

**WELLFIRM LIMITED**

Company No: 472779

**FINANCIAL STATEMENTS**

**for the year ended**

**31ST MARCH 1999**

**COHEN, ARNOLD & CO**  
**CHARTERED ACCOUNTANTS**  
**REGISTERED AUDITOR**  
**LONDON W1X 2JP**



**WELLFIRM LIMITED**

**DIRECTORS**

B.S.E. Freshwater  
D. Davis

**SECRETARY**

C.C. Morse F.C.I.S.

**REGISTERED OFFICE**

13-17 New Burlington Place  
Regent Street  
LONDON W1X 2JP

**AUDITORS**

Cohen, Arnold & Co  
13-17 New Burlington Place  
Regent Street  
LONDON W1X 2JP

**WELLFIRM LIMITED**

**INDEX TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST MARCH 1999**

Page

1 - 2      Report of the Directors

3            Profit and Loss Account

4 - 5      Balance Sheet

6 - 8      Notes to the Financial Statements

## **WELLFIRM LIMITED**

### **REPORT OF THE DIRECTORS**

The Directors have pleasure in presenting their Report together with the Financial Statements of the Company for the year ended 31st March 1999.

#### **BUSINESS REVIEW**

The principal activity of the Company is Investment in Listed Securities. There has been no significant change in the nature of the Company's business activities during the year, nor is any envisaged in the immediate future.

#### **RESULTS AND DIVIDEND**

The financial results of the Company's activities for the year ended 31st March 1999 are fully reflected in the attached Financial Statements and Explanatory Notes.

An interim dividend of £57,600 (1998: £20,000) has been paid. The Directors do not recommend the payment of a final dividend (1998: £nil).

#### **DIRECTORS AND DIRECTORS' INTERESTS**

Throughout the year Mr B.S.E. Freshwater and Mr D. Davis were Directors of the Company.

The Directors' Shareholdings at the year end were:-

	<b>Number of Ordinary Shares</b>	
	<b>1999</b>	<b>1998</b>
Mr B.S.E. Freshwater	75	75
Mr D. Davis	-	-

The Articles of Association of the Company do not require Directors to retire by rotation.

Neither Director has a Service Contract, nor do they receive any emoluments from the Company.

#### **DIRECTORS' RESPONSIBILITIES**

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 its profit or loss for that period. In preparing the Financial Statements, the Directors are required to:

- i) select suitable accounting policies and apply them consistently
- ii) make judgements and estimates that are reasonable and prudent
- iii) follow applicable Accounting Standards, subject to any material departures disclosed and explained in the Financial Statements
- iv) prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

**WELLFIRM LIMITED**  
**REPORT OF THE DIRECTORS**  
**(continued)**

**DIRECTORS' RESPONSIBILITIES (continued)**

The Directors are responsible for maintaining 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.

**YEAR 2000**

The Company is carrying out a detailed review of all its reporting systems and operations with the object of ensuring that they will be Year 2000 compliant. Work has been completed on the core financial and business information systems and is progressing according to schedule in respect of other systems.

The directors are satisfied that on-going reviews are appropriate to ensure that the company's operations will not be adversely affected by the Year 2000 issue. It is envisaged that the financial costs of compliance are not significant to the company.

**DONATIONS**

During the year the Company made no charitable donation nor political contribution (1998 - £Nil).

**CLOSE COMPANY**

The company is a "close company" as defined by Section 414 Income and Corporation Taxes Act 1988

**AUDITORS**

The auditors, Cohen, Arnold & Co, are willing to continue in office and a resolution re-appointing them in accordance with Section 385 of the Companies Act 1985 and authorising the board to fix their remuneration will be proposed at the Annual General Meeting.

**By Order of the Board**

  
.....  
C.C. Morse - Secretary

14.10. 1999

**WELLFIRM LIMITED**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31ST MARCH 1999**

	Note	<u>1999</u> £	<u>1998</u> £
Dividends Receivable from Listed Investments		19,611	34,960
Administrative Expenses	2	(874)	(871)
<b>OPERATING PROFIT</b>		18,737	34,089
Interest Payable	3	(15)	(16)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		18,722	34,073
Taxation	4	(3,922)	(6,815)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		14,800	27,258
Retained Profit Brought Forward		71,957	64,699
		86,757	91,957
Dividends Paid		(57,600)	(20,000)
<b>RETAINED PROFIT CARRIED FORWARD</b>		<u>£29,157</u>	<u>£71,957</u>

None of the Company's activities was acquired or discontinued during the financial year nor in the previous year.

The Company has no recognised gains or losses other than those reflected in the above Profit and Loss Account for the financial year nor for the previous year.

The notes on pages 6 to 8 form part of these Financial Statements.

