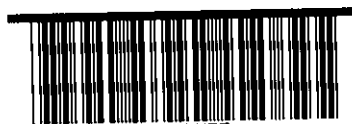


GOLDING CHALKE FINANCE LIMITED

FINANCIAL STATEMENTS

31ST MARCH 1999

Registered number: 3015708



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COMPANIES HOUSE 25/01/00

MOORE STEPHENS

CHARTERED ACCOUNTANTS

GOLDING CHALKE FINANCE LIMITED
FINANCIAL STATEMENTS
for the year ended 31st March 1999

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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 1999

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 1999

The directors present their report and the audited financial statements for the year ended 31st March 1999.

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 £6,730.

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 1999 Ordinary shares	1st April 1999 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 1999

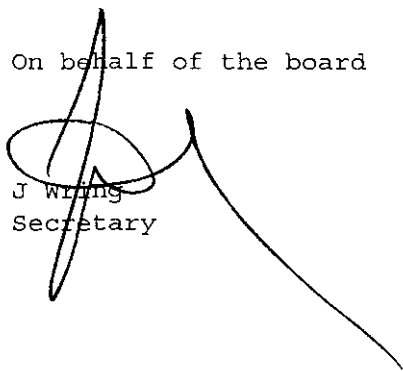
Creditors

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 Waring
Secretary

Chalke House
3 Brunel Road
Salisbury
Wiltshire

.....(14/11)..... 2000

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.

..... 14/11/2000

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 10 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

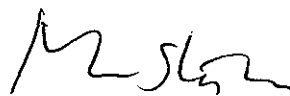
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

19th January 2000



Moore Stephens
Registered Auditors
Chartered Accountants
Salisbury
Wiltshire

GOLDING CHALKE FINANCE LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31st March 1999

	Note	1999 £	1998 £
Turnover	2	7,574	3,934
Cost of sales		(4,184)	(2,088)
Gross profit		3,390	1,846
Net operating expenses			
Distribution costs		-	(20)
Administrative expenses		(1,465)	(174)
Profit on ordinary activities before taxation		1,925	1,652
Taxation	4	-	-
Profit on ordinary activities after taxation		1,925	1,652
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 were no recognised gains and losses in 1999 or 1998 other than the profit for the year.

GOLDING CHALKE FINANCE LIMITED

BALANCE SHEET

at 31st March 1999

	Note	1999		1998	
		£	£	£	£
Current assets					
Debtors	5	1,083		873	
Cash at bank and in hand		383		655	
		<u>1,466</u>		<u>1,528</u>	
Creditors: amounts falling due within one year	6	(8,196)		(10,183)	
Net current liabilities			(6,730)		(8,655)
Total assets less current liabilities			<u>(6,730)</u>		<u>(8,655)</u>
Capital and reserves					
Called up share capital	8		200		200
Profit and loss account	9		(6,930)		(8,855)
Total shareholders' funds	7		<u>(6,730)</u>		<u>(8,655)</u>

The financial statements on pages 5 to 10 were approved by the board of directors on 14/11/2000 and signed on its behalf by:

J Wring
Director

GOLDING CHALKE FINANCE LIMITED

CASH FLOW STATEMENT

for the year ended 31st March 1999

	Note	1999		1998	
		£	£	£	£
Net cash (outflow)/inflow from operating activities	11		(272)		555

GOLDING CHALKE FINANCE LIMITED

NOTES ON FINANCIAL STATEMENTS

31st March 1999

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

	1999 £	1998 £
Operating profit is stated after charging:		
Auditors' remuneration	422	136

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

	1999 £	1998 £
Amounts falling due within one year		
Trade debtors	883	673
Other debtors	200	200
	1,083	873

GOLDING CHALKE FINANCE LIMITED

NOTES ON FINANCIAL STATEMENTS

31st March 1999

6 Creditors: amounts falling due within one year

	1999 £	1998 £
Amounts owed to group undertakings	7,834	9,833
Accruals and deferred income	362	350
	<u>8,196</u>	<u>10,183</u>

7 Reconciliation of movements in shareholders' funds

	1999 £	1998 £
Profit for the financial year representing a Net addition to shareholders' funds	1,925	1,652
Opening shareholders' funds	<u>(8,655)</u>	<u>(10,307)</u>
Closing shareholders' funds	<u>(6,730)</u>	<u>(8,655)</u>

8 Called up share capital

	1999		1998	
	Number of shares	£	Number of shares	£
Authorised				
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				
Ordinary shares of £1 each	<u>200</u>	<u>200</u>	<u>200</u>	<u>200</u>

9 Profit and loss account

	1999 £
1st April 1999	(8,855)
Retained profit for the year	<u>1,925</u>
31st March 1999	<u>(6,930)</u>

10 Directors' interests and loans

Included within other debtors are directors loan account balances of

J Wring	£100
W A Harrison-Allen	£100

GOLDING CHALKE FINANCE LIMITED

NOTES ON FINANCIAL STATEMENTS

31st March 1999

11 Notes to the cash flow statement

Reconciliation of operating profit
to operating cash flows

	1999 £	1998 £
Operating profit	1,925	1,652
Increase in debtors	(210)	(673)
Decrease in creditors	(1,987)	(424)
Net cash (outflow)/inflow from operating activities	(272)	555

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	655	(272)	383
		(272)	
Total	655	(272)	383

Reconciliation of net cash flow to movement in net debt

	1999 £	1998 £
(Decrease)/increase in cash in the year	(272)	555
Change in net debt resulting from cash flows	(272)	555
Net debt at 1st April 1999	655	100
Net debt at 31st March 1999	383	655

13 Related parties

Included within creditors is an amount of £7,834 which relates to transactions with Golding Chalke & Company Limited, a company wholly owned by the directors.