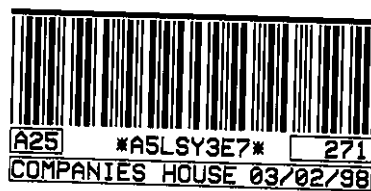


GOLDING CHALKE FINANCE LIMITED

FINANCIAL STATEMENTS

31ST MARCH 1997

Registered number: 3015708



COMPANIES HOUSE 21/01/98

MOORE STEPHENS

CHARTERED ACCOUNTANTS

GOLDING CHALKE FINANCE LIMITED

FINANCIAL STATEMENTS

for the period ended 31st March 1997

CONTENTS

	Page
Company information	1
Directors' report	2
Statement of directors' responsibilities	3
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes	8

The following pages do not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1
--	------------

GOLDING CHALKE FINANCE LIMITED

COMPANY INFORMATION

31st March 1997

INCORPORATED	England and Wales on 31st January 1995
NUMBER	3015708
DIRECTORS	J Wring W A Harrison-Allen
SECRETARY	J Wring
REGISTERED OFFICE	Chalke House 3 Brunel Road Salisbury Wiltshire
BANKERS	Barclays Bank Plc High Street Salisbury Wiltshire
AUDITORS	Moore Stephens Chartered Accountants 65 New Street Salisbury Wiltshire SP1 2PH

GOLDING CHALKE FINANCE LIMITED

DIRECTORS' REPORT

31st March 1997

The directors present their report and the audited financial statements for the period ended 31st March 1997.

Principal activity

The principal activity of the company is that of insurance brokers and consultants.

Business review

The company's balance sheet as detailed on page 6 shows a deficiency of shareholders' funds amounting to £10,307.

Results and dividends

The results for the period are shown in the profit and loss account on page 5. The directors do not propose payment of an ordinary dividend.

Directors

The directors of the company during the period and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	31st March 1997 Ordinary shares	1st February 1997 Ordinary shares
J Wring	100	100
W A Harrison-Allen	100	100

Future Developments

The company has no plans to change and will continue to trade as insurance brokers and consultants.

Auditors

Moore Stephens have agreed to offer themselves for re-appointment as auditors of the company.

On behalf of the board

J Wring
Secretary

Chalke House
3 Brunel Road
Salisbury
Wiltshire

13th January 1998

GOLDING CHALKE FINANCE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period 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 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.

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. 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.

13th January 1998

On behalf of the board

J. Wring
Director

GOLDING CHALKE FINANCE LIMITED

AUDITORS' REPORT

Auditors' report to the members of

Golding Chalke Finance 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 8.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

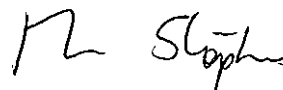
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 error or other irregularity. 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 31st March 1997 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

15th January 1998



Moore Stephens
Registered Auditors
Chartered Accountants
65 New Street
Salisbury
Wiltshire

GOLDING CHALKE FINANCE LIMITED

PROFIT AND LOSS ACCOUNT

for the period ended 31st March 1997

	Note	1997 £	1996 £
Turnover	2	101	3,124
Net operating expenses			
Distribution costs		(113)	-
Administrative expenses		(283)	(13,336)
Loss on ordinary activities before taxation		(295)	(10,212)
Taxation	4	-	-
Loss on ordinary activities after taxation		(295)	(10,212)
retained for the period	9		

Movements in reserves are shown in note 9.

None of the company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains and losses in 1997 or 1996 other than the loss for the period.

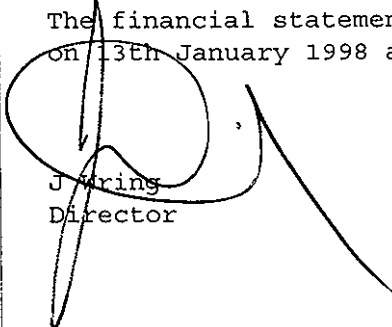
GOLDING CHALKE FINANCE LIMITED

BALANCE SHEET

at 31st March 1997

	Note	1997 £	1996 £
Fixed assets			
Current assets			
Debtors	5	200	200
Cash at bank and in hand		100	120
		<u>300</u>	<u>320</u>
Creditors: amounts falling due within one year	6	<u>(10,607)</u>	<u>(10,332)</u>
Net current liabilities		<u>(10,307)</u>	<u>(10,012)</u>
Total assets less current liabilities		<u>(10,307)</u>	<u>(10,012)</u>
Capital and reserves			
Called up share capital	8	200	200
Profit and loss account	9	<u>(10,507)</u>	<u>(10,212)</u>
Total shareholders' funds	7	<u>(10,307)</u>	<u>(10,012)</u>

