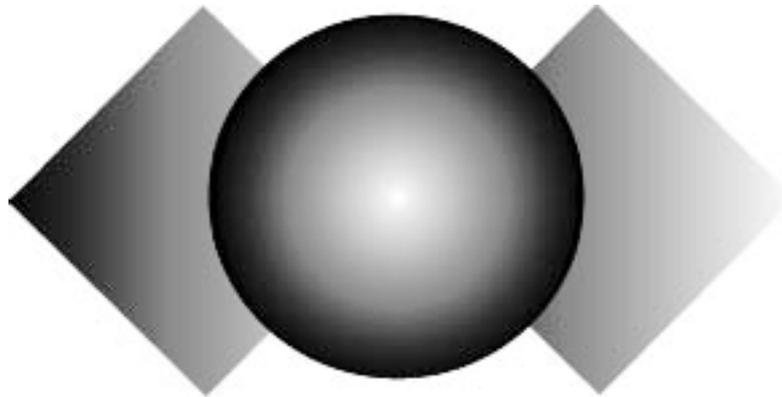


**Oxford
Technology 2**
Venture Capital Trust plc



Financial Statements

For the period ended 28 February 2001

Contents

Statement on behalf of the Board	1
Board of Directors	2
Report of the Directors	3-5
Report of the Auditors	6
Principal Accounting Policies	7
Statement of Total Return	8
Balance Sheet	9
Cash Flow Statement	10
Notes to the Financial Statements	11-16

Financial Highlights

	Period Ended 28 February 2001 per ordinary share
Net asset value after distributions	99p
Revenue Return	1.17p
Dividend (net)	1.00p
Cumulative Dividend (gross)	1.00p
Share Price at period end	100p

Statement On Behalf Of The Board

I am pleased to present the first annual report and accounts of Oxford Technology 2 Venture Capital Trust plc. The company was incorporated on 18 February 2000 and raised funds of £6,000,000 (before expenses) under an offer for subscription which opened on 6 March 2000.

As at 28 February 2001, 12 investments had been completed as shown below. These investments are described in greater detail in the periodic newsletters and further details of the investee companies are shown in Note 7.

Company	Date invested	Amount invested £000	Equity %
Intellikraft Ltd	June 00	250	15.0
Acumen Business Solutions Ltd	July 00	150	33.3
Isle Hardide Ltd	September 00	250	12.5
Oxford Sensor Technology Ltd	October 00	50	3.0
Coraltech Ltd	October 00	211	13.0
Jetmask Ltd	November 00	250	10.4
Orthogem Ltd	December 00	40	28.6
Immunobiology Ltd	December 00	150	11.6
Astron Clinica Ltd	January 01	250	4.8
F1F9 (UK) Ltd	January 01	100	10.0
Simplex Technology Ltd	January 01	67	8.3
OCC Ltd	January 01	150	12.0
		<hr/>	
		1,918	
		<hr/> <hr/>	

Interest on government stocks and bank deposits produced gross revenue of £260,000 in the period. Net revenue after taxation and management expenses was £70,000 and revenue return per share for the period was 1.17p. Capital return was 1.97p per share. A dividend of 1.0p per share has been declared.

John Jackson
Chairman
17 May 2001

Board Of Directors

John Jackson, age 71, chairman, worked full time for Philips Electrical Limited and Philips Electronics Associated Industries Limited (“Philips Electronics”) in the UK from 1952 to 1980, becoming a director of Philips Electronics in 1966, on whose board he served until early 1994. Since 1980, he has joined the boards of a number of other companies in a wide range of industries, including electronics, engineering, biotechnology, pharmaceuticals and fine chemicals. He is currently chairman of Hilton Group plc, Celltech plc, Wyndeham Press Group plc and Xenova Group plc. He is a director of Billiton plc, WPP Group plc and Brown & Jackson plc. He has been the special adviser to the Korda Seed Capital Fund, which was established as a £5m fund to invest primarily in technology-based companies, since March 1989 and is chairman of its advisory board. He is particularly interested in high technology business start-ups. In April 1992, he became the non-solicitor chairman of Mishcon de Reya.

