

F I N A N C I A L S T A T E M E N T S

WAYBRIDGE FINANCIAL GROUP PLC

YEAR ENDED 31st DECEMBER 1994

Company Registration Number: 2619705

BOLTON KHAN HEWITT & CO

30/31 Shoreditch High Street
London E1 6PG



WAYBRIDGE FINANCIAL GROUP PLC

COMPANY INFORMATION

Registered offices: 175/176 Tottenham Court Road
London W1P 9LF

Company Registration Number: 2619705

Directors: Zia M Ahsan
S Pathak

Company Secretary: S Pathak

WAYBRIDGE FINANCIAL GROUP PLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st DECEMBER 1994

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The following pages do not form part of the financial statements.

Detailed trading, profit and loss account	Appendix 1
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WAYBRIDGE FINANCIAL GROUP PLCTHE DIRECTORS' REPORT
FOR THE YEAR ENDED 31st DECEMBER 1994

The directors present their report and the company's financial statements for the Year ended 31st December 1994.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW.

The principal activities of the company remained the provision of general insurance and financial services to the high net worth and corporate market.

We are pleased to report an increase of 22% in turnover from the previous year. It is anticipated that there will be a similar increase during the next 12 months.

The general insurance division continues to grow in line with expectations and we are pleased to report that we have added several medium sized corporate groups to our client list. The financial services division has produced average growth and it is anticipated that with the addition of human resources, 1995 should reflect a level of increased activity and profitability. The company continues to operate without the need for bank financing/borrowings.

The company remains focused on its goals and continues to operate within a culture of total quality and commitment.

RESULTS AND DIVIDENDS.

The trading results for the Year, the company's financial position, and the amounts transferred to reserves are shown in the attached financial statements.

The directors have not recommended a dividend.

DIRECTORS AND THEIR INTERESTS IN THE COMPANY'S SHARES.

The directors who served in office during the Year and their beneficial interests in the company's shares were as follows:

	Type of share	At the end of the period	At the start of the period
Zia M Ahsan	Ordinary	33,500	17,000
S Pathak	Ordinary	16,500	16,500

FIXED ASSETS.

The acquisitions and disposals of fixed assets are recorded in the notes to the financial statements.

WAYBRIDGE FINANCIAL GROUP PLC

THE DIRECTORS' REPORT
FOR THE YEAR ENDED 31ST DECEMBER 1994

DONATIONS

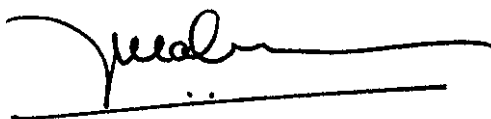
During the year the company made charitable donations totalling £579.

AUDITORS

The auditors Messrs Bolton Khan Hewitt & Co. will not be seeking reappointment at the next annual general meeting.

A resolution to appoint Messrs Qureshi & Co. as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed on behalf of the board of directors.

A handwritten signature in black ink, appearing to read 'Zia M. Ahsan', is written over a horizontal line.

Zia M.Ahsan
Chairman / Director

Approved by the board of directors on: 23-05-1995

AUDITORS' REPORT TO THE SHAREHOLDERS OF
WAYBRIDGE FINANCIAL GROUP PLC
FOR THE YEAR ENDED 31st DECEMBER 1994

We have audited the financial statements on pages 4 to 14 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 to 9.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS.

As described in note 1 to the financial statements 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 the company's affairs as at 31st December 1994 and of its profit for the Year then ended, and have been properly prepared in accordance with the Companies Act 1985.



BOLTON KHAN HEWITT & CO

Date:

23/5/95

30/31 Shoreditch High Street
London E1 6PG

WAYBRIDGE FINANCIAL GROUP PLCPROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31st DECEMBER 1994

	Note	1994 £	1993 £
<u>Turnover</u>	3	151,543	128,861
<u>Gross profit</u>		<u>151,543</u>	<u>128,861</u>
Distribution costs		(13,469)	(10,209)
Administrative expenses		(133,394)	(113,561)
<u>Profit on ordinary activities before taxation</u>		<u>4,680</u>	<u>5,091</u>
Tax on profit on ordinary activities	7	(1,387)	(791)
<u>Retained profit for the financial Year</u>		<u>3,293</u>	<u>4,300</u>
Profit and loss account brought forward		(3,109)	(7,409)
<u>Profit and loss account carried forward</u>		<u>184</u>	<u>(3,109)</u>

Total recognised gains and losses.