The financial statements on pages 5 to 11 were approved by the board of directors on 13th January 1998 and signed on its behalf by:


J. Wring
Director

GOLDING CHALKE FINANCE LIMITED

CASH FLOW STATEMENT

for the period ended 31st March 1997

	Note	1997		1996	
		£	£	£	£
Net cash (outflow)/inflow from operating activities	11		(20)		1,420
Capital expenditure and financial investment					
Purchase of tangible fixed assets		-	(5,000)		
Sale of tangible fixed assets		-	3,500		
			-		(1,500)
			(20)		(80)
Financing					
Issue of share capital		-	200		
			-		200
(Decrease)/increase in cash			(20)		120

GOLDING CHALKE FINANCE LIMITED

NOTES ON FINANCIAL STATEMENTS

31st March 1997

1 Accounting policies

Basis of accounting

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

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

2 Turnover

The turnover for the period was derived from the company's principal activity. The whole of the turnover is attributable to the UK market.

3 Operating loss

	1997 £	1996 £
Operating loss is stated after charging		
Auditors' remuneration	276	447
Loss on sale of assets	-	1,500
	<u> </u>	<u> </u>

During the year the company did not employ any members of staff.

4 Taxation

The company has no liability for taxation.

5 Debtors

	1997 £	1996 £
Amounts falling due within one year		
Other debtors	200	200
	<u> </u>	<u> </u>
	200	200
	<u> </u>	<u> </u>

GOLDING CHALKE FINANCE LIMITED

NOTES ON FINANCIAL STATEMENTS

31st March 1997

6 Creditors: amounts falling due within one year

	1997	1996
	£	£
Amounts owed to associated undertakings	9,885	9,885
Accruals and deferred income	722	447
	<u>10,607</u>	<u>10,332</u>

7 Reconciliation of movements in shareholders' funds

	1997	1996
	£	£
Loss for the financial period	(295)	(10,212)
New share capital subscribed	-	200
Net subtraction from shareholders' funds	(295)	(10,012)
Opening shareholders' funds	(10,012)	-
Closing shareholders' funds	<u>(10,307)</u>	<u>(10,012)</u>

8 Called up share capital

	1997		1996	
	Number of shares	£	Number of shares	£
Authorised				
Equity shares				
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Allotted called up and fully paid				
Equity shares				
Ordinary shares of £1 each	<u>200</u>	<u>200</u>	<u>200</u>	<u>200</u>

9 Profit and loss account

	1997
	£
1st February 1997	(10,212)
Retained loss for the period	(295)
31st March 1997	<u>(10,507)</u>

GOLDING CHALKE FINANCE LIMITED

NOTES ON FINANCIAL STATEMENTS

31st March 1997

10 Directors' interests and loans

Included within other debtors are directors loan account balances of

J Wring £100

W A Harrison-Allen £100

11 Notes to the cash flow statement

Reconciliation of operating loss
to operating cash flows

	1997 £	1996 £
Operating loss	(295)	(10,212)
Loss on sale of fixed assets	-	1,500
Increase in debtors	-	(200)
Increase in creditors	275	10,332
Net cash (outflow)/inflow from operating activities	(20)	1,420

12 Notes to the cash flow statement (continued)

Analysis of changes in net debt

	At start of year £	Cash flows £	At end of year £
Cash in hand, at bank	120	(20)	100
		(20)	
Total			
	120	(20)	100

Reconciliation of net cash flow to movement in net debt

	1997 £	1996 £
(Decrease)/increase in cash in the period	(20)	120
Change in net debt resulting from cash flows	(20)	120
Net debt at 1st February 1997	120	-
Net debt at 31st March 1997	100	120

GOLDING CHALKE FINANCE LIMITED

NOTES ON FINANCIAL STATEMENTS

31st March 1997

13 Related parties

Included within creditors is an amount of £9,885 which relates to transactions with Golding Chalke & Company Limited, a company wholly owned by the directors.