Charles Breese, age 54, director, joined Larpent Newton in 1982 and has been managing director of Larpent Newton since 1986. He has played an active role in helping to launch a number of technology transfer start-up companies. He qualified as a chartered accountant in 1969 with the firm now known as Grant Thornton and thereafter worked for the firm now known as KPMG from 1969 to 1982.

Lucius Cary, age 54, director, is the founder and managing director of Seed Capital Limited, which has specialised in making and managing investments in start-up technology-based businesses since 1983. He has a degree in engineering and economics from Oxford University, an MBA from Harvard Business School and was an engineering apprentice at the Atomic Energy Research Establishment, Harwell. After forming and raising finance for his first business in 1972, he founded “Venture Capital Report” in 1978 and was its managing director for 17 years. In March 1996, he became chairman and reduced his day-to-day involvement in order to concentrate more fully on Seed Capital’s investment activities.

Michael O’Regan, age 53, director, was co-founder in 1973 of Research Machines Limited which floated on the London Stock Exchange as RM plc in 1994; he was an executive director until 1992, and remains a non-executive director. RM plc is the leading supplier to the UK education market of information technology solutions. He is a non-executive director of several unlisted companies and has been involved in the start-up financing of a number of technology-based companies. He is a founder trustee of the Peers Early Education Partnership (“PEEP”) and Joint Director of the Hamilton Maths and Reading Projects.

Sir Martin Wood, age 73, director, founded the company now known as Oxford Instruments plc in 1959 and is now deputy chairman of that company. He is chairman of Oxford Innovation Limited, which provides technology advice and consultancy, a director of the electronic components manufacturer, Newport Technology Group Limited and chairman of a new start-up company, Synptica Limited, which is concerned with neurodegenerative diseases, based on research at Oxford University. He has long taken an interest in the development of early stage technology companies and has been a director of and an investor in a number of such businesses. He was a founder of the Oxford Trust, which encourages investment in start-up technology companies and provides incubator premises for technology start-ups; he remains a patron of the Oxford Trust. Since 1986, Sir Martin has been a non-executive director of Oxford Seedcorn Capital Limited, which is fully invested and which made and managed 19 “seed” investments, 17 of which were in technology companies.

Report Of The Directors

The directors present their report together with financial statements for the period ended 28 February 2001.

Principal activity

The company is an investment company and was incorporated on 18 February 2000. It commenced business in April 2001 following receipt of funds from an offer for subscription. The company provides investment in start-up and early stage technology companies in general located within 60 miles of Oxford.

Business review

There was a net return for the period after taxation amounting to £187,000 made up of a net capital gain on the value of investments of £117,000 and a revenue return of £70,000. The revenue account comprises income (mainly from interest on gilts) of £260,000 less management and other expenses of £168,000 and taxation of £22,000. A dividend of £60,000 (1.0p per share) has been declared.

Directors

The present membership of the board, and their interests in the ordinary shares of the company at 28 February 2001 and at 18 February 2000 or their date of appointment if later, are set out below. The directors agreed to act under letters of appointment dated 2 March 2000.

	Ordinary shares of 10p each at 28 February 2001	Ordinary shares of 10p each at date of appointment
J B H Jackson	20,000	-
C J Breese	5,000	-
J L A Cary	25,000	-
M R H J O'Regan	100,000	-
Sir Martin Wood	50,000	-

Except as set out below, no director had, during the period or at the end of the period, a material interest in any contract which was significant in relation to the company's business. In the case of the investment in Oxford Sensor Technology Ltd both J B H Jackson and M R H J O'Regan were existing investors. In this case the terms of the investment at the time when they invested were approved by the London Stock Exchange.

Corporate governance

The company has complied throughout the period with the provisions set out in Section 1 of the Combined Code, except that a senior non-executive director is not identified and, the Board as a whole performs the functions of an Audit Committee and a separate committee of the Board with written terms of reference has not been established.

The Board consists solely of five non-executive directors. C J Breese and J L A Cary represent the Investment Manager and Investment Adviser respectively and the remaining three directors are independent. In these circumstances, the Board does not believe that it is necessary to identify a senior independent director other than the Chairman. The Board has put in place corporate governance

Oxford Technology 2 Venture Capital Trust plc

arrangements which it believes are appropriate to a Venture Capital Trust and which will enable the company to operate within the spirit of the Principles of Good Governance and comply with the code of Best Practice (“the Combined Code”).

