

**ELECTRA INVESTMENTS LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30TH SEPTEMBER 2002**



**REGISTERED NUMBER  
21895**

# **ELECTRA INVESTMENTS LIMITED**

## **Board of Directors**

Philip John Dyke  
Robert John Lewis  
Hugh Anthony Lewis Holland Mumford  
Julian David Knott (Alternate Director for HALH Mumford)  
Stephen Daryl Ozin

## **Secretary and Registered Office**

Philip John Dyke  
65 Kingsway  
London  
WC2B 6QT

**ELECTRA INVESTMENTS LIMITED**  
**Report of the Directors**

The Directors present their Report and the Financial Statements of the Company for the year ended 30th September 2002.

**PRINCIPAL ACTIVITY AND BUSINESS REVIEW**

The principal activity of the Company is that of an investment company. The Company will continue to hold investments for the foreseeable future.

**RESULTS AND DIVIDENDS**

The loss after tax attributable to shareholders for the year amounted to £6,480,341 (2001: loss £37,444,073). The Directors do not recommend the payment of a dividend leaving the loss of £6,480,341 (2001: loss £37,444,073) to be transferred to reserves.

**DIRECTORS**

Mr PJ Dyke, Mr RJ Lewis, Mr HALH Mumford and Mr SD Ozin were Directors of the Company throughout the year ended 30th September 2002. Similarly, Mr JD Knott was Alternate Director for Mr HALH Mumford throughout the year ended 30th September 2002. No other person was a Director at any time during the year under review.

**DIRECTORS' INTERESTS**

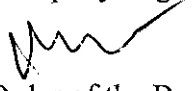
The interests of the Directors and of their families, all of which are beneficial except where noted, in the share capital of the Company and the Company's holding company, Electra Investment Trust PLC are set out below. Other than as here disclosed no Director had any notifiable interests in the securities of any further subsidiary of Electra Investment Trust PLC or in the securities of the Company.

<b>Director</b>	<b>Number of Ordinary Shares in Electra Investment Trust PLC</b>	
	<b>30.9.02</b>	<b>1.10.01</b>
PJ Dyke	4,926*	4,926*
RJ Lewis	2,841	2,841
SD Ozin	276	276
JD Knott	3,415	3,415
HALH Mumford	30,827	30,827

\* 806 shares held non-beneficially

**ELECTIVE RESOLUTIONS**

On 8th December 1992 elective resolutions were approved whereby the Company is no longer required to hold annual general meetings, with the result that PricewaterhouseCoopers will continue as Auditors, and the Directors are no longer required to lay Financial Statements before the Company in general meeting.

  
By Order of the Board of Directors  
PJ Dyke, Secretary  
65 Kingsway, London WC2B 6QT

21st December 2002

## **ELECTRA INVESTMENTS LIMITED**

### **Directors' Responsibilities for Preparing the Financial Statements**

Company law requires the Directors 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 that year and of its profit or loss for that year. In preparing those Financial Statements the Directors are required to:

- select appropriate accounting policies and then apply them consistently on the basis of judgments and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Company to enable them to ensure that the Financial Statements comply with the Companies Act 1985. They are also responsible for taking such steps as are reasonably open to them for safeguarding the assets of the Company and for the prevention and detection of fraud and other irregularities. The Directors confirm that they have complied with these requirements.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the Financial Statements.

# **ELECTRA INVESTMENTS LIMITED**

## **Independent Auditors Report to the Members of Electra Investments Limited**

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, United Kingdom Auditing Standards issued by the Auditing Practices Board. This opinion has been prepared for and only for the company's members in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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 directors' 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 or the Listing Rules regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

### **BASIS OF AUDIT 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 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 at 30<sup>th</sup> September 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
PricewaterhouseCoopers

Chartered Accountants and Registered Auditors  
London  
21st December 2002

# ELECTRA INVESTMENTS LIMITED

## Profit and Loss Account

		Year ended 30th September 2002	Year ended 30th September 2001
	Note	£	£
Turnover	3	1,069,535	806,831
Operating Expenses	4	(172,728)	(5,490)
Other income/(expenditure)	5	1,629,739	(9,565,879)
<b>Operating Profit/(Loss)</b>		<b>2,526,546</b>	<b>(8,764,538)</b>
Realised capital Gain/(Loss)		720,386	(14,968)
Unrealised capital loss		(2,069,091)	(18,330,963)
Interest Receivable		1,688	3,549
Interest Payable	6	(7,659,870)	(10,337,153)
<b>Loss on Ordinary Activities before Taxation</b>		<b>(6,480,341)</b>	<b>(37,444,073)</b>
Taxation		-	-
<b>Loss on Ordinary Activities after Taxation and Loss for the Financial year</b>		<b>(6,480,341)</b>	<b>(37,444,073)</b>
<b>Retained Loss brought forward</b>		<b>(67,682,988)</b>	<b>(30,238,915)</b>
<b>Retained Loss carried forward</b>		<b>(74,163,329)</b>	<b>(67,682,988)</b>

