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2004

### 20 Employees

#### Number of employees

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

	2004 Number	2003 Number
Administration	<u>2</u>	<u>2</u>

#### Employment costs

	£	£
Wages and salaries	137,503	134,941
Social security costs	16,907	15,490
Other pension costs	42,486	92,057
	<u>196,896</u>	<u>242,488</u>

### 21 Control

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

### 22 Related party transactions

Included within other debtors is an interest free loan of £3,000 (2003: £3,000) made to Clarges Energy Limited during the year. Clarges Energy Limited is a related party by virtue of having a common director.