

Company No: 2619705

WAYBRIDGE FINANCIAL GROUP PLC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1998



Butler & Co
Chartered Accountants
Walmar House
288-292 Regent Street
London W1R 5HF

WAYBRIDGE FINANCIAL GROUP PLC

COMPANY INFORMATION

DIRECTORS

Zia M. Ahsan
Ahmed Shabanzadeh

SECRETARY

Keith Jackson

REGISTERED OFFICE

175-176 Tottenham Court Road
London, W1P 9LF

COMPANY NUMBER

2619705

ACCOUNTANTS

Butler & Co

WAYBRIDGE FINANCIAL GROUP PLC.
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 1998

ACCOUNTS

The directors presents their report and accounts for the year ended 31 December 1998.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

The principal activity of the company has been that of providing general insurance and financial services.

Both the level of business and the year end financial position were satisfactory, and the directors agree that the present level of activity will be sustained for the foreseeable future.

RESULTS AND DIVIDENDS

The loss for the year after taxation was £10,979 (1997: £ 2,352 profit)

The directors do not recommend payment of a dividend for the current year.

FIXED ASSETS

The movement in the fixed assets of the company during the year are summarised in note 6 to the accounts.

DIRECTORS

The directors who served during the year and their beneficial interest in the company's shares were as follows:-

<u>Director's Name</u>	<u>Ordinary Share of £1 each</u>	
	<u>31.12.98</u>	<u>31.12.97</u>
Zia M. Ahsan	25,250	17,000
Ahmed Shabanzadeh	-	16,500

WAYBRIDGE FINANCIAL GROUP PLC.

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 1998

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period 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

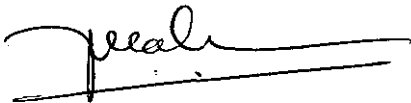
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare 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.

AUDITORS

A resolution to reappoint Butler & Co as auditors will be submitted at the Annual General Meeting.

By order of the Board.



Zia Ahsan

Director

29th September 1999

WAYBRIDGE FINANCIAL GROUP PLC.
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1998

	<u>Notes</u>	<u>1998</u> <u>£</u>	<u>1997</u> <u>£</u>
TURNOVER - Continuing operations	2	165,477	166,609
COST OF SALES		<u>24,174</u>	<u>17,914</u>
GROSS PROFIT		141,303	148,695
Administrative Expenses		<u>159,766</u>	<u>151,293</u>
OPERATING (LOSS)	3	(18,463)	(2,598)
Interest receivable		<u>7,447</u>	<u>3,632</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(11,016)	1,034
Tax on ordinary activities	5	<u>37</u>	<u>(1,318)</u>
(LOSS)/PROFIT FOR THE YEAR		(10,979)	2,352
(Loss) brought forward		<u>(22,234)</u>	<u>(24,586)</u>
(LOSS) CARRIED FORWARD		<u>£ (33,213)</u>	<u>£ (22,234)</u>

The Company had no recognised gains or losses other than the profit for the period as shown above.

The notes on pages 6 to 9 form part of these accounts.

WAYBRIDGE FINANCIAL GROUP PLC.

BALANCE SHEET AS AT 31 DECEMBER 1998

	Notes	1998	1997
		£	£
FIXED ASSETS			
Tangible Assets	6	3,779	4,710
CURRENT ASSETS			
Debtors	7	74,019	57,639
Cash at Bank		<u>358,317</u>	<u>82,918</u>
		432,336	140,557
CREDITORS:			
Amounts falling due within one year	8	<u>429,407</u>	<u>142,501</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>2,929</u>	<u>(1,944)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,708	2,766
CREDITORS:			
Amounts falling due after one year	8	<u>14,921</u>	-
NET (LIABILITIES)/ASSETS		<u>£ (8,213)</u>	<u>£ 2,766</u>
Represented by:			
CAPITAL AND RESERVES			
Called-up share capital	10	25,000	25,000
Profit and Loss account		<u>(33,213)</u>	<u>(22,234)</u>
Equity Shareholders funds	11	<u>£ (8,213)</u>	<u>£ 2,766</u>

WAYBRIDGE FINANCIAL GROUP PLC.

BALANCE SHEET (CONTINUED)

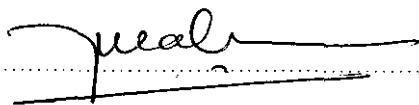
AS AT 31 DECEMBER 1998

The directors confirm that for the year ended 31 December 1998, the Company was entitled to the exemption conferred by subsection (1) of Section 249A and no notice has been deposited under subsection (2) of Section 249B in relation to the accounts for the financial year.

The directors acknowledge their responsibility for:

- (i) *ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and*
- (ii) *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 in accordance with the requirements of Section 226, and which otherwise, comply with the requirements of the Act relating to accounts, as far as applicable to the Company.*

The financial statements were approved by the Board on 29th September 1999.



Mr Zia M. Ahsan
Director

The notes on pages 6 to 9 form part of these financial statements.

WAYBRIDGE FINANCIAL GROUP PLC.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1998

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the company's accounts.

(a) Basis of preparation.

