

Register

CHATSET LIMITED

Reports and Financial Statements

Chatset Limited

Registered Number: 1563351

31 December 1998



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Report of the Directors

The directors present their report and financial statements for the year ended 31 December 1998.

Statement of 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 the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with applicable accounting standards subject to any material departures disclosed and explained in the financial statements; and
- 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 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.

Review of the Business and Future Developments

The principal activity of the company is the publication of Lloyd's Syndicates' League Tables.

Looking forward, the directors are examining a number of options for developing the revenue base of the company.

Results and Dividends

The results for the year and the state of the company's affairs as at 31 December 1998 are shown in the financial statements.

Year 2000

We have reviewed the potential impact of the year 2000 on our accounting and business operations and

to this effect have received confirmation from our suppliers that our systems are year 2000 compliant.

We therefore believe that the effect of the year 2000 on the company will be minimal. However, should a problem arise we believe that we have adequate procedures to deal with them.

Directors

The following have served as directors during the period from 1 January 1998 to the date of this report, unless otherwise stated. The interests of the directors at 31 December 1998 in the shares of the company and Aequanimiter Ltd, its holding company, according to the register of directors' interests, were as follows:

Chatset Ltd	£1 Ordinary Shares	
	At 31.12.98	At 31.12.97
WFE Carr	-	45
(resigned 21/1/98)		
CAA Harbord-Hamond	-	-
TH Holbech	-	-
(appointed 21/1/98, resigned 31/12/98)		
AR Palengat	-	-
(appointed 11/2/98)		
EL Royds	-	-
(resigned 21/1/98)		
AJ Sparrow	-	-
(resigned 21/1/98)		
ACL Sturge	180	180
AT Wood	-	-
(appointed 21/1/98)		

CAA Harbord-Hamond, TH Holbech, Mrs EL Royds and AJ Sparrow each hold 250,000 ordinary 10p shares in Aequanimiter Limited. They also each hold £49,500 worth of Unsecured Convertible Loan Notes 1999 in Aequanimiter Limited. The value of their holdings of Unsecured Loan Notes 1998 in Aequanimiter Limited are as follows:

	Unsecured Loan Notes	
	At 31.12.98	At 31.12.97
	£	£
CAA Harbord-Hamond	143,810	250,310
TH Holbech	26,639	126,339
Mrs EL Royds	42,876	56,176
AJ Sparrow	134,674	247,974

CHATSET LIMITED

AR Palengat and AT Wood have been granted 10,000 share options on the ordinary 10p shares of Aequanimiter Ltd under an approved share option scheme. These are exercisable not before 9.2.01 at a price of £1.10.

BY ORDER OF THE BOARD



GP McMullen
Secretary

Peninsular House
36 Monument Street
London EC3R 8LJ

29 March 1999

AUDITORS' REPORT TO THE SHAREHOLDERS OF

Chatset Limited

We have audited the financial statements on pages 4 to 9 which have been prepared following the accounting policies set out on page 6.

Respective Responsibilities of Directors and Auditors

As described on page 1, 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.

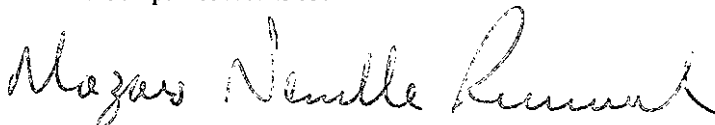
Basis of Opinion

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 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



MAZARS NEVILLE RUSSELL
CHARTERED ACCOUNTANTS
and Registered Auditors
24 Bevis Marks
London EC3A 7NR

29 March 1999

Profit and Loss Account
for the year ended 31 December 1998

	Note	12 months to 31.12.98 £	12 months to 31.12.97 £
Turnover	2	112,203	115,085
Cost of Sales		(37,185)	(33,499)
GROSS PROFIT		75,018	81,586
Distribution Costs		(15,304)	(18,459)
Administrative Expenses		(55,794)	(85,216)
OPERATING PROFIT/(LOSS)		3,920	(22,089)
Interest Receivable		1,524	1,831
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	3	5,444	(20,258)
Taxation on Ordinary Activities	6	(1,631)	5,678
RETAINED PROFIT/ (LOSS) FOR THE YEAR	11	3,813	(14,580)

All recognised gains and losses are included in the Profit and Loss Account above. All of the company's activities are in respect of continuing operations.

