

GOLDING CHALKE FINANCE LIMITED

FINANCIAL STATEMENTS

31ST MARCH 1998

Registered number: 3015708

MOORE STEPHENS

CHARTERED ACCOUNTANTS



GOLDING CHALKE FINANCE LIMITED

FINANCIAL STATEMENTS

for the year ended 31st March 1998

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The following pages do not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1
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GOLDING CHALKE FINANCE LIMITED

COMPANY INFORMATION

31st March 1998

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 1998

The directors present their report and the audited financial statements for the year ended 31st March 1998.

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 £8,655.

Results and dividends

The results for the year 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 year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	31st March 1998	1st February 1998
	Ordinary shares	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.

continued

GOLDING CHALKE FINANCE LIMITED

DIRECTORS' REPORT
(continued)

31st March 1998

Year 2000 compliance

The directors have considered whether the company's operations could be adversely affected by the malfunctions in computer or other equipment arising from errors in processing dates in the year 2000 and beyond. No part of the company's current operations is critically dependent on computer or other equipment that could be affected by the year 2000 problems.

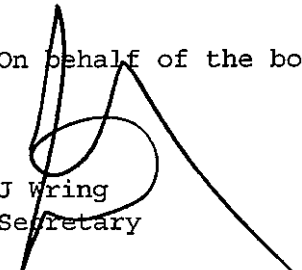
Creditors

Our policy regarding creditors is to settle payment terms when agreeing the terms of each transaction. In the majority of cases this involves payment within thirty days of invoice date; however, where discounts are available it is generally the policy to pay earlier and to benefit accordingly.

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

11th January 1999

GOLDING CHALKE FINANCE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

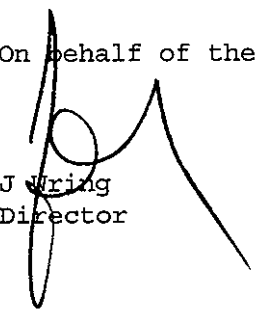
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- 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.

11th January 1999

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

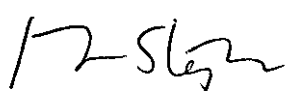
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

11th January 1999


Moore Stephens
Registered Auditors
Chartered Accountants
65 New Street
Salisbury
Wiltshire
SP1 2PH

GOLDING CHALKE FINANCE LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31st March 1998

	Note	1998 £	1997 £
Turnover	2	3,934	101
Cost of sales		(2,088)	-
Gross profit		1,846	101
Net operating expenses			
Distribution costs		(20)	(113)
Administrative expenses		(174)	(283)
Profit/(loss) on ordinary activities before taxation		1,652	(295)
Taxation	4	-	-
Profit/(loss) on ordinary activities after taxation		1,652	(295)
retained for the year	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 1998 or 1997 other than the profit/(loss) for the year.

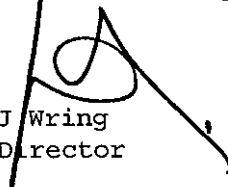
GOLDING CHALKE FINANCE LIMITED

BALANCE SHEET

at 31st March 1998

	Note	£	1998 £	£	1997 £
Current assets					
Debtors	5	873		200	
Cash at bank and in hand		655		100	
			<u>1,528</u>	<u>300</u>	
Creditors: amounts falling due within one year	6	(10,183)		(10,607)	
Net current liabilities			<u>(8,655)</u>	<u>(10,307)</u>	
Total assets less current liabilities			<u>(8,655)</u>	<u>(10,307)</u>	
Capital and reserves					
Called up share capital	8	200		200	
Profit and loss account	9	(8,855)		(10,507)	
Total shareholders' funds	7	(8,655)		<u>(10,307)</u>	

The financial statements on pages 5 to 11 were approved by the board of directors on 11th January 1999 and signed on its behalf by:


J Wring
Director

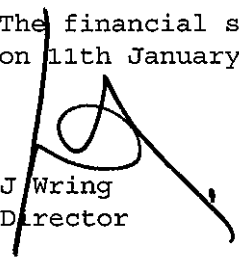
GOLDING CHALKE FINANCE LIMITED

BALANCE SHEET

at 31st March 1998

	Note	1998 £	1997 £
Current assets			
Debtors	5	873	200
Cash at bank and in hand		655	100
		<u>1,528</u>	<u>300</u>
Creditors: amounts falling due within one year	6	<u>(10,183)</u>	<u>(10,607)</u>
Net current liabilities		<u>(8,655)</u>	<u>(10,307)</u>
Total assets less current liabilities		<u>(8,655)</u>	<u>(10,307)</u>
Capital and reserves			
Called up share capital	8	200	200
Profit and loss account	9	<u>(8,855)</u>	<u>(10,507)</u>
Total shareholders' funds	7	<u>(8,655)</u>	<u>(10,307)</u>

The financial statements on pages 5 to 11 were approved by the board of directors on 11th January 1999 and signed on its behalf by:



J Wring
Director

GOLDING CHALKE FINANCE LIMITED

CASH FLOW STATEMENT

for the year ended 31st March 1998

	Note	1998 £	1997 £
Net cash inflow/(outflow) from operating activities	11	555	(20)
		<u> </u>	<u> </u>

GOLDING CHALKE FINANCE LIMITED

NOTES ON FINANCIAL STATEMENTS

31st March 1998

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

3 Operating profit/(loss)

	1998	1997
	£	£
Operating profit/(loss) is stated after charging		
Auditors' remuneration	136	276

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

4 Taxation

No liability for corporation tax arises on the results for the year.

5 Debtors

	1998	1997
	£	£
Amounts falling due within one year		
Trade debtors	673	-
Other debtors	200	200
	873	200

GOLDING CHALKE FINANCE LIMITED

NOTES ON FINANCIAL STATEMENTS

31st March 1998

6 Creditors: amounts falling due within one year

	1998 £	1997 £
Amounts owed to group undertakings	9,833	9,885
Accruals and deferred income	350	722
	<u>10,183</u>	<u>10,607</u>

7 Reconciliation of movements in shareholders' funds

	1998 £	1997 £
Profit/(loss) for the financial year representing a Net addition to/(subtraction from) shareholders' funds	1,652	(295)
Opening shareholders' funds	<u>(10,307)</u>	<u>(10,012)</u>
Closing shareholders' funds	<u>(8,655)</u>	<u>(10,307)</u>

8 Called up share capital

	1998		1997	
	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

	1998 £
1st February 1998	(10,507)
Retained profit for the year	<u>1,652</u>
31st March 1998	<u>(8,855)</u>

NOTES ON FINANCIAL STATEMENTS

31st March 1998

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 profit/(loss)
to operating cash flows

	1998 £	1997 £
Operating profit/(loss)	1,652	(295)
Increase in debtors	(673)	-
(Decrease)/increase in creditors	(424)	275
Net cash inflow/(outflow) from operating activities	<u>555</u>	<u>(20)</u>

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 at bank and in hand	100	555	655
		<u>555</u>	
Total	<u>100</u>	<u>555</u>	<u>655</u>

Reconciliation of net cash flow to movement in net debt

	1998 £	1997 £
Increase/(decrease) in cash in the year	555	(20)
Change in net debt resulting from cash flows	555	(20)
Net debt at 1st February 1998	100	120
Net debt at 31st March 1998	<u>655</u>	<u>100</u>

GOLDING CHALKE FINANCE LIMITED

NOTES ON FINANCIAL STATEMENTS

31st March 1998

13 Related parties

Included within creditors is an amount of £9,833 which relates to transactions with Golding Chalke & Company Limited, a company wholly owned by the directors.