The accounts have been prepared in accordance with applicable accounting standards under the historical cost convention and on going concern basis.

The directors of the company consider that the going concern basis is appropriate in view of the assurances of continued financial support from the directors, who are also the majority shareholders of the company.

(b) Tangible assets and depreciation

Depreciation is charged on fixed assets at rates calculated to write off cost over the expected useful life of each asset. Rates used are as follows:-

Equipment, fixtures and fittings - 25% per annum on reducing balance.
Short term lease - over the term of the lease.

(c) Foreign Currencies

Transactions in foreign currencies are translated at the rate ruling on the day they arise. Differences on exchange are taken to the profit and loss account.

(d) Cash flow statement

The company has taken advantage of the exemption in the Financial Reporting Standard No. 1 from producing a cash flow statement on the grounds that it is a small company.

(e) Operating leases

Rentals payable under operating leases are charged against profit as incurred.

2. TURNOVER

Turnover represents the gross amount of commissions received and administration fees and is stated net of value added tax.

The turnover and pre-tax profit is attributable to the Company's principal activity.

WAYBRIDGE FINANCIAL GROUP PLC.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1998 (Cont'd)

3. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
After charging:		
Directors' emoluments	39,242	28,555
Depreciation - of owned assets	1,096	1,374
Amortisation	320	320
Provision for bad debts	<u>24,876</u>	<u>31,125</u>

4. STAFF COSTS

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Wages and salaries	85,460	57,716
Social securities costs	8,397	4,869
Other staff costs	<u>2,794</u>	<u>-</u>
	<u>96,651</u>	<u>62,585</u>

The average number of persons, including executive directors, employed by the company during the year was:

	<u>No</u>	<u>No</u>
Management	2	2
Administration	<u>3</u>	<u>4</u>
	<u>5</u>	<u>6</u>

5. TAX ON ORDINARY ACTIVITIES

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Based on profit for the year:		
Corporation tax at 21% (1997 21.75%)	-	790
Over/Underprovision in previous year	<u>37</u>	<u>(2,108)</u>
	<u>37</u>	<u>(1,318)</u>

No provision is required for deferred taxation.

There is no tax charge due to losses.

WAYBRIDGE FINANCIAL GROUP PLC.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1998 (Cont'd)

6. <u>TANGIBLE FIXED ASSETS</u>	Short Term <u>Lease</u> £	Equipment Fixtures & <u>Fittings</u> £	<u>Total</u> £
Cost at 1 January 1998	1,599	13,536	15,135
Additions	-	484	484
At 31 December 1998	<u>1,599</u>	<u>14,020</u>	<u>15,619</u>
Depreciation:			
At 1 January 1998	1,013	9,412	10,425
Charge for period	319	1,096	1,415
At 31 December 1998	<u>1,332</u>	<u>10,508</u>	<u>11,840</u>
Net book value at 31 December 1998	<u>267</u>	<u>3,512</u>	<u>3,779</u>
At 31 December 1997	<u>586</u>	<u>4,124</u>	<u>4,710</u>
7. <u>DEBTORS</u>	<u>1998</u> £		<u>1997</u> £
Trade debtors	15,813		9,664
Social security and other taxes	-		1,148
Prepayments and accrued income	5,179		9,180
Other debtors (see below)	<u>53,027</u>		<u>37,647</u>
	<u>74,019</u>		<u>57,639</u>
8. <u>CREDITORS</u>	<u>1998</u> £		<u>1997</u> £
Amounts falling due within one year			
Trade creditors	22,758		27,791
Corporation tax	-		790
Social security and other taxes	8,607		1,550
Accruals and deferred income	8,632		4,555
Other creditors	<u>389,410</u>		<u>107,815</u>
	<u>429,407</u>		<u>142,501</u>
Amounts falling due after one year			
Social Security and other taxes	<u>14,921</u>		-
	<u>14,921</u>		-

WAYBRIDGE FINANCIAL GROUP PLC.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1998 (Cont'd)

9. FUTURE FINANCIAL COMMITMENTS:

Operating leases

At 31 December 1998 the Company had annual commitments under operating leases as set out below

	<u>1998</u> <u>Land & Building</u> <u>£</u>	<u>1997</u> <u>Land & Building</u> <u>£</u>
Due within one year	8,933	8,487
Due after more than one year	<u>-</u>	<u>8,933</u>
	<u>8,933</u>	<u>17,420</u>

10. SHARE CAPITAL

	<u>1998</u> <u>£</u>	<u>1997</u> <u>£</u>
Authorised:		
Ordinary shares of £1 each	<u>£ 1,000,000</u>	<u>£ 1,000,000</u>
Allotted, called up and paid:		
50,000 Ordinary shares of £1 each,		
50p paid	<u>£ 25,000</u>	<u>£ 25,000</u>

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>1998</u> <u>£</u>	<u>1997</u> <u>£</u>
Shareholders' Interest at 1 January	2,766	414
(Loss)/Profit for the year	<u>(9,126)</u>	<u>2,352</u>
Shareholders' Interest at 31 December	£ (6,360)	£ 2,766