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MAPLE LEAF CAPITAL (UK) LTD

ANNUAL REPORT

Year to 30 November 2003



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MAPLE LEAF CAPITAL (UK) LTD

COMPANY INFORMATION

Director	M Wexler
Secretary	D Eton
Company Number	4447607
Auditors	RSM Robson Rhodes LLP 186 City Road London EC1V 2NU
Bankers	Royal Bank of Scotland 49 Charring Cross London SW1A 2DX
Legal Advisors	Iliad Consulting Limited 2 nd Floor 7 Albermarle Street London, W1X 3HF
Registered Office	22 Upper Brook Street London, W1K 7PZ

REPORT OF THE DIRECTOR

The Director presents his report and accounts of the Company for the year ended 30 November 2003.

Incorporation and commencement

The Company was incorporated on 29 May 2002. The Company commenced trading on 31 May 2002.

Principal activity and business review

The principal activity of the Company is that of a service company to Maple Leaf Capital LLP. It is the Corporate Member of Maple Leaf Capital LLP.

Results and dividends

The trading results for the year and the Company's financial position at the end of the year are shown on pages 5 and 6 respectively. The director does not recommend the payment of a dividend (2002: nil).

Future developments

The future of the Company is solely dependent on the future performance of the Maple Leaf Capital LLP. Further information on Maple Leaf Capital LLP's future prospects can be found in Maple Leaf Capital LLP's financial statements for the year to 30 November 2003.

Director and his interests

The Director who served during the year and his interests in the share capital of the Company are as follows:

	At 30 November 2003 Ordinary Shares	At 30 November 2002 Ordinary Shares
M Wexler	1	1

M Wexler's beneficial ownership is through Maple Leaf Capital (Cayman) Limited.

Auditors

RSM Robson Rhodes LLP were appointed as the Company's auditors on 14 January 2004. The previous auditors, Ernst and Young LLP resigned as auditors on 26 November 2003.

On behalf of the board


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26 March 2004

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Company law in the United Kingdom 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 and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.
- states whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They 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.

The director is responsible for ensuring that the Director's Report and other information included in the Annual report is prepared in accordance with company law in the United Kingdom.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER

We have audited the financial statements on pages 6 to 15.

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

Respective responsibilities of director and auditors

The director's responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom 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 and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and have been 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 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 judgments 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 affairs of the company as at 30 November 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



RSM Robson Rhodes LLP
Chartered Accountants and Registered Auditors

London, England
26 March, 2004

MAPLE LEAF CAPITAL (UK) LTD

PROFIT AND LOSS ACCOUNT

for the year ended 30 November 2003

	Note	Year to 30 November 2003 £	Period from date of incorporation to 30 November 2002 £
Re-imbursed expenses from Maple Leaf Capital LLP		592,987	95,790
Administrative expenses	3	<u>(581,360)</u>	<u>(95,790)</u>
Operating profit and profit on ordinary activities before taxation		11,627	-
Tax on profit on ordinary activities	6	<u>(367)</u>	<u>-</u>
Retained profit for the financial year after taxation		<u><u>11,260</u></u>	<u><u>-</u></u>

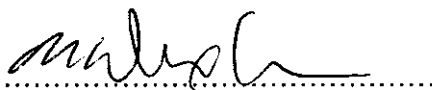
The company has no recognised gains or losses other than the results for the year. All amounts are in respect of continuing operations.

MAPLE LEAF CAPITAL (UK) LTD

BALANCE SHEET at 30 November 2003

	Note	2003 £	2002 £
Fixed assets			
Tangible fixed assets	7	14,734	23,536
Investments	8	<u>1,000</u>	<u>1,000</u>
		15,734	24,536
Current assets			
Debtors	9	269,038	99,278
Cash at bank		<u>8,481</u>	<u>-</u>
		277,519	99,278
Creditors: amounts falling due within one year	10	(281,992)	(123,813)
Net current liabilities		<u>(4,473)</u>	<u>(24,535)</u>
		<u>11,261</u>	<u>1</u>
Capital and reserves			
Called-up equity share capital	12,13	1	1
Profit and loss account	13	11,260	-
		<u>11,261</u>	<u>1</u>

Signed on behalf on the board



Director
26 March 2004

MAPLE LEAF CAPITAL (UK) LTD

CASH FLOW STATEMENT

At 30 November 2003

		Year to	Period from date of incorporation to 30 November
	Note	2003 £	2002 £
Net cash inflow form operating activities	14	15,137	20,748
Financing		-	1
Capital expenditure	16	-	(27,405)
Increase /(decrease) in cash		<u>15,137</u>	<u>(6,656)</u>

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

a) Basis of accounts

The Company is dependent on continuing finance being made available by the shareholder to enable it to continue operating and to meet its liabilities as they fall due. The shareholder has expressed its intention to provide sufficient funds to the Company for these purposes and, on this basis, the shareholder considers it appropriate to prepare the accounts on the going concern basis. The accounts do not include any adjustments that would result should continuing finance cease to be made available.

b) Accounting policies

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

c) Fixed assets

Fixed assets are recorded at cost.

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.

Office and computer equipment	-	3 years
Furniture and fittings	-	3 years

d) Taxation

The payment of taxation is deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen, but not reversed by the balance sheet date, unless such provision is not permitted by Financial Reporting Standard 19.

e) Foreign currencies

Monetary 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 to the profit and loss account.

f) Investments

Investments are held at cost less any permanent diminution.

2. TURNOVER

Turnover is attributable to one continuing activity, that of a service Company. All income is generated in the United Kingdom and is computed on the basis of expenses incurred plus a mark-up.