The Board meets regularly, at least four times a year and between these meetings maintains contact with the Investment Manager and Investment Adviser. The Combined Code states that the Board should have a formal schedule of matters specifically reserved to it for decision, to ensure that the direction and control of the company is firmly in its hands. This is achieved by a management agreement between the company and its Investment Manager, and an agreement between the Investment Manager and the Investment Adviser which sets out the matters over which the Investment Manager and the Investment Adviser have authority and the limits above which Board approval must be sought. All other matters are reserved for the approval of the Board of Directors.

None of the directors has a service contract with the company. The Articles of Association require that all the directors are subject to re-election procedures at the first Annual General Meeting of the company and that one third of the directors (or the number nearest one third) on a rotation basis will be subject to re-election procedures at subsequent Annual General Meetings.

Internal control

The directors are responsible for the company’s system of internal control. The Board has adopted an internal operating and strategy document for the company. This includes procedures for the selection and approval of investments, the functions of the Investment Manager and the Investment Adviser and exit and dividend strategies. Day to day operations are delegated under agreements with the Investment Manager and the Investment Adviser who have established clearly defined policies and standards. These include procedures for the monitoring and safeguarding of the company’s investments and regular reconciliation of investment holdings. This system of internal control, which includes procedures such as physical controls, segregation of duties, authorisation limits and comprehensive financial reporting to the Board, is designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

The Board has reviewed, with its Investment Manager and Investment Adviser, the operation and effectiveness of the company’s system of internal control for the financial period and the period up to the date of approval of the financial statements.

Relations with shareholders

The company values the views of its shareholders and recognises their interest in the company’s strategy and performance, Board membership and quality of management. The company’s regular newsletters are distributed to all shareholders to provide additional information on the company’s interests and its overall progress.

Going concern

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 have adopted the going concern basis of preparing the financial statements.

Oxford Technology 2 Venture Capital Trust plc

Substantial shareholders

At 30 April 2001, the company has one investor whose interest exceeds three percent of the company's issued share capital (Starcap ANS, 8.3%), and has several investors, all individuals, who with their families have invested more than £100,000 in the shares of the company.

Auditors

Grant Thornton offer themselves for reappointment in accordance with Section 385 of the Companies Act 1985.

On behalf of the Board

J L A Cary
17 May 2001

Directors' responsibilities for 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 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;
- 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 keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report Of The Auditors To The Members Of Oxford Technology 2 Venture Capital Trust plc

We have audited the financial statements on pages 7 to 16 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 5, this includes responsibility for preparing the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board, the Listing Rules of the Financial Services Authority, and by our profession's ethical guidance.

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. 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 with the group is not disclosed.

We review whether the statement on pages 3 and 4 reflects the company's compliance with the seven provisions of the Combined Code specified for our review by the Financial Services Authority, and we report if it does not. We are not required to consider whether the board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the company's corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report, including the corporate governance statement, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of 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 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 at 28 February 2001 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton
Registered Auditors
Chartered Accountants
Oxford
17 May 2001

Principal Accounting Policies

Basis Of Preparation

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investments. The financial statements have been prepared in accordance with applicable accounting standards and with the Statement of Recommended Practice 'Financial statements of investment trust companies'. The principal accounting policies of the company are set out below.

Valuation Of Investments

Government Stocks are valued at middle market prices.

Unlisted investments are carried at cost except in the following circumstances:

- where an Investee Company's under-performance against plan indicates a diminution in value of the investment, provision against cost will be made as appropriate in bands of 25 per cent
- where an Investee Company is well-established and profitable, the shares may be valued by applying a suitable price-earnings ratio to the company's historic post-tax earnings. The ratio will be based on a comparable listed company or sector but discounted by 25-50 per cent to reflect lack of marketability
- where a value is indicated by a material arm's-length transaction by a third party in the shares of an Investee Company, such value may be used.

The directors consider that this basis of valuation of unquoted investments is consistent with the British Venture Capital Association guidelines.

Income

Dividends receivable on unquoted equity shares are brought into account when the company's right to receive payment is established and there is no reasonable doubt that payment will be received. Dividends receivable on quoted equity shares are brought into account on the ex-dividend date.

