

WELLFIRM LIMITED

Company No: 472779

FINANCIAL STATEMENTS

for the year ended

31ST MARCH 1997

**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

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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 1997.

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 1997 are fully reflected in the attached Financial Statements and Explanatory Notes.

An interim dividend of £20,000 (1996:£Nil) has been paid. The Directors do not recommend the payment of a final dividend.

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:-

	Number of Ordinary Shares	
	1997	1996
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

(Cont'd)

DIRECTORS' RESPONSIBILITIES (Cont'd)

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.

DONATIONS

During the year the Company made no charitable donation nor political contribution (1996 - £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.

19 NOV 1997

By Order of the Board



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

.....

WELLFIRM LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 1997

	Note	<u>1997</u> £	<u>1996</u> £
Dividends Receivable from Listed Investments		29,844	30,696
Administrative Expenses	2	(877)	(689)
		<hr/>	<hr/>
OPERATING PROFIT		28,967	30,007
Interest Payable	3	(46)	(44)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		28,921	29,963
Taxation	4	(5,784)	(5,992)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		23,137	23,971
Dividends Paid		(20,000)	-
		<hr/>	<hr/>
RETAINED PROFIT FOR THE FINANCIAL YEAR		3,137	23,971
Retained Profit Brought Forward		61,562	37,591
		<hr/>	<hr/>
RETAINED PROFIT CARRIED FORWARD		£64,699	£61,562
		<hr/> <hr/>	<hr/> <hr/>

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.

BALANCE SHEET AS AT 31ST MARCH 1997

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

WELLFIRM LIMITED

BALANCE SHEET AS AT 31ST MARCH 1997

The Directors confirm that for the year ended 31 March 1997 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
and signed on its behalf by

19 NOV 1997



B.S.E. Freshwater

Directors

D. Davis



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 1997

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

	<u>1997</u> £	<u>1996</u> £
Accountancy Fees	447	259
General Expenses	18	18
Administration and Office Charges	412	412
	<hr/>	<hr/>
	£877	£689
	<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

	<u>1997</u> £	<u>1996</u> £
Bank Interest and Charges	£46	£44
	<hr/>	<hr/>

WELLFIRM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1997

4. TAXATION

	<u>1997</u> £	<u>1996</u> £
Tax Credits Attributable to Dividends Received	£5,784	£5,992
	<hr/>	<hr/>

5. INVESTMENTS

	<u>1997</u> £	<u>1996</u> £
Listed Investments:- At Cost	£58,624	£58,624
	<hr/>	<hr/>

The market value of listed investments at 31st March 1997 was £967,289 (1996 : £767,419) and if they had been sold at this value there would have been a liability to tax of £238,000 (1996 : £174,000).

6. DEBTORS

	<u>1997</u> £	<u>1996</u> £
Amount Due from Connected Company	81,663	79,128
Taxation Recoverable	332	147
	<hr/>	<hr/>
	£81,995	£79,275
	<hr/>	<hr/>

The Amount Due from the Connected Company represents, an amount due from Highdorn Co. Limited, a Company of which Mr B.S.E. Freshwater is a Director and is also interested in its Share Capital. The Loan is repayable on demand.

WELLFIRM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1997

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1997</u> £	<u>1996</u> £
Creditors and Accruals	£877	£465
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8. CALLED UP SHARE CAPITAL

	<u>1997</u> £	<u>1996</u> £
<u>Authorised:</u>		
500 Ordinary Shares of £1 each	500	500
	<hr/>	<hr/>
<u>Allotted, Called up and Fully Paid:</u>		
250 Ordinary Shares of £1 each	250	250
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9. CONTINGENT LIABILITIES

The unlimited cross-guarantee in respect of bank loan and overdraft facilities granted to the undermentioned was cancelled before the year end date and is not in existence at the Balance Sheet date.

	<u>1997</u> £	<u>1996</u> £
Companies connected with a Director	-	30,575
Third Parties	-	116,110
	<hr/>	<hr/>
	£Nil	£146,685
	<hr/>	<hr/>