3. OPERATING PROFIT

Operating Profit is arrived at after charging:

	Year to 30 November 2003 £	Period from date of incorporation to 30 November 2002 £
Depreciation of owned fixed assets	8,802	2,869
Operating lease expenses	99,256	24,667

The audit fee has been borne by Maple Leaf Capital LLP.

4. EMPLOYEES

	Year to 2003 £	Period from date of incorporation to 30 November 2002 £
Wages and salaries	127,015	31,105
Social security costs	13,506	3,116
	<u>140,521</u>	<u>34,221</u>

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

	2003 No.	Period from date of incorporation to 30 November 2002 No.
Administration/compliance	3	2
Fund management	2	2
	<u>5</u>	<u>4</u>

5. DIRECTOR'S EMOLUMENTS

	Year to 30 November 2003 £	Period from date of incorporation to 30 November 2002 £
Emoluments	<u>37,333</u>	<u>10,667</u>

6. TAXATION

Corporation tax at 19% (2002 – 0%)	<u>367</u>	<u>-</u>
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The current taxation charge for the year is different from the standard rate of corporation tax in the UK for smaller companies (19%). The differences are explained below.

	Year to 30 November 2003 £	Period from date of incorporation to 30 November 2002 £
Profit on ordinary activities before taxation	<u>11,627</u>	<u>-</u>
Theoretical tax at UK Corporation Tax rate of 19% (2002: 0%)	2,209	-
Effects of		
- use of prior year losses	(2,678)	-
- Depreciation in excess of capital allowances	1,375	-
- other expenditure not tax deductible	411	-
- marginal relief	<u>(950)</u>	<u>-</u>
Actual current tax charge	<u>367</u>	<u>-</u>

MAPLE LEAF CAPITAL (UK) LTD

7. TANGIBLE FIXED ASSETS

	Office and computer equipment £	Furniture and fittings £	Total £
Cost:			
As at 30 November 2002 and 2003	15,987	10,418	26,405
Depreciation:			
As at 30 November 2002	1,724	1,145	2,869
Charge for the year	5,329	3,473	8,802
As at 30 November 2003	7,053	4,618	11,671
Net book value:			
At 30 November 2003	8,934	5,800	14,734
At 30 November 2002	14,262	9,274	23,536

8. INVESTMENTS

	2003 £	2002 £
Unlisted:		
As at 30 November 2003	1,000	1,000

The investment represents the company's holding in Maple Leaf Capital LLP, an entity incorporated in the United Kingdom.

9. DEBTORS

	2003 £	2002 £
Maple Leaf Capital LLP	171,260	-
Other debtors	97,778	99,278
	269,038	99,278

Included in other debtors is £97,778 in respect of a rent deposit, which is recoverable after more than one year.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003	2002
	£	£
Amount due to Maple Leaf Capital LLP	-	84,998
Amount due to Maple Leaf Capital (Cayman) Ltd	249,999	-
Other taxes and social security	1,329	6,562
Other creditors	2,269	22,297
Accruals	28,028	3,300
Bank overdraft	-	6,656
Corporation tax	367	-
	<u>281,992</u>	<u>123,813</u>

11. RELATED PARTY TRANSACTIONS

The Company is a member of Maple Leaf Capital LLP, a UK limited liability partnership whose registered office is 22 Upper Street, London, W1K 7P2. Under the terms of the Partnership Agreement dated 20 September 2002 the Company is entitled to be reimbursed by the Partnership for certain expenses which it has incurred on behalf of the Partnership. During the year the Company was reimbursed £592,987 (2002:£95,790). In addition the Company is obliged to reimburse Maple Leaf Capital (Cayman) Limited in respect of certain expenses and benefits incurred on behalf of seconded employees. During the year the amount payable was £250,000 (2002: £Nil).

12. SHARE CAPITAL

	2003	2002
	£	£
Authorised :		
100,000 ordinary shares of £1	100,000	100,000
Allotted, called up and fully paid		
1 ordinary share of £1	1	1

13. RECONCILIATION OF SHAREHOLDER'S FUND AND MOVEMENTS ON RESERVES

	Share Capital	Profit and loss account	Total Shareholder's Funds
	£	£	£
At 30 November 2002	1	-	1
Profit for the period	-	11,260	11,260
At 30 November 2003	<u>1</u>	<u>11,260</u>	<u>11,261</u>

14. RECONCILIATION OF OPERATING PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	Year to 30 November 2003	Date of Incorporation to 30 November 2002 £
Operating profit	11,627	-
Depreciation	8,802	2,869
Increase in debtors	(169,760)	(99,278)
Increase in creditors	164,468	117,157
Net cash inflow from operating activities	<u>15,137</u>	<u>20,748</u>

15. ANALYSIS OF CHANGES IN NET FUNDS

	At 30 November 2002 £'000	Cash inflow / (outflow) £'000	At 30 November 2003 £'000
Cash at bank	-	8,481	8,481
Overdraft	<u>(6,656)</u>	<u>6,656</u>	<u>-</u>
	<u>(6,656)</u>	<u>15,137</u>	<u>8,481</u>

16. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/(DEBT)

	Year to 30 November 2003 £	From date of incorporation to 30 November 2002 £
Increase in cash in the year	15,137	(6,656)
Change in net cash resulting from cash flows	15,137	(6,656)
Net cash at 30 November 2002	(6,656)	-
Net cash at 30 November 2003	8,481	(6,656)
Capital expenditure		
Payments to acquire tangible fixed assets	-	26,405
Payments to acquire fixed asset investments	-	1,000
	-	27,405
Financing		
Issue of ordinary shares	-	1
	-	1

17. FINANCIAL COMMITMENTS

At 30 November 2003 the Company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2003 £	Land and buildings 2002 £
Operating leases which expire in two to five years	94,500	94,500

18. ULTIMATE CONTROLLING PARTY

The company's ultimate controlling party is M Wexler.