All results and comparatives shown in the profit and loss account above are from continuing operations.

There is no difference between the results shown above and the results on an unmodified historical cost basis, therefore, no separate note of historical cost profit or losses has been presented.

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

		Year ended 30th September 2002	Year ended 30th September 2001
	Note	£	£
Loss attributable to shareholders		(6,480,341)	(37,444,073)
Unrealised Capital Gains	13	5,722,348	5,664,905
<b>Total Recognised Losses in the period</b>		<b>(757,993)</b>	<b>(31,779,168)</b>

# ELECTRA INVESTMENTS LIMITED

## Balance Sheet

	Note	£	30th September 2002 £	30th September 2001 £
<b>Fixed Assets</b>				
Investments	8		89,667,034	72,254,859
<b>Current Assets</b>				
Debtors	9	90,497,330	139,384,892	
Cash at bank and in hand		100,902	10,835	
		90,598,232	139,395,727	
<b>Current Liabilities</b>				
Creditors: Amounts falling due within one year	10	28,306,842	29,646,809	
<b>Net Current Assets</b>			62,291,390	109,748,918
<b>Total Assets Less Current Liabilities</b>			151,958,424	182,003,777
Creditors: Amounts falling due after one year	11		209,105,579	239,327,939
<b>Net Liabilities</b>			(57,147,155)	(57,324,162)
<b>Capital and Reserves</b>				
Called-up share capital	12		870,000	870,000
Share premium			157,389	157,389
Non-distributable realised profits			166,486	166,486
Unrealised Revaluation Reserve			15,822,299	9,164,951
Profit and loss account			(74,163,329)	(67,682,988)
<b>Total Shareholders' Funds</b>	13		(57,147,155)	(57,324,162)

The Financial Statements on pages 5 to 10 were approved by the Board of Directors on 21st December 2002 and were signed on its behalf by:-



RJ Lewis Director

# **ELECTRA INVESTMENTS LIMITED**

## **Notes to the Financial Statements**

### **1. ACCOUNTING POLICIES**

The Financial Statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom, except for as described in (h). The accounting policies adopted in the presentation of these Financial Statements are as follows:

- (a) The Financial Statements have been prepared under the historical cost convention.
- (b) Partnership income is profit in respect of the company's interest in a Limited Partnership, and this is accounted for on an accruals basis. Other income is recognised on an accruals basis.
- (c) Fixed asset investments are shown at Director's valuation. Where the value of investments have been considered to have suffered a permanent diminution this has been shown as an unrealised capital loss in the profit and loss account.
- (d) Current asset investments are shown at the lower of cost and net realisable value.
- (e) The Company is a wholly owned subsidiary of an EU company which publishes consolidated accounts that include a consolidated cash flow statement and therefore is not required to produce a cash flow statement.
- (f) The Financial Statements contain information about Electra Investments Limited as an individual company and do not contain information as the parent of a group. The Company is exempt under section 228 of the Companies Act 1985 from the requirement to prepare consolidated Financial Statements as it and its subsidiary undertakings are included by full consolidation, or the reasons for their exclusions provided, in the consolidated Financial Statements of its parent, Electra Investment Trust PLC, a company registered in England and Wales.
- (g) Expenses and interest are accounted for on an accruals basis.
- (h) Foreign currency transactions are recorded at the rate of exchange ruling at the date of the transaction. Assets and liabilities, including long-term liabilities, in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. All exchange differences arising are dealt with in the profit and loss account. This treatment is required by SSAP 20 in order to give a true and fair view of the Company's results. Compliance with SSAP 20 overrides Schedule 4 Paragraph 12 of the Companies Act 1985 which states that only profits realised at the balance sheet date should be included in the profit and loss account. The effect of currency retranslation is disclosed in note 5.