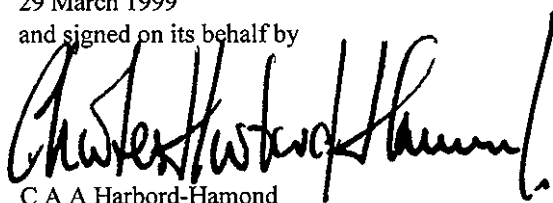
CHATSET LIMITED

Balance Sheet

as at 31 December 1998

	Note	31.12.98 £	31.12.97 £
FIXED ASSETS			
Tangible assets	7	860	1,698
CURRENT ASSETS			
Debtors	8	2,278	8,517
Cash at bank		39,559	28,679
		<u>41,837</u>	<u>37,196</u>
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	9	11,266	11,276
NET CURRENT ASSETS		<u>30,571</u>	<u>25,920</u>
TOTAL ASSETS LESS LIABILITIES		<u>£31,431</u>	<u>£27,618</u>
CAPITAL AND RESERVES			
Called up share capital	10	900	900
Profit and loss account	11	30,531	26,718
SHAREHOLDERS' FUNDS		<u>£31,431</u>	<u>£27,618</u>

Approved by the board on
29 March 1999
and signed on its behalf by



C A A Harbord-Hamond
Director

Notes to the Financial Statements
for the year ended 31 December 1998

1. Accounting Policies

- a) The financial statements are prepared under the historical cost convention in accordance with applicable Financial Reporting Standards and Statements of Standard Accounting Practice.
- b) Turnover represents net invoiced sales of goods and services excluding value added tax.
- c) Investment income is accounted for on an accruals basis.
- d) Other income and expenses are accounted for on an accruals basis.
- e) Depreciation of fixed assets is calculated to write off the cost of the assets over their estimated useful lives at the following rates:

Furniture, fittings & equipment	20% of original cost per annum
---------------------------------	--------------------------------
- f) Foreign currency transactions are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction. Year end balances denominated in a foreign currency are translated into sterling at the rate ruling on the balance sheet date.
- g) Deferred tax is provided in respect of the tax effect of all timing differences, to the extent that it is probable that a liability or asset will crystallise in the foreseeable future, at the rates of tax expected to apply when the timing differences reverse.
- h) Contributions in respect of the company's defined contribution pension scheme are charged to the profit and loss account for the year in which they are payable to the scheme.
- i) The accounts have been prepared on a going concern basis based on the continued support from its immediate parent company as set out in Note 13.

2. Turnover	12 months to 31.12.98 £	12 months to 31.12.97 £
Publications	90,289	95,689
Other Sales	21,914	19,396
	<u>£112,203</u>	<u>£115,085</u>

Notes to the Financial Statements
for the year ended 31 December 1998

3. Profit/(Loss) On Ordinary Activities Before Taxation

Profit/(Loss) on ordinary activities before taxation is stated after charging:

	12 months to 31.12.98	12 months to 31.12.97
	£	£
Staff Costs (note 4)	46,396	63,005
Auditors' remuneration	3,500	4,175
Depreciation (note 7)	838	1,002
	<u>=====</u>	<u>=====</u>

4. Staff Costs

	12 months to 31.12.98	12 months to 31.12.97
	£	£
Salaries	42,440	49,890
Social Security costs	3,956	5,115
Pension contributions	-	8,000
	<u>£46,396</u>	<u>£63,005</u>
	<u>=====</u>	<u>=====</u>

The average number of staff employed by the company was 2. (1997 - 2)

5. Directors' Emolument & Transactions

	12 months to 31.12.98	12 months to 31.12.98
	£	£
Management services	30,477	37,000
Pension contributions	-	8,000
	<u>£30,477</u>	<u>£45,000</u>
	<u>=====</u>	<u>=====</u>

The above emolument is that of the highest paid director.

