

**INTERCAPS LIMITED
COMPANY NO 151500**

**ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2003**

**WHITEHOUSE & McFADDEN LIMITED
Chartered Accountants
EDINBURGH**



AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the financial statements on pages 2 to 5 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities under the historical cost convention and on the basis of the accounting policies set out on pages 6 and 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the director's report the company's director is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

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 directors in the preparation of 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.

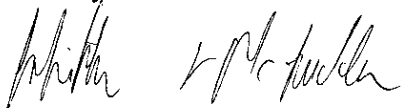
GOING CONCERN

In forming our opinion, we have considered the adequacy of the disclosures made in Note 1 of the financial statements concerning the continued support of the company by the director, Mr G Solferini. In view of the significance of this uncertainty we consider that it should be drawn to your attention, but our opinion is not qualified in this respect.

OPINION

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 30 November 2003 and of its result for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

In our opinion the company is entitled to the exemption conferred by Section 248 of the Companies Act 1985 from the requirement to prepare group accounts for the financial year ended 30 November 2003.

**WHITEHOUSE & McFADDEN LIMITED**

Chartered Accountants and Registered Auditors

19 Rutland Square

Edinburgh

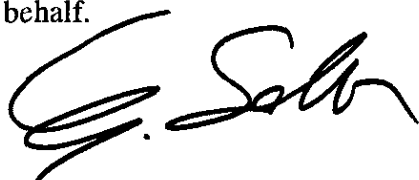
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18 September 2004

**ABBREVIATED BALANCE SHEET
AS AT 30 NOVEMBER 2003**

	Note	2003	2002
		£	£
FIXED ASSETS	2		
Tangible Assets		4,934	2,889
Investments		<u>-</u>	<u>-</u>
		4,934	2,889
CURRENT ASSETS			
Stocks		185,197	3,565
Debtors		346,039	294,838
Cash		<u>15,731</u>	<u>5,001</u>
		546,967	303,404
CREDITORS (amounts falling due within one year)	3	<u>(856,710)</u>	<u>(587,053)</u>
NET CURRENT (LIABILITIES)		<u>(309,743)</u>	<u>(283,649)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(304,809)</u>	<u>(280,760)</u>
CAPITAL AND RESERVES			
Called Up Share Capital	4	15,012	15,012
Profit and Loss Account		<u>(319,821)</u>	<u>(295,772)</u>
SHAREHOLDERS' FUNDS		<u>(304,809)</u>	<u>(280,760)</u>

The abbreviated financial statements which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002) were approved by the Board 18 on September 2004 and signed on its behalf.



G SOLFERINI

The notes on pages 3 to 5 form part of these financial statements.

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2003****1 STATEMENT OF ACCOUNTING POLICIES**Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention and the going concern basis, and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The going concern basis assumes that the company will continue in operational existence for the foreseeable future. The validity of this assumption depends upon the continual support provided by the company director, Mr G Solferini. Mr Solferini has provided the company with a loan of £216,688 which is interest free and repayable on demand. Without this support the company would not be able to continue.

Consolidation

The company forms part of a small group. The ultimate parent company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

Depreciation of Tangible Fixed Assets

Depreciation is provided at the following annual rates in order to write off each asset over its useful life -

Office Equipment	20% straight line basis
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Stocks and Work in Progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Investments

Investments held as fixed assets are stated at cost less provision for permanent diminution in value. Those held as current assets are stated at the lower of cost and net realisable value.

Dividends are brought to account in the profit and loss account when received.

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2003

1 STATEMENT OF ACCOUNTING POLICIES (CONTD)

Pension Costs

The company operates a money purchase (defined contribution) pension scheme. Contributions payable to this scheme are charged to the profit and loss account in the period to which they relate. These contributions are invested separately from the company's assets.

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 ruling on the date of the transaction. Exchange differences are taken into the profit and loss account for the year.

Leasing and Hire Purchase Commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their estimated useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease.

2 FIXED ASSETS

	Tangible Assets	Investments	Total
COST			
At 30 November 2002	29,231	-	29,231
Additions	3,525	-	3,525
Disposals	-	-	-
At 30 November 2003	32,756	-	32,756
DEPRECIATION			
At 30 November 2002	26,342	-	26,342
Charge for year	1,480	-	1,480
At 30 November 2003	27,822	-	27,822
NET BOOK VALUE			
At 30 November 2003	4,934	-	4,934
At 30 November 2002	2,889	-	2,889

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2003**

3 CREDITORS (amounts falling due within one year).

Included in creditors are bank loans and overdrafts payable within one year amounting to £142,596 (2002 - £150,253) which are secured.

Included in other creditors is a directors loan of £216,688 (2002 - £239,641) which is repayable on demand and is interest free.

4 SHARE CAPITAL

	2003	2002
Authorised - Equity Interests 100,000 Ordinary £1 Shares	<u>100,000</u>	<u>100,000</u>
Allotted, Called Up and Fully Paid - Equity Interests - 15,012 Ordinary £1 Shares	<u>15,012</u>	<u>15,012</u>

5 ULTIMATE HOLDING COMPANY

The ultimate parent company is Intercaps N.V., a company incorporated in Netherland Antilles, registration number 76027.