

# **Shellshock Limited**

## **Financial Statements**

For the period from 1 March 2006  
(date of incorporation) to 31 March 2008

# Shellshock Limited

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# Shellshock Limited

## Income statement

for the period 1 March 2006 (date of incorporation) to 31 March 2008

	Notes	UK£'000
Administrative expenses		(27)
<b>Operating loss</b>	3	(27)
Financial income	4	66
<b>Profit before taxation</b>		39
Taxation		-
<b>Net profit for the period</b>	9	39
<b>Earnings per ordinary share</b>		
Basic (pence)	5	0.65

See accompanying notes which form an integral part of these financial statements.

# Shellshock Limited

## Balance sheet at 31 March 2008

	Notes	UK£'000
<b>Assets</b>		
<b>Current assets</b>		
Trade and other receivables	6	19
Cash and cash equivalents	4, 11	3,055
		<b>3,074</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	7	(35)
		<b>3,039</b>
<b>Net current assets</b>		
		<b>3,039</b>
<b>Net assets</b>		
		<b>3,039</b>
<b>Shareholders' equity</b>		
Called up share capital	8, 9	3,000
Retained earnings	9	39
		<b>3,039</b>
<b>Total shareholders' equity</b>		
	9	<b>3,039</b>

See accompanying notes which form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 24 June 2008 and were signed on its behalf by:

PMR Gaze - Director

# Shellshock Limited

## Statement of cash flows

for the period 1 March 2006 (date of incorporation) to 31 March 2008

	Notes	UK£'000
<b>Cash flows from operating activities</b>		
Cash used in operations	10	(11)
Interest received		66
<hr/>		
<b>Net cash generated from operating activities</b>		<b>55</b>
<hr/>		
<b>Cash flows from financing activities</b>		
Net proceeds from issue of ordinary share capital		3,000
<hr/>		
<b>Net cash generated from financing activities</b>		<b>3,000</b>
<hr/>		
<b>Net increase in cash and cash equivalents</b>		<b>3,055</b>
<hr/>		
Cash and cash equivalents at beginning of period		-
<hr/>		
<b>Cash and cash equivalents at end of period</b>		<b>3,055</b>

See accompanying notes which form an integral part of these financial statements.

# Shellshock Limited

## Notes to the financial statements

for the period 1 March 2006 (date of incorporation) to 31 March 2008

### 1 Principal accounting policies

#### Introduction

Shellshock Limited (the “Company”) is a strategic investment company incorporated in Belize (number 50,447) on 1 March 2006. Its primary objective is to invest in either one or more than one quoted or unquoted businesses. The Company’s issued share capital is traded on AIM, a market operated by the London Stock Exchange plc in the United Kingdom (ticker symbol SHOK). The Company is domiciled in Belize and its registered office address is: PO Box 1764, 60 Market Square, Belize City, Belize, Central America.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

#### Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, including interpretations from the International Financial Reporting Interpretations Committee (IFRIC) and Standing Interpretations Committee (SIC). The financial statements have been prepared under the historical cost convention and presented in UK pounds sterling, the Company’s presentation currency, for the period 1 March 2006 (date of incorporation) to 31 March 2008.

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management’s best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

#### Interest income

Interest income is recognised on a time-proportion basis using the effective interest rate method.

#### Taxation

The Company’s net profit is not subject to tax by virtue of its status under the International Business Companies Act 1990, of Belize.

#### Trade and other receivables

Trade and other receivables are recognised initially at fair value, and subsequently at amortised cost, less provision for impairment.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and other short-term deposits with original maturities of three months or less. As a result of the short-term maturity of these financial instruments their carrying value is approximately equal to their fair value.

#### Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

# Shellshock Limited

## Notes to the financial statements (continued)

for the period 1 March 2006 (date of incorporation) to 31 March 2008

### 1 Principal accounting policies (continued)

#### Measurement of fair values

The fair values of assets and liabilities are principally measured and calculated by reference to discounted expected future cash flows associated with the relevant group of assets and/or liabilities.

#### Share capital

Ordinary shares are classified as equity. Transaction costs directly attributable to the issue of new shares are reported, net of tax, in shareholders' equity.

#### Directors' responsibilities

The following, which should be read in conjunction with the Independent Auditors' Report regarding the respective responsibilities of directors and auditors, is made with a view to distinguishing for shareholders those respective responsibilities in relation to the financial statements. The directors are responsible for preparing the financial statements in accordance with applicable law and regulations. The directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union which give a true and fair view of the state of affairs of the Company and of the profit for the period. The directors confirm that they have complied with the above requirements and in preparing the financial statements they have also (a) selected suitable accounting policies and then applied them consistently; (b) made judgements and estimates that are reasonable and prudent; (c) stated whether the financial statements comply with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements; and (d) prepared the financial statements on the going concern basis as it is appropriate to presume that the Company will continue in business. The directors are responsible for ensuring that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are also responsible for the maintenance and integrity of the Company's website: ([www.shellshocklimited.com](http://www.shellshocklimited.com)).

