

R D & P E SHEPHARD LIMITED

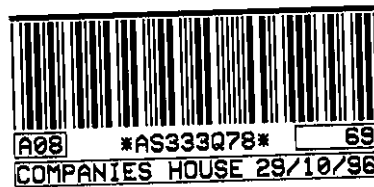
FINANCIAL STATEMENTS

30 JUNE 1996

HEDLEY DUNK

CHARTERED ACCOUNTANTS

DARTFORD



R D & P E SHEPHARD LIMITED  
FINANCIAL STATEMENTS  
for the year ended 30 June 1996

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## R D &amp; P E SHEPHARD LIMITED

## COMPANY INFORMATION

30 June 1996

DIRECTORS	M E Clark J V Pryse C M Raymond J O Lyman T J Holden
SECRETARY	J V Pryse
REGISTERED OFFICE	29 London Road Bromley Kent BR1 1DH
BANKERS	Lloyds Bank Plc Pall Mall 8/10 Waterloo Place London SW1Y 4BE
SOLICITORS	Nutt & Oliver London
AUDITORS	Hedley Dunk Chartered Accountants 27 High Street DARTFORD DA1 1DT

## R D &amp; P E SHEPHARD LIMITED

## DIRECTORS' REPORT

30 June 1996

The directors present their report and the audited financial statements for the year ended 30 June 1996.

**Principal activity**

The principal activity of the company is that of a service company for its own subsidiary which operates as a general and financial services broker.

**Business review**

The company's balance sheet as detailed on page 6 shows a satisfactory position, shareholders' funds amounting to £638,200.

**Profit, dividends and appropriations**

The results for the year are shown in the profit and loss account on page 5.

An ordinary dividend amounting to £60,000 was paid in the year.

**Fixed assets**

Changes in fixed assets during the year are set out in the notes to the accounts as follows

Fixed asset investments - note 5

**Directors**

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	30 June 1996 Ordinary shares	1 July 1995 Ordinary shares
M E Clark	-	-
J V Pryse	-	-
C M Raymond	-	-
J O Lyman	-	-
T J Holden	-	-

In accordance with the Articles of Association, M E Clark and J V Pryse retire by rotation and offer themselves for re-election.

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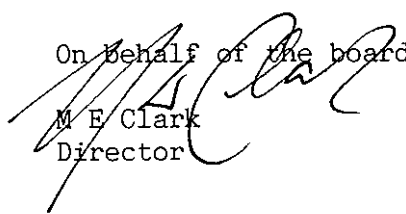
## R D &amp; P E SHEPHARD LIMITED

DIRECTORS' REPORT  
(continued)

30 June 1996

**Auditors**

The company has elected to dispense with the annual appointment of auditors. In the absence of a specific resolution to the contrary Hedley Dunk will continue in office.

  
On behalf of the boardM E Clark  
Director

29 London Road  
Bromley  
Kent BR1 1DH

20 September 1996

## R D &amp; P E SHEPHARD LIMITED

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

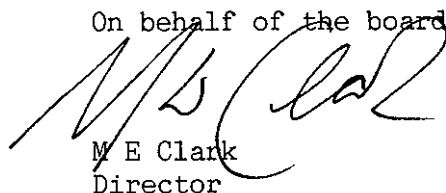
We are required under company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements we are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- 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.

We are also responsible for:

- keeping proper accounting records;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud.

On behalf of the board



M E Clark  
Director

20 September 1996

## R D &amp; P E SHEPHARD LIMITED

## AUDITORS' REPORT

Auditors' report to the members of

R D & P E Shephard Limited

We have audited the financial statements on pages 5 to 11 which have been prepared under the accounting policies set out on page 8.

**Respective responsibilities of directors and auditors**

As described on page 3, 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 error or other irregularity. 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 30 June 1996 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



HEDLEY DUNK

CHARTERED ACCOUNTANTS  
and Registered Auditors

DARTFORD

23 September 1996

## R D &amp; P E SHEPHARD LIMITED

## PROFIT AND LOSS ACCOUNT

for the year ended 30 June 1996

	Note	1996 £	1995 £
Net operating expenses			
Administrative expenses		-	(47)
Operating loss	2	-	(47)
Investment income	3	60,000	50,000
Profit on ordinary activities before taxation		60,000	49,953
Taxation	4	-	-
Profit on ordinary activities after taxation		60,000	49,953
Dividends	5	(60,000)	(50,000)
Retained loss for the year	11	-	(47)

Movements in reserves are shown in the notes to the financial statements.

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

There are no recognised gains and losses in 1996 or 1995 other than the loss for the year.



