

**The Oxford Asset Management
Company Limited**

Report and Accounts
31 December 2002

Rees Pollock
Chartered Accountants



OFFICERS AND PROFESSIONAL ADVISERS

The Board of Directors

Dr A Stern
S N Mobbs
Dr S M Kurlander

Company Secretary

Dr S M Kurlander

Registered Office

Broad Street
Oxford
Oxfordshire
OX1 3BP

Auditors

Rees Pollock
7 Pilgrim Street
London
EC4V 6DR

Bankers

National Westminster
Oxford High Street Branch
121 High Street
Oxford
OX1 4DD

Registered Number

2808776

DIRECTORS' REPORT

The directors present their report and the financial statements of the company for the year ended 31 December 2002.

Principal activities and business review

The principal activity of the company during the year was preparing to provide investment management services.

Results and dividends

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

The directors and their interests

The directors who served the company during the year together with their beneficial interests in the share capital of the company were as follows:

		Ordinary Shares of £1 each	
		At	At
		31 December 2002	1 January 2002 or later date of appointment
Dr A Stern		119,250	—
S N Mobbs	(Appointed 18 October 2002)	106,000	106,000
Dr S M Kurlander	(Appointed 18 October 2002)	39,750	39,750

Directors' responsibilities

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 9, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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 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 financial statements 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.

DIRECTORS' REPORT *(continued)*

Auditors

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

BY ORDER OF THE BOARD

Stuart Kurlander 10/23/2003

Dr S M Kurlander
Company Secretary



REES POLLOCK

Chartered Accountants

7 Pilgrim Street
London EC4V 6DR
Telephone 020 7329 6404
Fax 020 7329 6408

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE OXFORD ASSET MANAGEMENT COMPANY LIMITED

We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 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 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and the 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 on page 2.

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 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 regarding directors' remuneration and transactions with the company 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. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 as at 31 December 2002 and of its loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Rees Pollock
Chartered Accountants
Registered Auditors

23 October 2003

The Oxford Asset Management Company Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2002

	Note	2002 £	2001 £
TURNOVER	2	—	—
Administrative expenses		14,785	—
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(14,785)	—
Tax on loss on ordinary activities	5	—	—
LOSS FOR THE FINANCIAL YEAR		<u>(14,785)</u>	<u>—</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 9 to 11 form part of these financial statements.

The Oxford Asset Management Company Limited

BALANCE SHEET
at 31 December 2002

	Note	£	2002 £	2001 £
FIXED ASSETS				
Tangible assets	6		7,840	—
CURRENT ASSETS				
Debtors	7	12,132		2
Cash at bank		264,694		—
		276,826		2
CREDITORS: amounts falling due within one year	8	34,451		—
NET CURRENT ASSETS			242,375	2
TOTAL ASSETS LESS CURRENT LIABILITIES			250,215	2
CAPITAL AND RESERVES				
Called-up equity share capital	9		265,000	2
Profit and loss account			(14,785)	—
SHAREHOLDERS' FUNDS	10		250,215	2

A. Stern. 21 Oct 2003

Dr A Stern

The notes on pages 9 to 11 form part of these financial statements.

CASH FLOW STATEMENT

for the year ended 31 December 2002

	2002 £	2001 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	7,737	—
CAPITAL EXPENDITURE		
Payments to acquire tangible fixed assets	(8,041)	—
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	(8,041)	—
CASH OUTFLOW BEFORE FINANCING	(304)	—
FINANCING		
Issue of equity share capital	264,998	—
NET CASH INFLOW FROM FINANCING	264,998	—
INCREASE IN CASH	264,694	—

RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2002 £	2001 £
Operating loss	(14,785)	—
Depreciation	201	—
Increase in debtors	(12,130)	—
Increase in creditors	34,451	—
Net cash inflow from operating activities	7,737	—

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2002 £	2001 £
Increase in cash in the period	264,694	—
Movement in net funds in the period	264,694	—
Net funds at 1 January 2002	—	—
Net funds at 31 December 2002	264,694	—

The notes on pages 9 to 11 form part of these financial statements.

CASH FLOW STATEMENT *(continued)*

for the year ended 31 December 2002

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2002 £	Cash flows £	At 31 Dec 2002 £
Net cash:			
Cash in hand and at bank	—	264,694	264,694
Net funds	—	264,694	264,694

The notes on pages 9 to 11 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2002

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

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 - 5 years straight line

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.

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 LOSS

Operating loss is stated after charging:

	2002	2001
	£	£
Directors' emoluments	—	—
Depreciation of owned fixed assets	201	—
Auditors' remuneration		
- as auditors	4,000	—

4. PARTICULARS OF EMPLOYEES

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

	2002	2001
	No.	No.
Number of administrative staff	3	—

No salaries or wages have been paid to employees, including the directors, during the year.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2002

5. TAX ON LOSS ON ORDINARY ACTIVITIES

Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 19.25% (2001 - 20%).

	2002	2001
	£	£
Loss on ordinary activities before taxation	(14,785)	—
Profit/(loss) on ordinary activities multiplied by rate of tax	(2,846)	—
Effects of:		
Permanent timing differences	1,752	—
Capital allowances in excess of depreciation	(580)	—
Trading losses	1,674	—
Total current tax	—	—

6. TANGIBLE FIXED ASSETS

	Fixtures & fittings £
Cost	
Additions	8,041
At 31 December 2002	8,041
Depreciation	
Charge for the year	201
At 31 December 2002	201
Net book value	
At 31 December 2002	7,840
At 31 December 2001	—

7. DEBTORS

	2002	2001
	£	£
Other debtors	12,132	2

8. CREDITORS: amounts falling due within one year

	2002	2001
	£	£
Trade creditors	5,437	—
Directors current accounts	25,014	—
Accruals and deferred income	4,000	—
	34,451	—

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2002

9. SHARE CAPITAL

Authorised share capital:

	2002	2001
	£	£
500,000 Ordinary shares of £1 each	<u>500,000</u>	<u>100</u>

Allotted, called up and fully paid:

	2002		2001	
	No.	£	No.	£
Ordinary shares of £1 each	<u>265,000</u>	<u>265,000</u>	<u>2</u>	<u>2</u>

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002	2001
	£	£
Loss for the financial year	(14,785)	—
New equity share capital subscribed	<u>264,998</u>	<u>—</u>
Net addition to funds	250,213	—
Opening equity shareholders' funds	<u>2</u>	<u>2</u>
Closing equity shareholders' funds	<u>250,215</u>	<u>2</u>