

A & H FINANCIAL SERVICES LIMITED

FINANCIAL STATEMENTS

for the year ended 30th June 1999

Company Registration Number 02727471

**Andrew Sharma & Co.
Chartered Accountants and
Registered Auditors**



A & H FINANCIAL SERVICES LIMITED

Registered No. 2727471

DIRECTORS

Bharat Handa Esq. (Chairman)

SECRETARY

Mrs Anjana Handa

AUDITORS

Andrew Sharma & Co.
Registered Auditors and
Chartered Accountants

Wembley Point, Second Floor,
PO Box 135, One Harrow Road,
Wembley, Middlesex HA9 6XH.

BANKERS

National Westminster Bank Plc
520 High Road,
Wembley, Middlesex HA9 7BZ

REGISTERED OFFICE

14 Court Drive,
Hillingdon, Uxbridge
Middlesex UB10 OBJ

A & H FINANCIAL SERVICES LIMITED
FINANCIAL STATEMENTS
for the year ended 30th June 1999

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A & H FINANCIAL SERVICES LIMITED
REPORT OF THE DIRECTOR

The Director presents his Report and the Audited Accounts of the Company for the year ended 30th June 1999.

PRINCIPAL ACTIVITIES

The principal activities of the Company in the year under review were those of Investment, Pensions and Life Assurance Advisers. The Company is registered with the Personal Investment Authority (PIA) under Category B3.

FINANCIAL REVIEW

A summary of the results for the year under review is given on page 3 of the Accounts.

DIVIDENDS AND RESERVES

The Director does not propose to pay a dividend for the year and no amounts have been transferred to Capital Reserve.

DIRECTORS

The sole Director in office in the year and his beneficial interest in the Issued Ordinary Share Capital throughout the year was as follows:

	<u>30th June 1999</u>	<u>30th June 1998</u>
B B Handa Esq.	100	100

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 year. In preparing those financial statements, the directors are 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 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 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.

AUDITORS

The Auditors Messrs. Andrew Sharma & Co have expressed their willingness to continue in office. A resolution to re-appoint them and to authorise the directors to fix their remuneration will be proposed at the forthcoming Annual General Meeting in accordance with provisions of the Companies Act 1985.

By order of the Board

Mr B B Handa
Chairman

Dated: 27th April 2000

AUDITORS' REPORT TO THE SHAREHOLDERS OF A & H FINANCIAL SERVICES LIMITED

We have audited the financial statements on pages 3 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 1 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 other irregularity or error. 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 affairs of the company as at 30th June 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Andrew Sharma & Co
Registered Auditors &
Chartered Accountants

Wembley Point, Second Floor,
PO Box 135, One Harrow Road,
Wembley, Middlesex HA9 6XH.

Dated: 27 April 2000

A & H FINANCIAL SERVICES LIMITED
PROFIT AND LOSS ACCOUNT

for the year ended 30th June 1999

	<u>Notes</u>	<u>1999</u>	<u>1998</u>
Turnover	(2)	20,194	18,762
Distribution and Selling Costs		5,329	5,423
Administrative Expenses		14,608	12,884
		<hr/>	<hr/>
Operating Profit	(3)	<hr/> 19,937 257	<hr/> 18,307 455
Other Income		41	11
Profit on Ordinary Activities before Taxation		<hr/> 298	<hr/> 466
Taxation	(4)	62	115
Profit on Ordinary Activities after Taxation		<hr/> 236	<hr/> 351
Retained Profit brought forward		1,599	1,248
Retained Profit carried forward		<hr/> <hr/> £1,835	<hr/> <hr/> £1,599

All recognised gains and losses are included in the Profit and Loss Account.

All of the Company's operations are classed as continuing.

A & H FINANCIAL SERVICES LIMITED
BALANCE SHEET

as at 30th June 1999

	<u>Notes</u>	<u>1999</u>	<u>1998</u>
<u>Current Assets</u>			
Debtors	(5)	1,439	4,560
Cash at Bank and in Hand		6,989	2,223
		<u>8,428</u>	<u>6,783</u>
<u>Creditors</u>			
Amounts falling due within one year	(6)	5,971	3,573
Net Current Assets		<u>2,457</u>	<u>3,210</u>
<u>Total Assets Less Current Liabilities</u>		<u>2,457</u>	<u>3,210</u>
Provision for Liabilities and Charges	(7)	(522)	(1,511)
		<u>£1,935</u>	<u>£1,699</u>
<u>Capital and Reserves</u>			
Called Up Share Capital	(8)	100	100
Shareholders Funds	(9)	1,835	1,599
		<u>£1,935</u>	<u>£1,699</u>

Approved and Signed on behalf of the Board

MR B B HANDA

Director

Dated:

