

CHAPTERHOUSE SCOTT LIMITED

3 COLLEGE STREET

ST. ALBANS

HERTFORDSHIRE

REPORT AND ACCOUNTS

FOR THE

YEAR ENDED

30TH SEPTEMBER 1994



Wilton Mutlow & Co.

CHARTERED ACCOUNTANTS

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Company Number 2162579

REPORT OF THE DIRECTOR

The director submits his annual report and accounts of the Company for the year ended 30th September 1994.

DIRECTOR'S RESPONSIBILITIES

Company law requires the director 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 director is required to:

- select suitable accounting policies and then 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

THE BUSINESS OF THE COMPANY

The principal activity of the Company is the placing of insurance business.

There have been no changes in operations or abnormal events either during the year or since the Balance Sheet date. In the opinion of the director there are no matters not disclosed relating to the past, present or future activities of the Company which could materially affect the members' appreciation of the state of the Company's affairs.

SHARE CAPITAL

There have been no alterations to capital structure during the year.

Company Number 2162579

REPORT OF THE DIRECTORS (CONTINUED)

DIRECTORS AND SHAREHOLDINGS

Directors who have served in the year under review and their interest in the share capital of the Company (all beneficially held) were as follows:

		Shareholding at beginning of the period	Shareholding at end of the period
M Fraser	(incl family interest)	1000	1000

No director has been interested in any contract entered into by the Company.

RESULTS AND DIVIDEND

The loss for the year, after taxation of £(47) is deducted from reserves and is carried forward.

There have been no other movements in reserves.

FIXED ASSETS

The changes in fixed assets during the period are set out in note 7 to the accounts, and reflect only the normal requirements of the maintenance and development of the business.

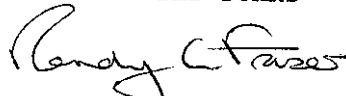
CLOSE COMPANY PROVISIONS

The close company provisions of the Income and Corporation Taxes Act 1988 apply to the Company.

APPROVAL OF ACCOUNTS

These accounts were approved by the director on 10th March 1995.

BY ORDER OF THE BOARD



MRS M G FRASER
SECRETARY

Dated this 10th day of March 1995

CHAPTERHOUSE SCOTT LIMITEDPROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH SEPTEMBER 1994

	<u>Note</u>	<u>1994</u>	<u>1993</u>
		<u>£</u>	<u>£</u>
TURNOVER	2	100039	38886
Administrative expenses		100463	4739
Operating (loss)/profit		(424)	34147
Interest receivable and similar income		5340	5498
Interest payable and similar charges		2744	320
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	2172	39325
Corporation tax	6	2219	9991
LOSS FOR THE YEAR AFTER TAXATION		(47)	29334
Dividend paid		-	29000
Retained profit brought forward		644	310
RETAINED PROFIT CARRIED FORWARD		597	644

There are no recognised gains or losses in the year other than the loss for the year.

BALANCE SHEET AS AT 30TH SEPTEMBER 1994

	<u>Note</u>	<u>1994</u>	<u>1993</u>
		<u>£</u>	<u>£</u>
EMPLOYMENT OF CAPITAL			
Tangible assets	7	47139	-
CURRENT ASSETS			
Debtors	8	413538	440560
Cash at bank and in hand		95373	170554
		<u>508911</u>	<u>611114</u>
CREDITORS: Amounts falling due within one year	9	518955	609470
NET CURRENT (LIABILITIES)/ASSETS		(10044)	1644
CREDITORS: Amounts falling due after more than one year	10	35498	-
NET ASSETS		<u>1597</u>	<u>1644</u>
CAPITAL AND RESERVES		<u>=====</u>	<u>=====</u>
SHARE CAPITAL			
Authorised: 1000 Ordinary Shares of £1 each		1000	1000
		<u>=====</u>	<u>=====</u>
Issued and 1000 Ordinary fully paid Shares of £1 each		1000	1000
PROFIT AND LOSS ACCOUNT		597	644
SHAREHOLDERS FUNDS		<u>1597</u>	<u>1644</u>
		<u>=====</u>	<u>=====</u>

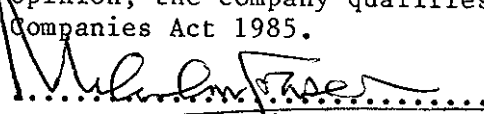
BALANCE SHEET AS AT 30TH SEPTEMBER 1994

The financial statements were approved by the Board of Directors on 10th March 1995. For the year in question, the company was entitled to exemption from an audit under section 249A(2) of the Companies Act 1985. No notice has been deposited under section 249B(2) of the Act in relation to the accounts for the financial year. The directors acknowledge their responsibilities for:

- a) ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985; and
- b) 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 or loss for the financial year in accordance with the requirements of section 226 of the Companies Act 1985, and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company.

Advantage has been taken of the exemptions conferred by section A of part III of schedule 8 of the Companies Act 1985, on the grounds that, in the directors' opinion, the company qualifies as a small company under S246 and S247 of the Companies Act 1985.

Advantage has been taken, in the preparation of the accounts, of special exemptions applicable to small companies on the grounds that, in the directors' opinion, the company qualifies as a small company under S246 and S247 of the Companies Act 1985.