### **2. DIRECTORS AND EMPLOYEES**

No remuneration was paid to the Directors during the year (2001: £Nil). There are no employees of the Company (2001: None).

### **3. TURNOVER**

	Year ended 30th September 2002 £	Year ended 30th September 2001 £
Unfranked Investment Income	69,535	806,831
Fee income from Electra Investment Trust PLC	1,000,000	-
	<b>1,069,535</b>	<b>806,831</b>



**ELECTRA INVESTMENTS LIMITED**  
**Notes to the Financial Statements (continued)**

4. OPERATING EXPENSES	Year ended 30th September 2002 £	Year ended 30th September 2001 £
Bank charges	102	225
Legal fees	-	4,700
Other expenses	172,626	565
	172,728	5,490

The audit fee was borne by another Group company.

5. OTHER INCOME AND EXPENDITURE		
Exchange gains/(losses) on revaluation of foreign currency loans	1,629,739	(9,565,879)

6. INTEREST PAYABLE		
Bank interest payable	7,659,870	10,337,153

7. TAXATION		
Corporation tax	-	-
	-	-

The UK corporation tax rate as at 30th September 2002 was 30% (2001: 30%).

8. FIXED ASSET INVESTMENTS	Year ended 30th September 2002 Total £	Year ended 30th September 2001 Total £
Valuation at 1st October 2001	72,254,859	66,312,504
Purchases at cost	23,360,452	26,785,589
Sales at valuation	(2,213,663)	(2,160,063)
Decrease in valuation	(3,734,614)	(18,683,171)
Valuation at 30th September 2002	89,667,034	72,254,859
Cost at 30th September 2002	108,565,914	70,504,859

9. DEBTORS		
Amounts due from Group Undertakings:		
- Booker (Globe/Electra) Limited	15	15
- Electra E.B.T Limited	15	15
- Electra Investment Trust PLC	89,101,316	135,632,905
- EUK Limited	735,015	735,015
Other debtors	215,761	2,233,988
Prepayments and accrued income	-	222,697
Taxation recoverable	445,208	560,257
	90,497,330	139,384,892

**ELECTRA INVESTMENTS LIMITED**  
**Notes to the Financial Statements (continued)**

	30th September 2002 £	30th September 2001 £
10.	<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	
	Amounts due to Group Undertakings:	
- Albion Electra	11,089,583	11,866,013
	Amounts due to related parties:	
- Electra Private Equity Partners 1995	15,504,278	15,902,595
- Electra Partners Limited	-	609,928
- Electra Quoted Partners 1995	1,095,000	1,095,000
- Other creditors	164,306	-
Accruals	453,675	173,273
	<u>28,306,842</u>	<u>29,646,809</u>
11.	<b>CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR</b>	
Bank loans due in 2-5 years	209,105,579	239,327,939
12.	<b>SHARE CAPITAL</b>	
	Authorised	
100,000 ordinary shares of £10 each	1,000,000	1,000,000
	Alloted, called-up and fully paid	
87,000 ordinary shares of £10 each	870,000	870,000
13.	<b>RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</b>	
Loss for the financial year	(6,480,341)	(35,125,014)
Opening shareholders' funds	(57,324,162)	(25,544,994)
Movement in unrealised revaluation reserve	6,657,348	3,345,846
Closing shareholders' funds	<u>(57,147,155)</u>	<u>(57,324,162)</u>

**ELECTRA INVESTMENTS LIMITED**  
**Notes to the Financial Statements (continued)**

**14. RELATED PARTY TRANSACTIONS**

Advantage has been taken of the exemption available under Financial Reporting Standard 8 (Related Party Disclosures) not to disclose transactions between entities, 90% or more of whose voting rights are controlled within the group.

Transactions in the period with Electra Private Equity Partners 1995 LP and Electra Quoted Partners 1995 LP, two Limited Partnerships of which Electra Investment Trust PLC is the significant limited partner, were as follows:

- Electra Private Equity Partners 1995 LP received a payment of £398,317 (2001: £Nil) on behalf of the Company. £16,504,278 (2001: £15,902,595) is due to the partnership at the year end.

**15. ULTIMATE HOLDING COMPANY**

The Company's ultimate holding company is Electra Investment Trust PLC, a company incorporated in Great Britain and registered in England and Wales. Copies of the Financial Statements are available from the Secretary of the Company at 65 Kingsway, London WC2B 6QT.