27 / 4 / 2000

A & H FINANCIAL SERVICES LIMITED
CASH FLOW STATEMENT

for the year ended 30th June 1999

	<u>1999</u>	<u>1998</u>
NET CASH INFLOW FROM OPERATING ACTIVITIES	4,823	2,205
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	41	11
	<u>4,864</u>	<u>2,216</u>
TAXATION		
Corporation tax paid	<u>(98)</u>	<u>(109)</u>
INCREASE IN CASH	<u><u>£4,766</u></u>	<u><u>£2,107</u></u>

A & H FINANCIAL SERVICES LIMITED
NOTES TO THE CASH FLOW STATEMENT

for the year ended 30th June 1999

	<u>1999</u>	<u>1998</u>
Reconciliation of Operating Profit to net cash (outflow)/inflow from Operating Activities		
Operating Profit	257	455
(Decrease) in Provision for Commissions received in advance	(989)	(254)
Decrease in Debtors	3,121	2,219
Increase/(Decrease) in Creditors	2,434	(215)
Net cash inflow from operating activities	<u><u>£4,823</u></u>	<u><u>£2,205</u></u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

Increase in cash in the period	4,766	2,107
Net funds at 30th June 1999	<u><u>£4,766</u></u>	<u><u>£2,107</u></u>

ANALYSIS OF CHANGES IN NET FUNDS

	<u>At 1st July 1998</u>	<u>Change in year</u>	<u>At 30th June 1999</u>
Net cash:			
Cash at Bank and in Hand	2,223	4,766	6,989
NET FUNDS	<u><u>£2,223</u></u>	<u><u>£4,766</u></u>	<u><u>£6,989</u></u>

A & H FINANCIAL SERVICES LIMITED
NOTES TO THE ACCOUNTS

for the year ended 30th June 1999

(1) **Accounting Policies**

The financial statements have been prepared in accordance with generally accepted accounting principles in the United Kingdom.

(a) **Basis of Accounting**

The Financial Statements have been prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

(b) **Commissions Receivable**

Commissions are due on some insurance and pension policies in two or more instalments, the second and subsequent instalments received after twelve months depending on whether the client has paid the appropriate number of premiums. However most insurance companies now pay the full amount of commission in advance. As a result, a provision is made every year to account for the second and subsequent years prepayment to the extent that it is considered likely that it will be recovered by the insurance companies concerned.

(c) **Deferred Taxation**

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the Directors, there is a reasonable probability that the liability will not arise in the foreseeable future.

(2) **Turnover**

The turnover and profit before taxation are attributable to the one principal activity of the Company. All of the turnover related to business transacted in the U.K.

A & H FINANCIAL SERVICES LIMITED
NOTES TO THE ACCOUNTS

for the year ended 30th June 1999

	<u>1999</u>	<u>1998</u>
(3) <u>Operating Profit</u>	£	£
The Operating Profit is stated after charging:		
Auditors Remuneration	969	969
<i>and before crediting:</i>		
Bank Deposit Interest	<u>41</u>	<u>11</u>
(4) <u>Taxation</u>		
Corporation Tax on Profits for the year @ 21% and 20%	62	98
Under provision of tax for previous year	0	17
	<u>£62</u>	<u>£115</u>
(5) <u>Debtors</u>		
Trade Debtors	1,439	2,560
Prepayments and Accrued Income	0	2,000
	<u>£1,439</u>	<u>£4,560</u>
(6) <u>Creditors</u>		
Amounts falling due within one year		
Trade Creditors	0	0
Corporation Tax	62	98
Other Taxes	23	67
Other Creditors	4,090	1,367
Accruals	1,796	2,041
	<u>£5,971</u>	<u>£3,573</u>
(7) <u>Provisions for Liabilities and Charges</u>		
Commissions received in advance	<u>£522</u>	<u>£1,511</u>
(8) <u>Called Up Share Capital</u>		
Authorised, Allotted, Called Up and Fully Paid		
100 Ordinary Shares of £1 each	<u>£100</u>	<u>£100</u>

A & H FINANCIAL SERVICES LIMITED
NOTES TO THE ACCOUNTS

for the year ended 30th June 1999

		<u>1999</u>	<u>1998</u>
(9)	<u>Reconciliation of movements in Shareholders Funds</u>	<u>Profit & Loss Account</u>	<u>Profit & Loss Account</u>
	Balance at 1st July 1998	1,599	1,248
	Profit attributable to members of the company	236	351
	<u>Balance at 30th June 1999</u>	<u><u>£1,835</u></u>	<u><u>£1,599</u></u>

(10) **Connected Party Transactions**

During the year the company paid £11,773 to Messrs. Handa & Co, a firm owned by Mr B B Handa in respect of Consultancy Services and for expenses incurred on behalf of the company.

(11) **Post Balance Sheet Events**

There were no material adjusting Post Balance Sheet Events.

(12) **Contingent Liabilities**

There were no contingent liabilities at 30th June 1999.