

JNR (UK) Limited

Report and Accounts
31 December 2006

4658771



OFFICERS AND PROFESSIONAL ADVISERS

The Board of Directors	J R G McBurney M J Allen
Company Secretary	M J Allen
Registered Office	Spencer House 27 St James Place London SW1A 1NR
Auditor	Rees Pollock 35 New Bridge Street London EC4V 6BW
Bankers	Barclays 7th Floor United Kingdom House 180 Oxford Street London W1D 1EA
Registered Number	04658177

The directors present their report and the accounts of the company for the year ended 31 December 2006

Principal activities

The principal activity of the company during the period was the provision of corporate finance services. The company is regulated by the Financial Services Authority in this respect.

Results and dividends

The profit for the year, after taxation, amounted to £369,956. Particulars of dividends paid are detailed in note 7 to the accounts.

Directors

The directors who served the company during the year were as follows

J R G McBurney

M J Allen

Directors' responsibilities

The directors are responsible for preparing the accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 and of the profit or loss of the company for that year.

In preparing those accounts, the directors are required to select suitable accounting policies, as described on pages 8 to 9, 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.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

Each of the persons who is a director at the date of approval of this annual report confirms that

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

the director has taken all steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Auditor

A resolution to re-appoint Rees Pollock as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

BY ORDER OF THE BOARD



M J Allen
Company Secretary



REES POLLOCK

Chartered Accountants

35 New Bridge Street
London EC4V 6BW
Telephone 020 7778 7200
Fax 020 7329 6408

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JNR (UK) LIMITED

We have audited the accounts of JNR (UK) Limited for the year ended 31 December 2006 on pages 5 to 14 which have been prepared on the basis of the accounting policies set out on pages 8 to 9

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the accounts 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 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 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 other transactions 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 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the 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 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 accounts.

Opinion

In our opinion

the accounts 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 31 December 2006 and of its profit for the year then ended, the accounts have been properly prepared in accordance with the Companies Act 1985, and the information given in the Directors' Report is consistent with the accounts for the year ended 31 December 2006.

Rees Pollock

Rees Pollock
Chartered Accountants & Registered Auditors

29 March 2007

JNR (UK) Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2006

	Note	2006 £	2005 £
TURNOVER	2	3,456,917	2,263,416
Administrative expenses		<u>2,925,181</u>	<u>1,927,686</u>
OPERATING PROFIT	3	531,736	335,730
Interest receivable		<u>3,681</u>	<u>3,851</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		535,417	339,581
Tax on profit on ordinary activities	6	<u>165,461</u>	<u>100,566</u>
PROFIT FOR THE FINANCIAL YEAR		<u>369,956</u>	<u>239,015</u>

All of the activities of the company are classed as continuing

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

The notes on pages 8 to 14 form part of these accounts

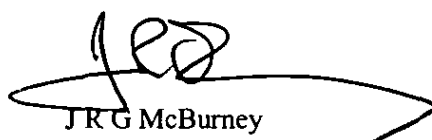
JNR (UK) Limited
BALANCE SHEET
at 31 December 2006

	Note	£	2006 £	2005 £
FIXED ASSETS				
Tangible assets	8		77,499	106,949
CURRENT ASSETS				
Debtors	9	200,879		778,904
Cash at bank		1,401,438		404,603
		1,602,317		1,183,507
CREDITORS: amounts falling due within one year	10	1,053,658		790,725
NET CURRENT ASSETS			548,659	392,782
TOTAL ASSETS LESS CURRENT LIABILITIES			626,158	499,731
PROVISIONS FOR LIABILITIES				
Deferred taxation	11		6,202	10,716
			619,956	489,015
CAPITAL AND RESERVES				
Called-up equity share capital	14		250,000	250,000
Profit and loss account	15		369,956	239,015
SHAREHOLDERS' FUNDS	16		619,956	489,015

The financial statements on pages 5 to 13 were approved by the board on 29 March 2007 and signed on their behalf by



M J Allen


J R G McBurney

The notes on pages 8 to 14 form part of these accounts

CASH FLOW STATEMENT

for the year ended 31 December 2006

	Note	£	2006 £	2005 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	17		1,346,963	315,693
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received		3,681		3,851
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			3,681	3,851
TAXATION			(98,850)	(33,944)
CAPITAL EXPENDITURE				
Payments to acquire tangible fixed assets		(15,944)		(16,417)
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE			(15,944)	(16,417)
EQUITY DIVIDENDS PAID			(239,015)	(98,674)
INCREASE IN CASH	18		<u>996,835</u>	<u>170,509</u>

