

Aston Rothbury Group Plc

FINANCIAL STATEMENTS

for the year ended

31 December 1999

Company Registration No. 2807862



Aston Rothbury Group Plc

DIRECTORS AND OFFICERS

DIRECTORS

B C Nalborough

I J Clark

N A Sellars

SECRETARY

I J Clark

COMPANY NUMBER

2807862 (England and Wales)

REGISTERED OFFICE

Second Floor, Romy House

159-167 Kings Road

Brentwood, Essex

CM14 4EG

AUDITORS

Baker Tilly

Iveco Ford House

Station Road

Watford

Herts

WD1 1TG

Aston Rothbury Group Plc

DIRECTORS' REPORT

The directors submit their report and financial statements of Aston Rothbury Group Plc for the year ended 31 December 1999.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the provision of management services.

REVIEW OF THE BUSINESS

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

YEAR 2000

The company has not experienced to date any adverse effects associated with the year 2000 issue.

INTRODUCTION OF THE EURO

The company will be able to handle Euro transactions when required.

RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £72,204.

The directors do not recommend payment of an ordinary dividend.

DIRECTORS

The following directors have held office since 1 January 1999:-

B C Nalborough

I J Clark

N A Sellars

Aston Rothbury Group Plc

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' INTERESTS IN SHARES

Directors' interests in the shares of the company, including family interests, were as follows:

	<i>Ordinary shares (50p called up) of £ 1 each</i>	
	31.12.99	1.1.99
B C Nalborough	-	-
I J Clark	-	-
N A Sellars	-	-

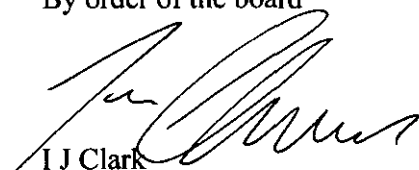
	<i>Ordinary shares (£1 called up) of £ 1 each</i>	
	31.12.99	1.1.99
B C Nalborough	-	-
I J Clark	1	1
N A Sellars	-	-

	<i>Redeemable 0% Preference shares of £ 1 each</i>	
	31.12.99	1.1.99
B C Nalborough	-	-
I J Clark	-	-
N A Sellars	-	-

AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants will be put to the members at the annual general meeting.

By order of the board


I J Clark
Director

19.6.2000.

Aston Rothbury Group Plc

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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 period. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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' REPORT TO THE SHAREHOLDERS OF ASTON ROTHBURY GROUP PLC

We have audited the financial statements on pages 6 to 16.

Respective responsibilities of directors and auditors

As described on page 4 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.

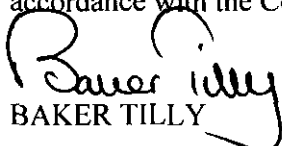
Basis of opinion

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 31 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


BAKER TILLY

Registered Auditor
Chartered Accountants
Iveco Ford House
Station Road
Watford
Herts
WD1 1TG

22 June 2000

Aston Rothbury Group Plc

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 1999

	<i>Notes</i>	1999 £	1998 £
TURNOVER	1	123,303	131,198
Other operating expenses	2	109,502	97,067
OPERATING PROFIT		13,801	34,131
Investment income	3	67,500	-
		81,301	34,131
Interest payable	4	19	68
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	81,282	34,063
Taxation	7	9,078	4,430
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	13	72,204	29,633

The operating profit for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

Aston Rothbury Group Plc

BALANCE SHEET

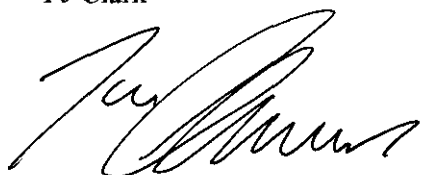
31 December 1999

	Notes	1999 £	1998 £
FIXED ASSETS			
Tangible assets	8	58,539	108,427
Investments	9	2,185,003	1,185,003
		<u>2,243,542</u>	<u>1,293,430</u>
CURRENT ASSETS			
Debtors	10	583,714	816,184
		<u>583,714</u>	<u>816,184</u>
CREDITORS: Amounts falling due within one year	11	1,745,603	1,100,165
		<u>(1,161,889)</u>	<u>(283,981)</u>
NET CURRENT LIABILITIES			
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,081,653</u>	<u>1,009,449</u>
CAPITAL AND RESERVES			
Called up share capital	12	1,025,001	1,025,001
Profit and loss account	13	56,652	(15,552)
		<u>1,081,653</u>	<u>1,009,449</u>
SHAREHOLDERS' FUNDS			
Equity interests		81,653	9,449
Non-equity interests		1,000,000	1,000,000
		<u>1,081,653</u>	<u>1,009,449</u>