Fixed returns on debt securities and non-equity shares are recognised on a time apportionment basis so as to reflect the effective yield on the debt securities and shares, provided there is no reasonable doubt that payment will be received in due course.

Interest receivable from cash and short term deposits are accrued to the end of the year.

Expenses

All expenses are accounted for on an accruals basis. All expenses are charged through the revenue account except as follows:

- those expenses which are incidental to the acquisition of an investment are included within the cost of the investment
- expenses which are incidental to the disposal of an investment are deducted from the disposal proceeds of the investment
- expenses are charged to the realised capital reserve where a connection with the maintenance or enhancement of the value of the investments can be demonstrated. In this respect, the directors consider that, in appropriate circumstances, a proportion of the company's management expenses (not exceeding 75 per cent) may be charged to capital.

Capital Reserves

Gains or losses on disposal of investments are dealt with in the realised capital reserve. Appreciation and depreciation on the revaluation of investments is dealt with in the unrealised capital reserve.

Statement Of Total Return (Incorporating the Revenue Account)*

For The Period Ended 28 February 2001

	Note	Revenue £000	Capital £000	Total £000
Gains on investments		-	117	117
Income	1	260	-	260
Investment management fee	2	(110)	-	(110)
Other expenses	3	(58)	-	(58)
		—	—	—
Net return on ordinary activities before taxation		92	117	209
Tax on ordinary activities	4	(22)	-	(22)
		—	—	—
Return attributable to equity shareholders		70	117	187
Dividends in respect of equity shares	5	(60)	-	(60)
		—	—	—
Transfers to reserves	11	10	117	127
		—	—	—
Return per ordinary share	6	1.17p	1.97p	3.14p
		—	—	—

* The revenue column of this statement is the profit and loss account of the company.

All revenue and capital items in the above statement derive from continuing operations. There were no recognised gains or losses for the period other than those shown above.

The accompanying accounting policies and notes form an integral part of these financial statements

Balance Sheet At 28 February 2001

	Note	£000	£000
Fixed assets			
Investments	7		4,329
Current assets			
Debtors	8	95	
Cash at bank		1,616	
		<u>1,711</u>	
Creditors: amounts falling due within one year	9	(92)	
		<u> </u>	
Net current assets			1,619
Net assets			<u>5,948</u>
Capital and reserves			
Called up share capital	10		600
Share premium account	11		5,221
Capital reserve - unrealised	11		117
Revenue reserve	11		10
Shareholders' funds	12		<u>5,948</u>
			<u> </u>
Net asset value per share			<u>99p</u>
			<u> </u>

These financial statements were approved by the directors on 17 May 2001.

J L A Cary
Director

Cash Flow Statement For The Period Ended 28 February 2001

	Note	£000
Net cash inflow from operating activities	13	234
Capital expenditure and financial investment		
Purchase of investments		(6,918)
Redemption on maturity of government stocks		2,479
Net cash outflow for capital expenditure and financial investment		<u>(4,439)</u>
Net cash outflow before financing		(4,205)
Financing		
Issue of shares		6,000
Expenses paid in connection with share issue		(179)
Net cash inflow from financing		<u>5,821</u>
Increase in cash		<u><u>1,616</u></u>

Notes To The Financial Statements For The Period Ended 28 February 2001

1 Income

	£000
Income from listed investments	232
Interest receivable	28
	<u>260</u>
	<u><u>260</u></u>

2 Investment Management Fee

	£000
Investment management fee (see below)	110
	<u>110</u>
	<u><u>110</u></u>

The company's investment manager is Larpent Newton & Company Limited ("Larpent Newton"). The contract between the company and Larpent Newton is for an initial fixed term of three years from 6 March 2000 and may be terminated by either party on 12 months' notice expiring at the end of the fixed term or any time thereafter. An annual fee is payable to Larpent Newton under this agreement.

Seed Capital Limited, a company of which J L A Cary is a director and the controlling shareholder, is the Investment Adviser to Larpent Newton. By agreement between the company, the Investment Manager and the Investment Adviser, the Investment Manager's fee for the period ended 28 February 2001 of £110,000 was paid in the form of salaries: £55,000 to J L A Cary; £27,500 to C J Breese; and £27,500 to M G W Frohn.