The notes on pages 8 to 14 form part of these accounts

NOTES TO THE ACCOUNTS

for the year ended 31 December 2006

1. ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historical cost convention

Changes in accounting policies

In preparing the financial statements for the current year, the company has adopted the following Financial Reporting Standards

- FRS 21 'Events after the Balance Sheet date (IAS 10)'

The adoption of FRS 21 has resulted in a change in accounting policy in respect of proposed equity dividends. If the company declares dividends to the holders of equity instruments after the balance sheet date, the company does not recognise those dividends as a liability at the balance sheet date. The aggregate amount of equity dividends proposed before approval of the financial statements, which have not been shown as liabilities at the balance sheet date, are disclosed in the notes to the financial statements. Previously, proposed equity dividends were recorded as liabilities at the balance sheet date.

This change in accounting policy has resulted in a prior year adjustment for the company. Shareholders' funds at 1 January 2005 have been increased by £98,674. For the years ended 31 December 2005 and 31 December 2006, the change in accounting policy has not had an effect on the retained profit for the year.

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.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & fittings	– 20% Straight line
Equipment	– 20% Straight line
Computers	– 25% Straight line

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

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.

NOTES TO THE ACCOUNTS

for the year ended 31 December 2006

1. ACCOUNTING POLICIES *(continued)***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.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. TURNOVER

The turnover and operating profit for the year was derived from the company's principal continuing activity which was carried out wholly in the UK.

3. OPERATING PROFIT

Operating profit is stated after charging

	2006	2005
	£	£
Depreciation of owned fixed assets	44,419	41,505
Loss on disposal of fixed assets	975	–
Auditor's remuneration		
– as auditor	5,900	5,750
– for other services	3,000	2,000
Operating lease costs		
– land and buildings	92,145	88,370
Net loss on foreign currency translation	1,528	–

4. PARTICULARS OF EMPLOYEES

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

	2006	2005
	No	No
Number of staff	9	7

The aggregate payroll costs of the above were

	2006	2005
	£	£
Wages and salaries	2,319,088	1,417,617
Social security costs	297,687	182,869
	<u>2,616,775</u>	<u>1,600,486</u>

NOTES TO THE ACCOUNTS

for the year ended 31 December 2006

5. DIRECTORS' EMOLUMENTS

	2006 £	2005 £
Emoluments	<u>1,076,918</u>	<u>652,204</u>

Emoluments of highest paid director

	2006 £	2005 £
Total emoluments (excluding pension contributions)	<u>789,003</u>	<u>411,939</u>

6. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2006 £	2005 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 30% (2005 – 30%)	<u>169,975</u>	<u>98,850</u>
Total current tax	<u>169,975</u>	<u>98,850</u>
Deferred tax		
Origination and reversal of timing differences	<u>(4,514)</u>	<u>1,716</u>
Tax on profit on ordinary activities	<u>165,461</u>	<u>100,566</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 30% (2005 – 30%)

	2006 £	2005 £
Profit on ordinary activities before taxation	<u>535,417</u>	<u>339,581</u>
Profit on ordinary activities multiplied by 30%	160,625	101,874
Expenses disallowed for tax	1,322	394
Timing differences on fixed assets	4,514	3,661
Effective tax rate below 30%	–	(10,593)
Permanent timing differences	<u>3,514</u>	<u>3,514</u>
Total current tax (note 6(a))	<u>169,975</u>	<u>98,850</u>

NOTES TO THE ACCOUNTS

for the year ended 31 December 2006

7. DIVIDENDS**Dividends on equity shares**

	2006 £	2005 £
Paid during the year		
Equity dividends on ordinary shares	<u>239,015</u>	<u>98,674</u>