Approved by the board on 19th June 2000

I J Clark

Director



Aston Rothbury Group Plc

CASH FLOW STATEMENT

for the year ended 31 December 1999

	<i>Notes</i>	1999 £	1998 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	15	956,011	26,187
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid		(19)	(68)
Net cash outflow for returns on investments and servicing of finance		(19)	(68)
TAXATION		(8,314)	(1,348)
CAPITAL EXPENDITURE			
Payments to acquire tangible assets		(1,871)	(32,472)
Receipts from sales of tangible assets		40,009	-
Net cash inflow/(outflow) for capital expenditure		38,138	(32,472)
ACQUISITIONS AND DISPOSALS			
Purchase of subsidiary undertakings (net of cash acquired)		(1,000,000)	-
Net cash outflow for acquisitions and disposals		(1,000,000)	-
DECREASE IN CASH IN THE YEAR		(14,184)	(7,701)

Aston Rothbury Group Plc

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost less depreciation.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Leasehold land and buildings	over the term of the lease
Fixtures, fittings and equipment	4-8 years

INVESTMENTS

Fixed asset investments are stated at cost less provision for diminution in value.

DEFERRED TAXATION

Provision is made for taxation deferred or accelerated by the effect of timing differences, to the extent that it is probable that a liability will crystallise, at the rate expected to be ruling at that date.

LEASED ASSETS

The annual rentals on 'operating leases' are charged to the profit and loss account on a straight line basis over the lease term.

TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

Aston Rothbury Group Plc

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 1999

1. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and profit before taxation were all derived from its principal activity wholly undertaken in the United Kingdom.

2. OTHER OPERATING EXPENSES

	1999 £	1998 £
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Administrative expenses	109,502	97,067
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3. INVESTMENT INCOME

	1999 £	1998 £
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Income from subsidiary undertakings	67,500	-
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4. INTEREST PAYABLE

	1999 £	1998 £
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On bank loans and overdrafts	19	68
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5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1999 £	1998 £
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Profit on ordinary activities before taxation is stated after charging/(crediting):

Depreciation of tangible assets:

Charge for the year:

owned assets	11,750	14,649
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Operating lease rentals:

Land and buildings	53,915	26,332
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Auditors' remuneration	3,265	1,200
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6. EMPLOYEES

	1999 No.	1998 No.
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The average monthly number of persons (including directors) employed by the company during the year was:

Office and management	3	3
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	£	£
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Staff costs for the above persons:

Wages and salaries	2,400	2,640
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Aston Rothbury Group Plc

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 1999

7. TAXATION

	1999 £	1998 £
Based on the profit for the year:		
U.K. Corporation tax at 20% (1998 - 21%)	8,867	8,103
Under/(over) provided in earlier years	211	(3,673)
	<u>9,078</u>	<u>4,430</u>

8. TANGIBLE FIXED ASSETS

	<i>Leasehold land and buildings</i> £	<i>Fixtures, fittings and equipment</i> £	<i>Total</i> £
Cost			
1 January 1999	109,710	38,196	147,906
Additions	560	1,311	1,871
Disposals	(9,123)	(38,509)	(47,632)
31 December 1999	<u>101,147</u>	<u>998</u>	<u>102,145</u>
Depreciation			
1 January 1999	33,333	6,146	39,479
Charge in the year	10,480	1,270	11,750
Disposals	(1,086)	(6,537)	(7,623)
31 December 1999	<u>42,727</u>	<u>879</u>	<u>43,606</u>
Net book value			
31 December 1999	<u>58,420</u>	<u>119</u>	<u>58,539</u>
31 December 1998	<u>76,377</u>	<u>32,050</u>	<u>108,427</u>

Aston Rothbury Group Plc

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 1999

9. FIXED ASSET INVESTMENTS

	<i>Shares in subsidiary undertakings £</i>
Cost	
1 January 1999	1,185,003
Additions	1,000,000
	<hr/>
31 December 1999	2,185,003 <hr/>

In the opinion of the directors the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Aston Rothbury Factors Limited	England	Ordinary	100
Aston Rothbury & Co. Limited	England	Ordinary	100
Aston Rothbury & Co. Limited	England	5%non-cum redeemable	100
Aston Rothbury & Co. Limited	England	Redeemable preferenc	100
Aston Rothbury Discount Limited	England	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
Aston Rothbury Factors Limited	1,048,902	94,865
Aston Rothbury & Co. Limited	926,746	5,689
Aston Rothbury Discount Limited	2	-

Consolidated financial statements have not been prepared as the company is exempt from the requirement to do so by the virtue of s248 Companies Act 1985.

These accounts therefore present information about the parent company and not the group.

During the year the company purchased at par 480,000 5% non-cumulative redeemable preference shares of £1 each and 520,000 redeemable preference shares of £1 each from Aston Rothbury & Co. Limited.