3 Other Expenses

	£000
Directors' remuneration (see below)	27
Social security costs	16
Auditors' remuneration: audit services	4
: non-audit services	1
Other	10
	<u>58</u>
	<u><u>58</u></u>

Oxford Technology 2 Venture Capital Trust plc

3 Other Expenses (continued)

In addition to the amounts referred to in Note 2 paid as salaries to J L A Cary and C J Breese, the remuneration of the directors for the period was as follows:

	£000
J B H Jackson (Chairman)	7
J L A Cary	5
C J Breese (paid to Larpent Newton)	5
M R H J O'Regan	5
Sir Martin Wood	5
	<hr/>
	27
	<hr/> <hr/>

The employees during the period were the directors and M G W Frohn.

4 Tax On Ordinary Activities

	£000
UK Corporation tax at 20%	22
	<hr/> <hr/>

5 Dividends

	£000
Ordinary shares - 1.0p per share	60
	<hr/> <hr/>

6 Return per Ordinary Share

The calculation of revenue return per share is based on the net return for the financial period of £70,000 divided by the weighted average number of ordinary shares of 5,954,117 in issue during the period.

The calculation of capital return per share is based on the net capital return for the financial period of £117,000 divided by the weighted average number of ordinary shares of 5,954,117 in issue during the period.

7 Investments

	Government stocks listed		
	in UK	Unlisted	Total
	£000	£000	£000
Purchases at cost	5,000	1,918	6,918
Amortisation of book costs	(227)	-	(227)
Redeemed during the period	(2,479)	-	(2,479)
Unrealised appreciation	80	37	117
	<hr/>	<hr/>	<hr/>
Valuation at 28 February 2001	2,374	1,955	4,329
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Oxford Technology 2 Venture Capital Trust plc

7 Investments

Details of unlisted investments are set out below:

Name of undertaking	Country of incorporation and operation	Class of shares held	Percentage of voting rights held by company	Aggregate capital and reserves £000	Profit/(loss) before tax for year £000	Retained profit/(loss) for year £000
Intellikraft Limited ¹	UK	Ordinary and Preference	15.0%	-	-	-
Acumen Business Solutions Limited ¹	UK	Ordinary and Preference	33.3%	-	-	-
Isle Hardide Limited ¹	UK	Ordinary	12.5%	-	-	-
Oxford Sensor Technology Limited ²	UK	Ordinary	3.0%	(102)	(298)	(298)
Coraltech Limited ³	UK	Ordinary	13.0%	984	1	1
Jetmask Limited ¹	UK	Ordinary	10.4%	-	-	-
Orthogem Limited ¹	UK	Ordinary	28.6%	-	-	-
Immunobiology Limited ⁴	UK	Ordinary	11.6%	4	(18)	(18)
Astron Clinica Limited ⁵	UK	Ordinary	4.8%	241	(333)	(333)
FIF9 (UK) Limited ⁶	UK	Ordinary	10.0%	17	20	17
Simplex Technology Limited ¹	UK	Ordinary	8.3%	-	-	-
OCC Limited ⁷	UK	Ordinary	12.0%	14	(2)	(2)

1. These companies have not yet produced audited accounts.

2. For the year ended 31 March 2000

3. For the year ended 31 July 1999

4. For the period ended 31 May 2000

5. For the period ended 31 December 1999

6. For the year ended 30 April 2000

7. For the year ended 31 December 1999

In addition to its equity investment in Coraltech Limited, the company has provided a loan of £74,000 to Coraltech Limited.

As shown above, certain of the company's unlisted investments entitle the company to more than 20% of the voting rights in the investee company. The Board does not consider that these investments fall within the definition of associated undertakings since the company does not exercise significant influence over the operating and financial policies of the investee companies.