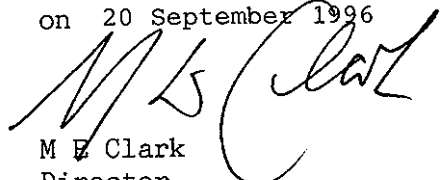
## R D &amp; P E SHEPHARD LIMITED

## BALANCE SHEET

at 30 June 1996

	Note	£	1996 £	£	1995 £
<b>Fixed assets</b>					
Investments	5		623,061		623,061
<b>Current assets</b>					
Debtors	6	59,702		49,703	
Cash at bank and in hand		-		104	
			<u>59,702</u>	<u>49,807</u>	
Creditors: amounts falling due within one year	7	(44,563)		(34,668)	
Net current assets			<u>15,139</u>	<u>15,139</u>	
Total assets less current liabilities			<u>638,200</u>	<u>638,200</u>	
<b>Capital and reserves</b>					
Called up share capital	8		2,051		2,051
Share premium account	9		636,195		636,195
Profit and loss account	10		(46)		(46)
Total shareholders' funds	11		<u>638,200</u>	<u>638,200</u>	

The financial statements on pages 5 to 11 were approved by the board of directors on 20 September 1996

  
M E Clark  
Director

## R D &amp; P E SHEPHARD LIMITED

## CASH FLOW STATEMENT

for the year ended 30 June 1996

	£	1996	£	1995	£
Net cash (outflow)/inflow from operating activities			(104)		252
<b>Taxation</b>					
Corporation tax paid (including ACT)		-		(280)	
Tax paid			-		(280)
 (Decrease) in cash and cash equivalents			<u>(104)</u>		<u>(30)</u>

See Note 13 for the notes to this statement.

## R D &amp; P E SHEPHARD LIMITED

## NOTES ON FINANCIAL STATEMENTS

30 June 1996

## 1 Accounting policies

## Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

## Consolidation

Consolidated accounts have not been prepared because the company has taken advantage of Section 228 of the Companies Act 1985, in that it is a wholly owned subsidiary of Shephard Holdings Limited which is incorporated in England and prepares the group accounts.

## Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

## 2 Investment income

	1996 £	1995 £
Dividends from group undertakings	60,000	50,000
	<u>60,000</u>	<u>50,000</u>

## 3 Taxation

The company has no liability for taxation.

## 4 Dividends

	1996 £	1995 £
Final	60,000	50,000
	<u>60,000</u>	<u>50,000</u>

## R D &amp; P E SHEPHARD LIMITED

## NOTES ON FINANCIAL STATEMENTS

30 June 1996

## 5 Fixed asset investments

	Investments other than loans £
Cost	
1 July 1995 and at 30 June 1996	623,061

Details of the company's subsidiary at the 30 June 1996 were as follows -

Name	Country of incorporation/ operation	Principal activity	Class of shares	Percentage held by company
Shephard Herriot Ltd	England	Insurance broking	Ordinary	100%

## 6 Debtors

	1996 £	1995 £
Amounts falling due within one year		
Amounts owed by group undertakings	59,702	49,703

## 7 Creditors: amounts falling due within one year

	1996 £	1995 £
Amounts owed to group undertakings	44,563	34,668

## 8 Called up share capital

	1996		1995	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares	2,051	2,051	2,051	2,051
Allotted called up and fully paid				
Ordinary shares	2,051	2,051	2,051	2,051

## R D &amp; P E SHEPHARD LIMITED

## NOTES ON FINANCIAL STATEMENTS

30 June 1996

9 Share premium account		1996 £
1 July 1995		
and		
30 June 1996		<u>636,195</u>
10 Profit and loss account		1996 £
1 July 1995 and at		(46)
30 June 1996		<u></u>
11 Reconciliation of movements in shareholders' funds		1996 £
		1995 £
Profit for the financial year	60,000	49,953
Dividends	<u>(60,000)</u>	<u>(50,000)</u>
Net subtraction from shareholders' funds	-	(47)
Opening shareholders' funds	<u>638,200</u>	<u>638,247</u>
Closing shareholders' funds	<u>638,200</u>	<u>638,200</u>

## R D &amp; P E SHEPHARD LIMITED

## NOTES ON FINANCIAL STATEMENTS

30 June 1996

## 12 Notes to the cash flow statement

Reconciliation of operating loss to  
net cash (outflow)/inflow from operating activities

	1996 £	1995 £
Operating loss	-	(47)
(Increase)/decrease in debtors	(10,000)	1,166
Increase/(decrease) in creditors	9,896	(868)
Net cash (outflow)/inflow from operating activities	<u>(104)</u>	<u>251</u>

Analysis of changes in cash and cash  
equivalents as shown in the balance sheet

Balance at 1 July 1995	104	134
Net cash outflow	<u>(104)</u>	<u>(30)</u>
Balance at 30 June 1996	<u>-</u>	<u>104</u>

Analysis of the balances of cash and cash  
equivalents as shown in the balance sheet

	1996 £	1995 £	Change in year £
Cash at bank and in hand	<u>-</u>	<u>104</u>	<u>(104)</u>

## 13 Ultimate parent undertaking

At the 30 June 1996 the company was a subsidiary undertaking of Shephard Holdings Limited, a company incorporated in England. The company's ultimate parent undertaking at that date was Interallianz Bank AG, a company incorporated in Switzerland.