

Company No: 2619705

WAYBRIDGE FINANCIAL GROUP PLC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1996

**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
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SECRETARY	Keith Jackson
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REGISTERED OFFICE	175-176 Tottenham Court Road London, W1P 9LF
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COMPANY NUMBER	2619705
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AUDITORS	Butler & Co
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WAYBRIDGE FINANCIAL GROUP PLC.

DIRECTORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1996

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WAYBRIDGE FINANCIAL GROUP PLC.

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 1996

ACCOUNTS

The directors presents their report and accounts for the year ended 31 December 1996.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

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

As at 1 June 1996, Mr Sunil Pathak resigned as a Director and Secretary of the Company and Mr Zia Ahsan took over the joint role of Chairman and Managing Director, which is commensurate with the size of the Company.

The continued price sensitivity in the Insurance Sector together with the over supply has resulted in a reduction in brokerage income for the year. Insurance's handled by the company continue to be renewed with a good retention rate, and a 10% increase in new business.

With the change of Director, there has been an opportunity for us to reorganise and refocus on the core activities of the company, namely that of General Insurance and Financial Services. There has been a corresponding reduction in other unrelated activities which has in turn been reflected in a reduction of the total operating income.

Costs and expenditure have been addressed and the effect will be visible in the coming period.

RESULTS AND DIVIDENDS

The loss for the year after taxation was £24,663 (1995: £107, 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>31.12.96</u>	<u>31.12.95</u>
Zia M. Ahsan	17,000	17,000
Ahmed Shabanzadeh	16,500	16,500
Sunil Pathak (resigned 01.06.96)		16,500

WAYBRIDGE FINANCIAL GROUP PLC.

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 1996

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

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.

UNCERTAINTY

The financial statements have been prepared on a going concern basis and assume that funds will continue to be made available by the shareholders to enable the company to continue trading and therefore do not include adjustments that would result from a failure to obtain continuing financial support. Details of the circumstances relating to this uncertainty are described in notes 1 and 7. Our opinion is not qualified in this respect.

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 loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Butler & Co

BUTLER & CO.

Chartered Accountants and
Registered Auditors

Date: *27 August 1997*

Walmar House
288-292 Regent Street
London W1R 5HF

WAYBRIDGE FINANCIAL GROUP PLC.

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1996

	<u>Notes</u>	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
TURNOVER - Continuing operations	2	129,473	155,143
COST OF SALES		<u>19,684</u>	<u>21,929</u>
GROSS PROFIT		109,789	133,214
Overhead Expenses		<u>135,345</u>	<u>134,369</u>
OPERATING LOSS	3	(25,556)	(1,155)
Interest receivable		<u>895</u>	<u>1,528</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(24,661)	373
Tax on ordinary activities	5	<u>2</u>	<u>480</u>
(LOSS) FOR THE YEAR		(24,663)	(107)
Profit brought forward		<u>77</u>	<u>184</u>
(LOSS)/PROFIT CARRIED FORWARD		<u>£ (24,586)</u>	<u>£ 77</u>

The Company had no recognised gains or losses other than the loss 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 1996

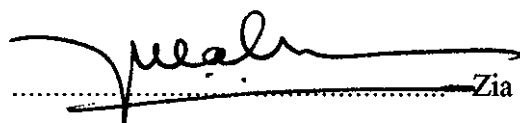
	<u>Notes</u>	<u>1996</u>	<u>1995</u>
FIXED ASSETS		£	£
Tangible Assets	6	5,399	6,082
CURRENT ASSETS			
Debtors	7	90,901	135,987
Cash at Bank		<u>74,231</u>	<u>10,199</u>
		165,132	146,186
CREDITORS: Amounts falling due within one year	8	<u>170,117</u>	<u>127,191</u>
NET CURRENT (LIABILITIES)/ASSETS		(4,985)	18,995
NET ASSETS		<u>£ 414</u>	<u>£ 25,077</u>

Represented by:

CAPITAL AND RESERVES

Called-up share capital	10	25,000	25,000
Profit and Loss account		<u>(24,586)</u>	<u>77</u>
Equity Shareholders funds	11	<u>£ 414</u>	<u>£ 25,077</u>

The accounts were approved by the Board on 27 August 1997.



..... 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 1996

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 Lease Agreement

Rental applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor 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 1996 (Cont'd)

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

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
After charging:		
Staff costs (note 4)	68,773	78,027
Directors' emoluments	33,950	40,077
Depreciation - of owned assets	1,498	1,673
Amortisation	160	533
Auditors' remuneration	<u>1,500</u>	<u>1,000</u>

4. STAFF COSTS

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Wages and salaries	61,315	70,156
Social securities costs	4,958	5,871
Other staff costs	<u>2,500</u>	<u>2,000</u>
	<u>68,773</u>	<u>78,027</u>

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

	<u>No</u>	<u>No</u>
Management	<u>6</u>	<u>7</u>

5. TAX ON ORDINARY ACTIVITIES

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Based on profit for the year:		
Corporation tax at 24.25% (1995 25%)	-	480
Underprovision in previous year	<u>2</u>	<u>-</u>
	<u>2</u>	<u>480</u>

No provision is required for deferred taxation.

WAYBRIDGE FINANCIAL GROUP PLC.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1996 (Cont'd)

6. TANGIBLE FIXED ASSETS

	Short Term <u>Lease</u> <u>£</u>	Equipment Fixtures & <u>Fittings</u> <u>£</u>	<u>Total</u> <u>£</u>
Cost at 1 January 1996	1,599	11,556	13,155
Additions	-	975	975
At 31 December 1996	<u>1,599</u>	<u>12,531</u>	<u>14,130</u>
Depreciation:			
At 1 January 1996	533	6,540	7,073
Charge for period	<u>160</u>	<u>1,498</u>	<u>1,658</u>
At 31 December 1996	<u>693</u>	<u>8,038</u>	<u>8,731</u>
Net book value at 31 December 1996	<u>£ 906</u>	<u>£ 4,493</u>	<u>£ 5,399</u>
At 31 December 1995	<u>£ 1,066</u>	<u>£ 5,016</u>	<u>£ 6,082</u>

7. DEBTORS

	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
Trade debtors	13,466	35,131
Social security and other taxes	1,088	2,802
Prepayments and accrued income	9,851	6,096
Other debtors (see below)	<u>66,496</u>	<u>91,958</u>
	<u>90,901</u>	<u>135,987</u>

Other debtors are stated after making a provision of £ 9,200. 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 within one year

	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
Trade creditors	84,260	27,590
Bank overdraft	-	4,990
Corporation tax	-	480
Social security and other taxes	4,042	8,068
Accruals and deferred income	13,937	7,303
Other creditors	<u>67,878</u>	<u>78,760</u>
	<u>170,117</u>	<u>127,191</u>

WAYBRIDGE FINANCIAL GROUP PLC.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1996 (Cont'd)

9. FUTURE FINANCIAL COMMITMENTS:

Operating leases

At 31 December 1996 the Company had annual commitments under operating leases as set out below

	<u>1996</u> <u>Land & Building</u> <u>£</u>	<u>1995</u> <u>Land & Building</u> <u>£</u>
Due within one year	10,273	10,720
Due after more than one year	<u>17,518</u>	<u>27,791</u>
	<u>27,791</u>	<u>38,511</u>

10. SHARE CAPITAL

	<u>1996</u> <u>£</u>	<u>1995</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>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
Shareholders' Interest at 1 January	25,077	25,184
Loss for the year	(24,663)	(107)
	<hr/>	<hr/>
Shareholders' Interest at 31 December	<u>£ 414</u>	<u>£ 25,077</u>