Oxford Technology 2 Venture Capital Trust plc

7 Investments (continued)

Name of undertaking	Brief description of business	Cost of investment £000	Value of investment £000
Intellikraft Limited	Piezoelectric technologies and a better battery.	250	250
Acumen Business Solutions Limited	Document tracking software.	150	150
Isle Hardide Limited	Very hard tungsten coating technology.	250	250
Oxford Sensor Technology Limited	Manufacture and development of sensors for improving production line efficiency.	50	50
Coraltech Limited	Lightweight and strong foamed plastic moulded components.	211	248
Jetmask Limited	Direct printing of etch masks on PCBs.	250	250
Orthogem Limited	Better artificial bone.	40	40
Immunobiology Limited	Research to produce better vaccines.	150	150
Astron Clinica Limited	Instrument to give instant and accurate diagnosis of skin cancer.	250	250
F1F9 (UK) Limited	Software to improve the accuracy of complex financial models.	100	100
Simplex Technology Limited	Architecture to improve the accuracy of information in databases.	67	67
OCC Limited Limited	'Snake' robot arm technology.	150	150
		<u>1,918</u>	<u>1,955</u>
	Investments in unlisted equity shares	1,594	1,631
	Investments in unlisted preference shares	250	250
	Loans	74	74
		<u>1,918</u>	<u>1,955</u>

Oxford Technology 2 Venture Capital Trust plc

8 Debtors

	£000
Other debtors (interest receivable on gilts)	95
	<u> </u>

9 Creditors: Amounts Falling Due Within One Year

	£000
UK Corporation tax payable	22
Proposed dividend	60
Other creditors	10
	<u> </u>
	<u> </u>

10 Share Capital

	£000
Authorised	
10,000,000 ordinary shares of 10p each	1,000
	<u> </u>
Allotted, called up and fully paid	
6,000,000 ordinary shares of 10p each	600
	<u> </u>

The company issued 6,000,000 ordinary shares of 10p each during the period to subscribers to the company's offer for subscription. These shares were issued at £1 each including share premium of 90p per share.

11 Reserves

	Share premium account £000	Capital reserve unrealised £000	Revenue reserve £000
Premium on allotment of ordinary shares	5,400	-	-
Expenses paid in connection with share issues	(179)	-	-
Unrealised appreciation on valuation of investments	-	117	-
Result for the period	-	-	10
	<u> </u>	<u> </u>	<u> </u>
At 28 February 2001	5,221	117	10
	<u> </u>	<u> </u>	<u> </u>

Oxford Technology 2 Venture Capital Trust plc

12 Reconciliation Of Movements In Shareholders' Funds

	£000
Result for the period	70
Dividends	(60)
	<hr/>
	10
Issue of shares, net of expenses	5,821
Other recognised gains or losses	117
	<hr/>
Net increase in shareholders' funds and shareholders' funds at end of period	5,948
	<hr/> <hr/>

13 Reconciliation Of Net Revenue Return Before Taxation To Net Cash Inflow From Operating Activities

	£000
Net revenue return before taxation	92
Increase in creditors	10
Increase in debtors	(95)
Amortisation of fixed income investment book cost	227
	<hr/>
	234
	<hr/> <hr/>

14 Financial Instruments

The company uses financial instruments, other than derivatives, comprising cash and various items such as debtors and creditors that arise from its activities. The main purpose of these financial instruments is to finance the company's activities. The company's exposure to the risks normally associated with financial instruments, such as interest rate risk, liquidity risk and foreign currency risk, is minimal due to the nature of the company's financial instruments and its activities. There is no difference between the fair values and book values of the company's financial instruments.

15 Capital Commitments

The company had no capital commitments at 28 February 2001.

16 Contingent Liabilities

The company had no contingent liabilities at 28 February 2001.

Company Information

Directors

John Jackson (Chairman)
Charles Breese
Lucius Cary
Michael O'Regan
Sir Martin Wood

Investment Advisor

Seed Capital Ltd
Magdalen Centre
Oxford Science Park
Oxford OX4 4GA

Secretary

James Gordon

Investment Manager and Registered Office

Larpent Newton & Company Ltd
4th Floor
24-26 Baltic Street West
London EC1Y 0UR

Registrars

Capita IRG plc
Balfour House
390-398 High Road
Ilford
Essex IG1 1NQ

Brokers

Cazenove & Co
12 Tokenhouse Yard
London EC2R 0UL

Auditors & VCT Compliance Advisors

Grant Thornton
1 Westminster Way
Oxford OX2 0PZ

Solicitors

Gordons
22 Great James Street
London WC1N 3ES

Company Registration Number: 3928569