### 2 Financial risk and capital management

The overall objective of the financial risk management of the Company is to minimise risks that may have an adverse impact on the Company's results, cash flows and financial position. The Company is subject to risk from movements in interest rates on its cash and cash equivalents and also to market and credit risks related to those funds. These risks are mitigated by placing the deposits in highly liquid securities with short-term maturities, albeit with one financial institution (notes 4 and 11).

### 3 Operating loss

The directors who served during the period did not receive any remuneration in respect of their services to the company. The auditors' remuneration was £7,000.

### 4 Financial income

	UK£'000
Interest income on short-term deposits	66
	66

Cash and cash equivalents are denominated in UK pounds sterling and currently held on deposit at Belize Bank International Limited (note 11). The effective interest rate for the period on the deposit was approximately 3.56% per annum. At 31 March 2008, the deposit had an average maturity of 11 days.

# Shellshock Limited

## Notes to the financial statements (continued)

for the period 1 March 2006 (date of incorporation) to 31 March 2008

### 5 Earnings per ordinary share

Basic earnings per ordinary share are based on equity earnings of £39,000 and 6,000,000 ordinary shares of 50 pence each, being the weighted average number of shares in issue during the period. There is no adjustment to be made for diluted earnings per ordinary share.

	Earnings UK£'000	Weighted average number of shares	Earnings per ordinary share – pence
Period ended 31 March 2008	39	6,000,000	0.65

### 6 Trade and other receivables

	UK£'000
Prepayments and accrued income	19

The carrying amounts of trade and other receivables are denominated in UK pounds sterling. The fair values of trade and other receivables approximate their book values.

### 7 Trade and other payables

	UK£'000
Accruals and deferred income	35

The carrying amounts of trade and other payables are denominated in UK pounds sterling. The fair values of trade and other payables approximate their book values.

### 8 Called up share capital

	UK£'000
Ordinary shares of 50 pence each:	
Authorised (50,000,000)	
Issued and fully paid (6,000,000)	3,000

The Company was incorporated on 1 March 2006 with an authorised share capital of £25 million, comprising 50,000,000 ordinary shares of 50 pence each. On incorporation, one ordinary share was allotted for cash and fully paid. On 13 September 2007, the Company allotted a further 5,999,999 ordinary shares for cash and fully paid to Carlisle Group Limited ("CGL") – its then parent undertaking. CGL was, at that time, a listed company incorporated in Belize. Subsequently, in September 2007, by means of a series of transactions, including a dividend in specie, CGL disposed of its entire shareholding in the Company, principally to its then non-US shareholders. Subsequently, in October 2007, the Company's shares were admitted to trading on AIM, further details of which are set out in the Company's AIM Admission Document dated 4 October 2007.

At 31 March 2008, Lord Ashcroft, KCMG owned and controlled approximately 74.7 percent of the issued ordinary shares of the Company.

# Shellshock Limited

## Notes to the financial statements (continued)

for the period 1 March 2006 (date of incorporation) to 31 March 2008

### 9 Statement of changes in shareholders' equity

	Called up share capital UK£'000	Retained earnings UK£'000	Total equity UK£'000
Balance at 1 March 2006	-	-	-
Issue of ordinary shares	3,000	-	3,000
Net profit (total recognised income and expense) for the period	-	39	39
Balance at 31 March 2008	3,000	39	3,039

### 10 Cash used in operations

	UK£'000
Profit before taxation	39
Financial income	(66)
	(27)
Increase in receivables	(19)
Increase in payables	35
Cash used in operations	(11)

### 11 Related party transactions

Cash and cash equivalents are held on deposit at Belize Bank International Limited ('BBIL'). BBIL is a wholly owned subsidiary of BB Holdings Limited ('BBHL'), a company whose shares are traded on AIM. Lord Ashcroft, KCMG, is a controlling shareholder in both the Company and BBHL. In addition, Messrs. PMR Gaze, PC Johnson and PT Osborne, each a director of the Company, are also directors of BBHL.

# Shellshock Limited

## Independent Auditors' Report to the Shareholders of Shellshock Limited

We have audited the financial statements of Shellshock Limited for the period 1 March 2006 (date of incorporation) to 31 March 2008, which comprise the income statement, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union 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 International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's shareholders as a body 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 into 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.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with IFRSs as adopted by the European Union, of the state of the Company's affairs as at 31 March 2008 and of its profit and cash flows for the period 1 March 2006 (date of incorporation) to 31 March 2008.

PricewaterhouseCoopers LLP  
Chartered Accountants  
London, United Kingdom  
24 June 2008