8. TANGIBLE FIXED ASSETS

	Fixtures & fittings £	Equipment £	Computers £	Total £
Cost				
At 1 January 2006	133,087	28,867	45,259	207,213
Additions	745	1,997	13,202	15,944
Disposals	—	—	(6,500)	(6,500)
At 31 December 2006	<u>133,832</u>	<u>30,864</u>	<u>51,961</u>	<u>216,657</u>
Depreciation				
At 1 January 2006	63,901	12,668	23,695	100,264
Charge for the year	26,747	5,969	11,703	44,419
On disposals	—	—	(5,525)	(5,525)
At 31 December 2006	<u>90,648</u>	<u>18,637</u>	<u>29,873</u>	<u>139,158</u>
Net book value				
At 31 December 2006	<u>43,184</u>	<u>12,227</u>	<u>22,088</u>	<u>77,499</u>
At 31 December 2005	<u>69,186</u>	<u>16,199</u>	<u>21,564</u>	<u>106,949</u>

9. DEBTORS

	2006 £	2005 £
Trade debtors	166,897	734,823
Other debtors	8,885	6,077
Prepayments and accrued income	25,097	38,004
	<u>200,879</u>	<u>778,904</u>

10. CREDITORS amounts falling due within one year

	2006 £	2005 £
Trade creditors	8,818	217,660
Corporation tax	170,045	98,920
Other taxation and social security	839,647	442,760
Accruals and deferred income	35,148	31,385
	<u>1,053,658</u>	<u>790,725</u>

NOTES TO THE ACCOUNTS

for the year ended 31 December 2006

11. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	2006 £	2005 £
Provision brought forward	10,716	9,000
Profit and loss account movement arising during the year	(4,514)	1,716
Provision carried forward	<u>6,202</u>	<u>10,716</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2006 £	2005 £
Excess of taxation allowances over depreciation on fixed assets	6,202	10,716
	<u>6,202</u>	<u>10,716</u>

12. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2006 the company had annual commitments under non-cancellable operating leases as set out below

	Land & buildings 2006 £	2005 £
Operating leases which expire Within 2 to 5 years	<u>69,028</u>	<u>69,028</u>

13. RELATED PARTY TRANSACTIONS

JNR (UK) Limited is related to JNR Limited by virtue of both companies being under the common control of the Whale Trust

All the company's turnover of £3,456,917 (2005 £2,263,416) is derived from JNR Limited. Of this, an amount of £166,897 (2005 £734,823) was included in trade debtors at 31 December 2006

NOTES TO THE ACCOUNTS

for the year ended 31 December 2006

14. SHARE CAPITAL

Authorised share capital

	2006	2005
	£	£
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

Allotted, called up and fully paid

	2006		2005	
	No	£	No	£
Ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
Equity shares				
Ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>

15. PROFIT AND LOSS ACCOUNT

	2006	2005
	£	(restated) £
Balance brought forward	239,015	98,674
Profit for the financial year	369,956	239,015
Equity dividends paid	(239,015)	(98,674)
Balance carried forward	<u>369,956</u>	<u>239,015</u>

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006	2005
	£	(restated) £
Profit for the financial year	369,956	239,015
Equity dividends paid	(239,015)	(98,674)
Net addition to shareholders' funds	<u>130,941</u>	<u>140,341</u>
Opening shareholders' funds	489,015	348,674
Closing shareholders' funds	<u>619,956</u>	<u>489,015</u>

NOTES TO THE ACCOUNTS

for the year ended 31 December 2006

**17. RECONCILIATION OF OPERATING PROFIT TO
NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2006 £	2005 £
Operating profit	531,736	335,730
Depreciation	44,419	41,505
Loss on disposal of fixed assets	975	–
Decrease/(increase) in debtors	578,025	(632,283)
Increase in creditors	191,808	570,741
Net cash inflow from operating activities	<u>1,346,963</u>	<u>315,693</u>

18. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2006 £	2005 £
Increase in cash in the period	996,835	170,509
Movement in net funds in the period	<u>996,835</u>	<u>170,509</u>
Net funds at 1 January 2006	404,603	234,094
Net funds at 31 December 2006	<u>1,401,438</u>	<u>404,603</u>

19. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2006 £	Cash flows £	At 31 Dec 2006 £
Net cash			
Cash in hand and at bank	404,603	996,835	1,401,438
Net funds	<u>404,603</u>	<u>996,835</u>	<u>1,401,438</u>

20. ULTIMATE PARENT COMPANY

JNR (UK) Limited's immediate parent undertaking is Artemis Trustees Limited as trustee for the Whale Trust