The company had no recognised gains or losses other than the profit for the above two financial Years.

Continuing Operations.

None of the company's activities were acquired or discontinued during the above two financial Years.

WAYBRIDGE FINANCIAL GROUP PLCBALANCE SHEET AS AT 31st DECEMBER 1994

	Note	£	1994	£	1993	£
<u>Fixed assets</u>						
Intangible assets	8		1,599		-	
Tangible assets	9		5,122		4,029	
			<u>6,721</u>		<u>4,029</u>	
<u>Current assets</u>						
Debtors	10	120,407		105,587		
Cash at bank and in hand		76,688		29,816		
		<u>197,095</u>		<u>135,403</u>		
<u>Creditors: Amounts falling due within one year</u>	11	(178,632)		(117,541)		
<u>Net current assets</u>			18,463		17,862	
<u>Total assets less current liabilities</u>			<u>25,184</u>		<u>21,891</u>	
<u>Net assets</u>			<u>25,184</u>		<u>21,891</u>	
<u>Capital and reserves</u>						
			£		£	
Called up share capital	13	25,000		25,000		
Profit and loss account		184		(3,109)		
		<u>25,184</u>		<u>21,891</u>		

Chairman/Director :

Zia M Ahsan

Date

: 23-05-1995

The notes on pages 8 to 14 form part of these financial statements.

WAYBRIDGE FINANCIAL GROUP PLC
CASH FLOW STATEMENT FOR YEAR ENDED 31 DECEMBER 1994

	1994	1993
	£	£
Net Cash inflow/ (outflow) from operating activities	50,537	(94,303)
Interest received	904	5,615
Interest paid	(12)	(106)
Corporation tax	(1,386)	(791)
Payments to acquire tangible fixed assets	(2,800)	(2,168)
	-----	-----
	<u>47,243</u>	<u>(91,753)</u>

WAYBRIDGE FINANCIAL GROUP PLC**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 1994**

	1994	1993
	£	£
1. Reconciliation of operating profit to net Cash inflow from operating activities		
Operating profit / (Loss)	3,788	(418)
Depreciation charges	1,707	1,344
Increase in debtors	(14,820)	(19,689)
Decrease in creditors	59,862	(75,540)
	-----	-----
Net Cash inflow (outflow) from operating activities	<u>50,537</u>	<u>(94,303)</u>
2. Analysis of changes in cash and cash equivalents during the year		1994
Balance at 1 January 1994		29,666
Net Cash inflow		45,793

Balance at 31 December 1994		<u>75,459</u>
3. Analysis of cash balances as shown in the balance sheet	1994	1993 Change
Cash at bank and at hand	76,688	29,815 46,873
Bank overdraft	(1,229)	(149) (1,080)
	-----	-----
	<u>75,459</u>	<u>29,666 45,793</u>

WAYBRIDGE FINANCIAL GROUP PLCNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 1994

1. DIRECTORS' RESPONSIBILITIES.

Company law requires directors to prepare financial statements for each financial year which give a true and fair view of the company's state of affairs at the end of the year and profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described below, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

2. ACCOUNTING POLICIES.

The financial statements have been prepared under the historical cost convention using the following accounting policies:

TURNOVER.

The turnover shown in the profit and loss account represents amounts invoiced during the Year.

AMORTISATION.

Amortisation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

DEPRECIATION.

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

office equipment,	25 % written down value
fixtures and fittings,	
plant and machinery	

WAYBRIDGE FINANCIAL GROUP PLCNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 1994

2. ACCOUNTING POLICIES NOTE - CONTINUED.

HIRE PURCHASE AGREEMENTS.

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged against the profit and loss account so as to produce a constant periodic rate of charge on the remaining balance of the obligation for each accounting period.

FINANCE LEASE AGREEMENTS.

Assets held under finance leases where substantially all of the benefits and risks of ownership accrue to the lessee, are capitalised and disclosed under tangible fixed assets at their fair value. The assets are depreciated over the shorter of the lease term or their useful economic life. The capital element of the future payments is treated as a liability. The total finance charge for each lease is charged against the profit and loss account so as to produce a constant periodic rate of charge on the remaining balance of the obligation for each accounting period.

OPERATING LEASE AGREEMENTS.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profit as incurred.