**WELLFIRM LIMITED**

**BALANCE SHEET AS AT 31ST MARCH 1999**

	Note	£	<u>1999</u> £	£	<u>1998</u> £
<b>FIXED ASSETS</b>					
Investments	5		58,624		58,624
<b>CURRENT ASSETS</b>					
Debtors	6	47,492		89,966	
Cash at bank		65		391	
			<u>47,557</u>	<u>90,357</u>	
<b>CREDITORS:</b>					
Amounts falling due within one year	7	(874)		(874)	
			<u>46,683</u>	<u>89,483</u>	
<b>NET CURRENT ASSETS</b>					
			<u>£105,307</u>	<u>£148,107</u>	
<b>NET ASSETS</b>					
<b>CAPITAL AND RESERVES</b>					
Called up Share Capital	8		250		250
Non Distributable Reserves					
- Capital Reserve			75,900		75,900
Profit and Loss Account			29,157		71,957
			<u>£105,307</u>	<u>£148,107</u>	
<b>SHAREHOLDERS' FUNDS</b>					
	9		<u>£105,307</u>	<u>£148,107</u>	

The immediately following page forms an integral part of this Balance Sheet.

**WELLFIRM LIMITED**

**BALANCE SHEET AS AT 31ST MARCH 1999**

The Directors confirm that for the year ended 31 March 1999 the Company is entitled to exemption from audit under the provisions of Section 249A (1) Companies Act 1985 (the Act) and that no member or members have requested an audit pursuant to the provisions of Section 249B (2) of the Act.

The Directors acknowledge their responsibilities for ensuring that the Company maintains accounting records which comply with Section 221 of the Act and for preparing Accounts which give a true and fair view of the state of affairs of the Company at the end of its Financial Year and of its results for the Financial Year in accordance with the provisions of Section 226 of the Act and which otherwise comply with the requirements of the Act relating to Financial Statements.

The Financial Statements were approved by the Board on 14.10.99 and signed on its behalf by

  
**B.S.E. Freshwater**

**D. Davis**

**Directors**



The notes on pages 6 to 8 form part of these Financial Statements.



**WELLFIRM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 1999**

**1. ACCOUNTING POLICIES**

The following accounting policies have been applied consistently in the preparation of the Company's Financial Statements.

**1.1 BASIS OF ACCOUNTING**

The Financial Statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

**1.2 CASH FLOW STATEMENT**

The Company is exempted from the requirement to prepare a Cash Flow Statement (in accordance with Financial Reporting Standard No 1) on the basis of its being a "small company" as defined by Section 247 Companies Act 1985.

**2. ADMINISTRATIVE EXPENSES**

	<b><u>1999</u></b> <b>£</b>	<b><u>1998</u></b> <b>£</b>
Accountancy Fees	447	447
General Expenses	15	12
Administration and Office Charges (note 10)	412	412
	<hr/>	<hr/>
	<b>£874</b>	<b>£871</b>
	<hr/>	<hr/>

The Directors of the Company received no emoluments during the year or in the preceding year.

Apart from the Directors, there were no other employees of the Company during the year or in the preceding year.

**3. INTEREST PAYABLE**

	<b><u>1999</u></b> <b>£</b>	<b><u>1998</u></b> <b>£</b>
Bank Interest and Charges	£15	£16
	<hr/>	<hr/>

**WELLFIRM LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST MARCH 1999**

**4. TAXATION**

	<u>1999</u> £	<u>1998</u> £
Tax Credits Attributable to Dividends Received	£3,922	£6,815

**5. INVESTMENTS**

	<u>1999</u> £	<u>1998</u> £
Listed Investments:- At Cost	£58,624	£58,624

The market value of listed investments at 31st March 1999 was £856,098(1998 :£1,148,058) and if they had been sold at this value there would have been a liability to tax of £185,000 (1998:£277,000).

**6. DEBTORS**

	<u>1999</u> £	<u>1998</u> £
Amount Due from Connected Company	47,315	89,789
Taxation Recoverable	177	177
	<u>£47,492</u>	<u>£89,966</u>

The Amount Due from Connected Company relates to Highdorn Co. Limited, a Company of which Mr B.S.E. Freshwater is a Director and also has a non-beneficial interest in its Share Capital. The Loan is interest free and effectively repayable on demand.

**7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<u>1999</u> £	<u>1998</u> £
Other Creditors and Accruals	£874	£874

**WELLFIRM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 1999**

**8. CALLED UP SHARE CAPITAL**

	<b><u>1999</u></b> <b>£</b>	<b><u>1998</u></b> <b>£</b>
Authorised:		
500 Ordinary Shares of £1 each	500	500
	<hr/>	<hr/>
Allotted, Called up and Fully Paid:		
250 Ordinary Shares of £1 each	250	250
	<hr/>	<hr/>

**9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b><u>1999</u></b> <b>£</b>	<b><u>1998</u></b> <b>£</b>
Profit for the year after taxation	14,800	27,258
Shareholders' Funds brought forward	148,107	140,849
	<hr/>	<hr/>
Dividends paid	162,907 (57,600)	168,107 (20,000)
	<hr/>	<hr/>
Shareholders' Funds carried forward	£105,307	£148,107
	<hr/>	<hr/>

**10. DIRECTORS' INTERESTS IN CONTRACTS**

Day-to-day management of the company is carried out by Highdorn Co. Ltd. a company in which Mr B S E Freshwater is a director and has a non-beneficial interest in its share capital. During the year £412 (1998: £412), including VAT, was paid to Highdorn Co. Limited for the full range of management and administrative services which were charged for at normal commercial rates.

Dividends receivable from Listed Investments relate to Daejan Holdings Plc, a company in which Mr B S E Freshwater and Mr D Davis are Directors and are also interested in its share capital.