.....
Mr M Fraser (Director)

10th March 1995

CHAPTERHOUSE SCOTT LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER 1994

1. ACCOUNTING POLICIES

- a) These accounts have been prepared in accordance with applicable Accounting Standards under the historical cost convention.

- b) COMMISSION INCOME

Commission is taken into account when the insured risk is incepted.

- c) FOREIGN CURRENCY TRANSLATION

- i) The company translates its foreign currency transactions at an average rate for a particular period.
- ii) Foreign currency assets and liabilities at the date of the financial statements are translated at the rate prevailing on that date.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER 1994PROFIT AND LOSS ACCOUNT
=====

2. TURNOVER

Turnover represents net retained commission income. The whole of the turnover and profit is attributable to the principal activity and is derived wholly from within the United Kingdom.

3. STAFF COSTS

	<u>1994</u> <u>£</u>	<u>1993</u> <u>£</u>
Wages and salaries	57000	-
Employers' social security costs	5868	-
	-----	-----
	62868	-
	=====	=====

The average weekly number of employees during the year was 2.

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>Note</u>	<u>1994</u> <u>£</u>	<u>1993</u> <u>£</u>
This is stated after charging:			
Director's emoluments	5	62582	-
Auditors' remuneration			
- statutory audit		-	588
- other services		-	1468
Depreciation		7869	-
Bank interest payable		202	320
Hire purchase interest		2542	-
		=====	=====

and crediting:

Interest received - bank deposit account	5340	885
Exchange differences	-	4613
	=====	=====

CHAPTERHOUSE SCOTT LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER 1994

5. DIRECTOR'S EMOLUMENTS

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
Remuneration	57000	-
Benefits	5582	-
	<u>-----</u>	<u>-----</u>
	62582	-
	<u>=====</u>	<u>=====</u>

6. CORPORATION TAX

Corporation tax at 25% has ben provided based on the results for the year as adjusted for taxation purposes.

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
Corporation tax	2219	9991
	<u>=====</u>	<u>=====</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER 1994

BALANCE SHEET

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7. TANGIBLE FIXED ASSETS

	<u>TOTAL</u> <u>£</u>	<u>MOTOR</u> <u>VEHICLES</u> <u>£</u>
COST		
Brought forward	-	-
Additions	55008	55008
Disposals	-	-
	-----	-----
Carried forward	55008	55008
	=====	=====
DEPRECIATION		
Brought forward	-	-
Disposals	-	-
Provided	7869	7869
	-----	-----
Carried forward	7869	7869
	=====	=====
NET BOOK VALUE		
30TH SEPTEMBER 1993	-	-
	=====	=====
30TH SEPTEMBER 1994	47139	47139
	=====	=====

Included in the amounts for motor vehicles, and machinery and equipment are the following amounts relating to assets acquired under hire purchase contracts:

	<u>1994</u> <u>£</u>
Cost at 30TH SEPTEMBER 1994	55008
	=====
Accumulated depreciation at 30TH SEPTEMBER 1994	7869
	=====
Depreciation provided during the year	7869
	=====

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER 1994

8. DEBTORS

	<u>1994</u> <u>£</u>	<u>1993</u> <u>£</u>
Trade debtors	269923	309985
Due from related company	114130	84130
Other debtors	29485	3746
Prepayments and accrued income	~	42699
	<u>413538</u>	<u>440560</u>
	=====	=====

The amount due from the related company is interest free and is to be repaid at a rate of £16826 p.a. commencing on 1st January 1996. The related company is Business Development Consortium Limited, a company in which the director's family has a 100% interest in the issued share capital.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>Note</u>	<u>1994</u> <u>£</u>	<u>1993</u> <u>£</u>
Obligations under hire purchase contracts	11	9293	~
Trade creditors		448029	568227
Amounts due to related company		47037	31252
Current corporation tax		2219	9991
Other taxes and social security costs		12377	~
		<u>518955</u>	<u>609470</u>
		=====	=====

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>Note</u>	<u>1994</u> <u>£</u>	<u>1993</u> <u>£</u>
Liabilities under hire purchase contracts	11	35498	~
		=====	=====

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER 1994

11. LIABILITIES UNDER HIRE PURCHASE CONTRACTS

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
Year ending 30th September 1994	13496	-
and after	41802	-
	<u>55298</u>	<u>-</u>
Less finance charges allocated to future periods	(10507)	-
	<u>44791</u>	<u>-</u>
	<u>=====</u>	<u>=====</u>
Hire purchase contracts shown as:		
Falling due within one year	9293	-
Falling due within two to five years	35498	-
	<u>44791</u>	<u>-</u>
	<u>=====</u>	<u>=====</u>

CHAPTERHOUSE SCOTT LIMITEDAccountants' report to the shareholders on the unaudited accounts ofCHAPTERHOUSE SCOTT LIMITED

We report on the accounts for the year ended 30th September 1994 set out on pages 3 - 11.

Respective responsibilities of the directors and reporting accountant

As described on page 1 the company's directors are responsible for the preparation of the accounts, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedure consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- (a) the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records;
 - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).



WILTON MUTLOW & CO
Chartered Accountants

Dated this 10th March 1995