

Company No: 2619705

**WAYBRIDGE FINANCIAL GROUP PLC.**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 1997**

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

**AUDITORS**

Butler & Co

**WAYBRIDGE FINANCIAL GROUP PLC.**

**DIRECTORS' REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 1997**

**INDEX**

**Statutory**

|                               |   |
|-------------------------------|---|
| Directors' Report .....       | 1 |
| Auditors' Report .....        | 3 |
| Profit and Loss Account ..... | 4 |
| Balance Sheet .....           | 5 |
| Notes to the Accounts .....   | 6 |

**Non Statutory**

|  |    |
|--|----|
| Detailed Profit and Loss Account ..... | 10 |
|--|----|

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**WAYBRIDGE FINANCIAL GROUP PLC.**  
**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 DECEMBER 1997**

**ACCOUNTS**

The directors presents their report and accounts for the year ended 31 December 1997.

**PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS**

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

Turnover has increased by over 28% reflecting the Company's commitment to refocusing on core activities. This has been achieved inspite of continuing strong competition in the insurance sector.

Cost and expenditure has been contained and is within budget. Regrettably, it has been necessary to make further provisions for doubtful debts which has had a significant impact on the net profit.

The Directors are satisfied overall with the performance of the Company,

**RESULTS AND DIVIDENDS**

The profit for the year after taxation was £ 2,352 ( 1996: £24,663, Loss)

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>31.12.97</u>                  | <u>31.12.96</u> |
| Zia M. Ahsan           | 17,000                           | 17,000          |
| Ahmed Shabanzadeh      | 16,500                           | 16,500          |

**WAYBRIDGE FINANCIAL GROUP PLC.**  
**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 DECEMBER 1997**

**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

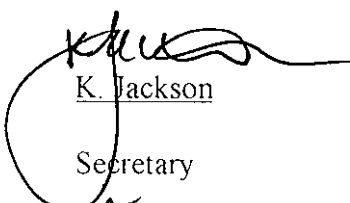
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare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



K. Jackson

Secretary

29 July 1998

**AUDITORS' REPORT TO THE SHAREHOLDERS OF**  
**WAYBRIDGE FINANCIAL GROUP PLC.**

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 2 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.

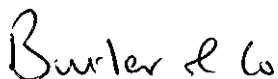
**BASIS OF OPINION**

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 director 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 the company's affairs as at 31 December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**BUTLER & CO.**  
**Chartered Accountants and**  
**Registered Auditors**

Date:  2<sup>nd</sup> July 1998

Walmar House  
288-292 Regent Street  
London W1R 5HF

**WAYBRIDGE FINANCIAL GROUP PLC.**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 1997**

|   | <u>Notes</u> | <u>1997</u><br><u>£</u> | <u>1996</u><br><u>£</u> |
|---|--------------|-------------------------|-------------------------|
| TURNOVER - Continuing operations                        | 2            | 166,609                 | 129,473                 |
| COST OF SALES   |              | <u>17,914</u>           | <u>19,684</u>           |
| GROSS PROFIT  |              | 148,695                 | 109,789                 |
| Administrative Expenses                                 |              | <u>151,293</u>          | <u>135,345</u>          |
| OPERATING (LOSS)  | 3            | (2,598)                 | (25,556)                |
| Interest receivable                                     |              | <u>3,632</u>            | <u>895</u>              |
| PROFIT/(LOSS) ON ORDINARY<br>ACTIVITIES BEFORE TAXATION |              | 1,034                   | (24,661)                |
| Tax on ordinary activities                              | 5            | <u>(1,318)</u>          | <u>2</u>                |
| PROFIT/(LOSS) FOR THE YEAR                              |              | 2,352                   | (24,663)                |
| (Loss)/Profit brought forward                           |              | <u>(24,586)</u>         | <u>77</u>               |
| (LOSS) CARRIED FORWARD                                  |              | <u>£ (22,234)</u>       | <u>£ (24,586)</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 1997**

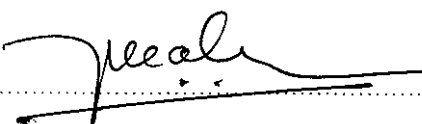
|  | <u>Notes</u> | <u>1997</u>    | <u>1996</u>    |
|--|--------------|----------------|----------------|
| FIXED ASSETS                                   |              | £              | £              |
| Tangible Assets                                | 6            | 4,710          | 5,399          |
| CURRENT ASSETS                                 |              |                |                |
| Debtors  | 7            | 57,639         | 90,901         |
| Cash at Bank                                   |              | <u>82,918</u>  | <u>74,231</u>  |
|  |              | 140,557        | 165,132        |
| CREDITORS: Amounts falling due within one year | 8            | <u>142,501</u> | <u>170,117</u> |
| NET CURRENT (LIABILITIES)                      |              | (1,944)        | (4,985)        |
| NET ASSETS                                     |              | <u>£ 2,766</u> | <u>£ 414</u>   |

Represented by:

**CAPITAL AND RESERVES**

|                           |    |                |              |
|---------------------------|----|----------------|--------------|
| Called-up share capital   | 10 | 25,000         | 25,000       |
| Profit and Loss account   |    | (22,234)       | (24,586)     |
| Equity Shareholders funds | 11 | <u>£ 2,766</u> | <u>£ 414</u> |

The accounts were approved by the Board on 29<sup>m</sup> July 1998.