3. TURNOVER.

The turnover and profit before tax is attributable to the one principal activity of the company.

	1994	1993
	£	£
United Kingdom	151,543	128,861

WAYBRIDGE FINANCIAL GROUP PLCNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 1994

4. OPERATING PROFIT.

Operating profit is stated after charging:

	1994 £	1993 £
Directors' remuneration for:		
- Services as directors	32,561	12,561
Depreciation	1,707	1,344
Auditors' Fees	500	1,000
Operating lease charges:		
- Hire of plant & machinery	1,457	1,110

5. PARTICULARS OF EMPLOYEES.

The average number of staff employed by the company during the Year amounted to 7 (1993 - 7).

EMPLOYMENT COSTS.

The aggregate costs of the company's employees were:

	1994 £	1993 £
Wages and salaries	70,586	45,734
Social security costs	6,234	4,084
	<u>76,820</u>	<u>49,818</u>

6. DIRECTORS' EMOLUMENTS.

Directors' emoluments, including pension contributions payable by the company, and benefits in kind were:

	1994 £	1993 £
Emoluments as directors (see note 3)	-	-

WAYBRIDGE FINANCIAL GROUP PLCNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 1994

7. TAXATION ON ORDINARY ACTIVITIES	Nil	.
	1994	1993
	£	£
Current year corporation tax at 25-%	1,387	791
	<u> </u>	<u> </u>
8. INTANGIBLE ASSETS.		
		Legal exps
COST:		£
Additions at cost		1,599
Balance carried forward		<u>1,599</u>
NET BOOK VALUE:		£
Net book value at 31st December 1994		<u>1,599</u>

WAYBRIDGE FINANCIAL GROUP PLCNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 1994

9. TANGIBLE FIXED ASSETS.

	Office Equipment	Fixtures and Fittings	TOTAL
COST:	£	£	£
Balance brought forward	5,743	1,446	7,189
Additions at cost	-	2,800	2,800
	<hr/>	<hr/>	<hr/>
Balance carried forward	5,743	4,246	9,989
	<hr/>	<hr/>	<hr/>
DEPRECIATION:	£	£	£
Balance brought forward	2,468	692	3,160
Depreciation charge	819	888	1,707
	<hr/>	<hr/>	<hr/>
Balance carried forward	3,287	1,580	4,867
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE:	£	£	£
At 31st December 1994	2,456	2,666	5,122
	<hr/>	<hr/>	<hr/>
At 31st December 1993	3,275	754	4,029
	<hr/>	<hr/>	<hr/>

10. DEBTORS.

	1994 £	1993 £
Trade debtors	20,029	16,218
Directors loan	-	1,500
Other Debtors	100,378	87,869
	<hr/>	<hr/>
	120,407	105,587
	<hr/>	<hr/>

All debtors are receivable within one year of the balance sheet date.

WAYBRIDGE FINANCIAL GROUP PLCNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 1994

11. CREDITORS: Amounts falling due within one year.

	1994	1993
	£	£
Debenture loans	-	1
Bank loans and overdrafts	1,229	149
Trade creditors	20,880	11,827
Other creditors including taxation and social security:		
Other creditors	27,552	23,917
Corporation tax, Paye, NIC	9,272	1,616
Clients funds	119,699	80,031
	<u>156,523</u>	<u>105,564</u>
	<u>178,632</u>	<u>117,541</u>

Included in other creditors is £ 7,359 owed to Waybridge Trade Corporation Limited representing monies held. The shareholders of that company are also shareholders and directors of Waybridge Financial Group Plc.

Trade creditors represent liabilities towards premiums held and are secured by bank balances held exclusively for that purpose.

12. COMMITMENTS UNDER OPERATING LEASES.

13. SHARE CAPITAL.

	1994	1993
	£	£
<u>Authorised share capital:</u>		
1,000,000 shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
<u>Allotted, called up and fully paid:</u>		
50,000 shares, 50p called up	<u>25,000</u>	<u>25,000</u>
Total share capital	<u>25,000</u>	<u>25,000</u>

WAYBRIDGE FINANCIAL GROUP PLCNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 1994

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS.

	1994 £	1993 £
Profit for the financial year	3,293	4,300
Other movements	-	-
Net addition to funds	3,293	4,300
Opening shareholders' funds	21,891	17,591
Closing shareholders' funds	25,184	21,891