On 30 September 1998 the service contract of Mr ACL Sturge was terminated by mutual agreement. From 1 October 1998 Mr ACL Sturge has provided consultancy services to the company through, Chatset Consultants Limited, a company controlled by him. £1,160.80 has been charged to the accounts in 1998 for these services.

Notes to the Financial Statements
for the year ended 31 December 1998

6.	Taxation On Profit/(Loss) On Ordinary Activities	12 months to 31.12.98 £	12 months to 31.12.97 £
	United Kingdom Corporation Tax:		
	Payable on profit for the year @ 31%	1,631	-
	Recoverable on loss for the year @ 31.5 %	-	(5,678)
		<u>£1,631</u>	<u>£(5,678)</u>
		=====	=====
7.	Tangible Fixed Assets		
	Furniture Fittings & Equipment £		
	Cost at 1 January 1998 & at 31 December 1998	28,252	
		<u> </u>	
	Depreciation at 1 January 1998 Charge for the year	26,554 838	
		<u> </u>	
	At 31 December 1998	27,392	
		<u> </u>	
	Net book value At 31 December 1998	£860	
		<u> </u>	
	At 31 December 1997	£1,698	
		<u> </u>	
		=====	
8.	Debtors	31.12.98 £	31.12.97 £
	Due within one year:		
	Trade debtors	2,254	2,039
	Prepayments and accrued income	-	333
	Corporation taxation recoverable	-	5,678
	Indirect taxation recoverable	24	467
		<u>£2,278</u>	<u>£8,517</u>
		=====	=====

Notes to the Financial Statements
for the year ended 31 December 1998

9. Creditors

	31.12.98	31.12.97
	£	£
Amounts falling due within one year:		
Corporation Taxation	1,702	-
Accruals & deferred income	8,642	9,404
Other Taxation & Social Security	922	1,872
	<u>£11,266</u>	<u>£11,276</u>

10. Share Capital

	31.12.98	31.12.97
	£	£
Authorised:		
1,000 ordinary shares of £1 each	<u>£1,000</u>	<u>£1,000</u>
Issued and fully paid:		
900 ordinary shares of £1 each	<u>£900</u>	<u>£900</u>

11. Reconciliation of Movements in Shareholders' Funds

	Share Capital £	Profit & Loss Account £	Total Share- holders' Funds £
Balance at 31 December 1996	900	41,298	42,198
(Loss) for the year	-	(14,580)	(14,580)
Balance at 31 December 1997	<u>900</u>	<u>26,718</u>	<u>27,618</u>
Profit for the year	-	3,813	3,813
Balance at 31 December 1998	<u>£900</u>	<u>£30,531</u>	<u>£31,431</u>

12. Parent Undertaking

The ultimate parent company is Aequanimiter Limited which is registered in England and Wales.

13. Related Party Disclosure

During the year the company's immediate parent company, Christie Brockbank Shipton Ltd, provided the company with office accommodation, management time, accounting and other general office services. They did not charge for the provision of these services.

CHATSET LIMITED

Detailed Profit and Loss Account
for the year ended 31 December 1998

	12 months 31.12.98 £	12 months 31.12.97 £
INCOME		
Turnover:		
Publications Sales	90,289	95,689
Other Sales	21,914	19,396
Investment income:		
Interest receivable	1,524	1,831
Total Income	113,727	116,916
EXPENDITURE		
Cost of Sales:		
Printing Costs	22,591	28,814
Consultancy Fees	14,594	4,685
	37,185	33,499
Distribution Costs:		
Postage & Stationary	4,811	10,628
Marketing & Advertising	10,406	7,681
Entertaining	87	150
	15,304	18,459
Administrative Expenses:		
Staff Costs	46,625	66,860
Office Overheads	1,268	11,671
Legal & Professional	5,250	4,790
Computer Costs	-	265
Financial Costs	1,706	417
Depreciation	838	1,002
Other Expenses	107	211
	55,794	85,216
Total Expenditure	108,283	137,174
PROFIT/(LOSS) BEFORE TAXATION	£5,444	£(20,258)