Aston Rothbury Group Plc

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 December 1999

10. DEBTORS	1999	1998
	£	£
Due within one year		
Amounts owed by group undertakings	547,454	804,598
Other debtors	14,000	-
Prepayments and accrued income	22,260	11,586
	<u>583,714</u>	<u>816,184</u>
11. CREDITORS: Amounts falling due within one year	1999	1998
	£	£
Bank loans and overdrafts	16,107	1,923
Trade creditors	6,408	8,018
Amounts owed to group undertakings	1,675,909	1,065,303
Corporation tax	8,867	8,103
Other taxes and social security costs	354	1,894
Accruals and deferred income	37,958	14,924
	<u>1,745,603</u>	<u>1,100,165</u>
12. SHARE CAPITAL	1999	1998
	£	£
Authorised		
1,000,000 Ordinary shares (50p called up) of £ 1 each	1,000,000	1,000,000
1,000,000 Redeemable 0% Preference shares of £ 1 each	1,000,000	1,000,000
	<u>2,000,000</u>	<u>2,000,000</u>
Allotted, issued and fully paid		
24,999 Ordinary shares (50p called up) of £ 1 each	24,999	24,999
2 Ordinary shares (£1 called up) of £ 1 each	2	2
1,000,000 Redeemable 0% Preference shares of £ 1 each	1,000,000	1,000,000
	<u>1,025,001</u>	<u>1,025,001</u>

The redeemable, preference shares are redeemable at the holder's option at any time. They have no dividend or voting rights and do not confer the right to any participation in the company's profits. In the event of a winding up, the holders of the preference shares have priority to any other class of share in paying to them the capital on such shares, but no right to any surplus assets of the company.

Aston Rothbury Group Plc

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 1999

13. STATEMENT OF MOVEMENT ON RESERVES

	<i>Profit and loss account</i> £
1 January 1999	(15,552)
Retained profit for the year	72,204
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31 December 1999	56,652
	<hr/>

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	1999 £	1998 £
Profit for the financial year	72,204	29,633
Opening shareholders' funds	1,009,449	979,816
	<hr/>	<hr/>
Closing shareholders' funds	1,081,653	1,009,449
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Aston Rothbury Group Plc

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 1999

15. CASH FLOWS		1999	1998	
		£	£	
a. Reconciliation of operating profit to net cash inflow from operating activities				
Operating profit		13,801	34,131	
Depreciation of tangible assets		11,750	14,649	
Decrease in debtors		299,970	23,349	
Increase/(decrease) in creditors within one year		630,490	(45,942)	
Net cash inflow from operating activities		<u>956,011</u>	<u>26,187</u>	
b. Analysis of net debt				
	1 January 1999	Cash flow	Other non-cash changes	31 December 1999
	£	£	£	£
Net cash:				
Bank overdrafts	(1,923)	(14,184)		(16,107)
Debt:				
Net debt	(1,923)	(14,184)	-	(16,107)
c. Reconciliation of net cash flow to movement in net debt				
		1999	1998	
		£	£	
Decrease in cash in the year		(14,184)	(7,701)	
Cash inflow from increase in debt		-	-	
Movement in net debt in the year		(14,184)	(7,701)	
Opening net (debt)/funds		(1,923)	5,778	
Closing net debt		(16,107)	(1,923)	

16. COMMITMENTS UNDER OPERATING LEASES

At 31 December 1999 the company had annual commitments under non-cancellable operating leases as follows:

	1999	1998
	£	£
Land and buildings expiring after five years	<u>48,987</u>	<u>48,987</u>

Aston Rothbury Group Plc

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 1999

17 RELATED PARTY TRANSACTIONS

The company recharged expenses of £6,000 to Aston Rothbury & Co. Limited during the year and interest of £24,000. At the year end, the company was owed £166,509 by Aston Rothbury & Co. Limited.

The company recharged £86,021 of expenses to Aston Rothbury Factors Limited and was charged £4,200 for recharged salaries from Aston Rothbury Factors Limited. At the year end, the company was owed £380,945 by Aston Rothbury Factors Limited.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Aston Rothbury Factors Limited	England	Ordinary	100
Aston Rothbury & Co. Limited	England	Ordinary	100
Aston Rothbury & Co. Limited	England	5%non-cum redeemable	100
Aston Rothbury & Co. Limited	England	Redeemable preferenc	100
Aston Rothbury Discount Limited	England	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
Aston Rothbury Factors Limited	1,076,267	27,365
Aston Rothbury & Co. Limited	926,746	5,689
Aston Rothbury & Co. Limited	-	-
Aston Rothbury & Co. Limited	-	-
Aston Rothbury Discount Limited	2	-

Consolidated financial statements have not been prepared as the company is exempt from the requirement to do so by the virtue of s248 Companies Act 1985.

These accounts therefore present information about the parent company and not the group.

During the year the company purchased at par 480,000 5% non-cumulative redeemable preference shares of £1 each and 520,000 redeemable preference shares of £1 each from Aston Rothbury & Co. Limited.