 Zia M Ahsan (Director)

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



## **WAYBRIDGE FINANCIAL GROUP PLC.**

### **NOTES TO THE ACCOUNTS** **FOR THE YEAR ENDED 31 DECEMBER 1997**

#### **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, and guarantees provided. See note 7.

##### **(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 - 15% 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 1997 (Cont'd)**

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

|                                | <u>1997</u>  | <u>1996</u>  |
|--------------------------------|--------------|--------------|
|                                | <u>£</u>     | <u>£</u>     |
| After charging:                |              |              |
| Staff costs (note 4)           | 62,585       | 68,773       |
| Directors' emoluments          | 28,555       | 33,950       |
| Depreciation - of owned assets | 1,374        | 1,498        |
| Amortisation                   | 320          | 160          |
| Provision for bad debts        | 31,125       | 9,200        |
| Auditors' remuneration         | <u>2,000</u> | <u>1,500</u> |

**4. STAFF COSTS**

|                         | <u>1997</u>   | <u>1996</u>   |
|-------------------------|---------------|---------------|
|                         | <u>£</u>      | <u>£</u>      |
| Wages and salaries      | 57,716        | 61,315        |
| Social securities costs | 4,869         | 4,958         |
| Other staff costs       | <u>-</u>      | <u>2,500</u>  |
|                         | <u>62,585</u> | <u>68,773</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>4</u>  | <u>5</u>  |
|                | <u>6</u>  | <u>7</u>  |

**5. TAX ON ORDINARY ACTIVITIES**

|   | <u>1997</u>    | <u>1996</u> |
|---|----------------|-------------|
|   | <u>£</u>       | <u>£</u>    |
| Based on profit for the year:           |                |             |
| Corporation tax at 21.75% (1996 24.25%) | 790            | -           |
| Over/Underprovision in previous year    | <u>(2,108)</u> | <u>2</u>    |
|   | <u>(1,318)</u> | <u>2</u>    |

No provision is required for deferred taxation.

# **WAYBRIDGE FINANCIAL GROUP PLC.**

## **NOTES TO THE ACCOUNTS** **FOR THE YEAR ENDED 31 DECEMBER 1997 (Cont'd)**

### 6. **TANGIBLE FIXED ASSETS**

|                                       | Short<br>Term<br>Lease | Equipment<br>Fixtures &<br>Fittings | Total          |
|---------------------------------------|------------------------|-------------------------------------|----------------|
|                                       | £                      | £                                   | £              |
| Cost at 1 January 1997                | 1,599                  | 12,531                              | 14,130         |
| Additions                             | -                      | 1,005                               | 1,005          |
| At 31 December 1997                   | <u>1,599</u>           | <u>13,536</u>                       | <u>15,135</u>  |
| Depreciation:                         |                        |                                     |                |
| At 1 January 1997                     | 693                    | 8,038                               | 8,731          |
| Charge for period                     | <u>320</u>             | <u>1,374</u>                        | <u>1,694</u>   |
| At 31 December 1997                   | <u>1,013</u>           | <u>9,412</u>                        | <u>10,425</u>  |
| Net book value at<br>31 December 1997 | <u>£ 586</u>           | <u>£ 4,124</u>                      | <u>£ 4,710</u> |
| At 31 December 1996                   | <u>£ 906</u>           | <u>£ 4,493</u>                      | <u>£ 5,399</u> |

### 7. **DEBTORS**

|                                 | 1997          | 1996          |
|---------------------------------|---------------|---------------|
|                                 | £             | £             |
| Trade debtors                   | 9,664         | 13,466        |
| Social security and other taxes | 1,148         | 1,088         |
| Prepayments and accrued income  | 9,180         | 9,851         |
| Other debtors (see below)       | <u>37,647</u> | <u>66,496</u> |
|                                 | <u>57,639</u> | <u>90,901</u> |

Other debtors are stated after making a provision of £ 40,325. The directors are of the opinion that the balance is recoverable and have provided guarantees to the company to make good any shortfall.

### 8. **CREDITORS**

| Amounts falling due<br>within one year | 1997           | 1996           |
|--|----------------|----------------|
|  | £              | £              |
| Trade creditors                        | 27,791         | 84,260         |
| Corporation tax                        | 790            | -              |
| Social security and other taxes        | 1,550          | 4,042          |
| Accruals and deferred income           | 4,555          | 13,937         |
| Other creditors                        | <u>107,815</u> | <u>67,878</u>  |
|  | <u>142,501</u> | <u>170,117</u> |

**WAYBRIDGE FINANCIAL GROUP PLC.**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 1997 (Cont'd)**

9. **FUTURE FINANCIAL COMMITMENTS:**

Operating leases

At 31 December 1997 the Company had annual commitments under operating leases as set out below

|                              | <u>1997</u><br><u>Land &amp; Building</u><br><u>£</u> | <u>1996</u><br><u>Land &amp; Building</u><br><u>£</u> |
|------------------------------|---|---|
| Due within one year          | 8,487   | 10,273  |
| Due after more than one year | <u>8,933</u>  | <u>17,518</u>   |
|                              | <u>17,420</u>   | <u>27,791</u>   |

10. **SHARE CAPITAL**

|                                    | <u>1997</u><br><u>£</u> | <u>1996</u><br><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>1997</u><br><u>£</u> | <u>1996</u><br><u>£</u> |
|---------------------------------------|-------------------------|-------------------------|
| Shareholders' Interest at 1 January   | 414                     | 25,077                  |
| Profit/(Loss) for the year            | 2,352                   | (24,663)                |
|                                       | <hr/>                   | <hr/>                   |
| Shareholders' Interest at 31 December | <u>£ 2,766</u>          | <u>£ 414</u>            |