

LONDON AND SURREY FINANCE LIMITED

DIRECTORS' REPORT for the 31 May 1999

The directors submit their report and unaudited financial statements for the year.

Principal Activity

The company's principal activity continues to be finance brokers.

Directors

The directors who served during the year and their beneficial interests, as defined by the Companies Acts, in the company's issued share capital were:

	<u>Shares Owned</u>	
	<u>1998</u>	<u>1999</u>
C A Faulkner	500	500
D J Smith	0	0

Mr Faulkner retires by rotation and, being eligible, offers himself for re-election.

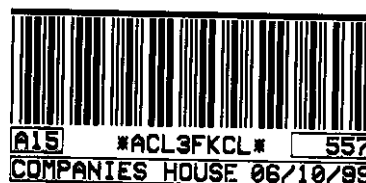
These amounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 and the Financial Reporting Standards for Smaller Entities. This report was approved by the board on 2 October 1999 and signed on its behalf.



C A FAULKNER
Director

REGISTERED OFFICE: 2/3 Rectory Way Banstead Surrey

REGISTERED NUMBER: 1506926



LONDON AND SURREY FINANCE LIMITEDACCOUNTANTS' REPORT ON THE UNAUDITED ACCOUNTS

As described on the balance sheet, you are responsible for the preparation of accounts for the year ended 31 May 1999, as set out pages 3 to 7 and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records, information and explanations supplied to us.



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EDWARDS & CO
Chartered Accountants
6 Strathmore Close
Caterham
Surrey CR3 5EQ

Date: 29 September 1999

LONDON AND SURREY FINANCE LIMITEDRevenue Account for the Year ended 31 May 1999

	<u>Note</u>	<u>This Year £</u>	<u>Last Year £</u>
Turnover	1	345,576	319,095
Cost of sales		<u>(299,584)</u>	<u>(262,247)</u>
<u>GROSS PROFIT</u>		45,992	56,848
Administration and distribution costs		<u>(20,832)</u>	<u>(16,483)</u>
<u>OPERATING PROFIT</u>		25,160	40,365
Interest receivable - bank interest		745	2,054
Interest payable	4	<u>(2,320)</u>	<u>(2,890)</u>
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		23,585	39,529
Tax on profit from ordinary activities	5	<u>(6,762)</u>	<u>(9,040)</u>
<u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION TO RESERVE</u>		16,823	30,489
Retained profit, brought forward		<u>90,328</u>	<u>59,839</u>
<u>RETAINED PROFIT FORWARD</u>		<u>107,151</u>	<u>90,328</u>

There were no recognised gains or losses for the above years other than those included in the above account. No business was acquired or discontinued during the year.

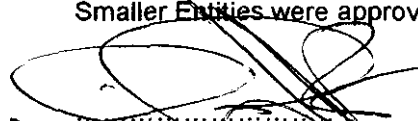
The notes on pages 5 to 7 form part of these Financial Statements.

LONDON AND SURREY FINANCE LIMITEDBalance Sheet at 31 May 1999

	<u>Note</u>	<u>This Year</u>	<u>Last Year</u>
		£	£
<u>FIXED ASSETS</u>			
Tangible assets	6	40,784	52,037
<u>CURRENT ASSETS</u>			
Debtors	7	111,366	127,592
Bank and cash balances		<u>44,153</u>	<u>19,300</u>
		155,519	146,892
<u>CURRENT LIABILITIES</u>			
Amounts falling due within one year	8	<u>(88,652)</u>	<u>(102,670)</u>
<u>NET CIRCULATING ASSETS</u>		<u>66,867</u>	<u>44,222</u>
<u>TOTAL ASSETS, LESS CURRENT LIABILITIES</u>		<u>107,651</u>	<u>96,259</u>
<u>CREDITORS DUE AFTER ONE YEAR</u>	9	<u>0</u>	<u>(5,431)</u>
<u>NET ASSETS</u>		<u>107,651</u>	<u>90,828</u>
<u>CAPITAL AND RESERVES</u>			
Called up share capital	11	500	500
Accumulated profits (page 3)	12	<u>107,151</u>	<u>90,328</u>
<u>SHAREHOLDERS' FUNDS</u>		<u>107,651</u>	<u>90,828</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of Section 249(1) of the Companies Act 1985. Shareholders holding 10% or more of the nominal value of the company's share capital have not issued a notice requiring an audit under Section 249(B)(2). The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit for the year ended on that date in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Act relating to the accounts so far as is applicable to the company.

The financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies and the Financial Reporting Standard for Smaller Entities were approved by the Board on 29 September 1999 and signed on its behalf:



C A FAULKNER
Director

Notes on page 5 to 7 form part of these financial statements.

LONDON AND SURREY FINANCE LIMITED

Notes forming part of the Financial Statements for the Year ended 31 May 1999

1) ACCOUNTING POLICIES

a) The financial statements have been prepared under the Historical Cost Convention and include the results of the company's operations, which are described in the Directors' Report, all of which are continuing. The company has taken advantage of the exemption in FRS No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

b) Turnover - This represents amounts invoiced by the company, in respect of services rendered during the period stated.

c) Tangible Fixed Assets (Note 6) - Depreciation is provided at rates calculated to write off the cost or valuation, less estimated residual value of each asset over the expected useful life, as follows:-

Motor vehicles	25% straight line
Furniture and equipment	20% reducing balance
Leasehold premises	10% straight line

d) Deferred Taxation - No provision made.

2) TURNOVER

Turnover arose from the principal activity of financial brokers in the UK

<u>This</u> <u>Year</u> £	<u>Last</u> <u>Year</u> £
345,576	331,095

3) The operating profit is stated after charging:

Directors' remuneration	61,045	63,588
Depreciation on tangible fixed assets:		
Owned by the company	9,694	2,200
Held under hire purchase contracts	4,250	11,106
Directors' taxable benefits for 1998/99 were:	12,964	11,968

4) INTEREST PAYABLE ON:

Hire purchase contracts	2,314	2,830
Bank overdraft	6	1
Corporation tax payment	0	58
	2,320	2,889

LONDON AND SURREY FINANCE LIMITED

Notes forming part of the Financial Statements for the Year ended 31 May 1999

	<u>This Year £</u>	<u>Last Year £</u>
9)CREDITORS - Amounts falling due within one year		
Hire purchase contracts	0	5,431
10)PROVISION FOR LIABILITIES AND CHARGES		
No provision for deferred taxation arises in respect of accelerated capital allowances	0	0
11)CALLED UP SHARE CAPITAL		
Authorised		
Ordinary shares of £1 each	5,000	5,000
Allotted, issued and fully paid		
Ordinary shares of £1 each	500	500
12)SHAREHOLDERS' FUNDS		
At commencement	90,828	60,339
Profit for year (as page 3)	16,840	30,489
	107,668	90,828

13CONTINGENT LIABILITY

The company has a liability to repay commission earned on agreements settled prematurely within 12 months of commencement date and all commission, if advances are not recovered. A provision of £49,460 (£51,780) has been made in respect of this, of which part will be recoverable from agents (see note 8 above). A provision of £3,163 was made against profits of this year compared to £17,747.