

Company Registration No. 1563351 (England and Wales)

CHATSET LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002



CHATSET LIMITED

COMPANY INFORMATION

Directors	A C L Sturge	
	T L S Sturge	(Appointed 18 April 2002)
	L C Kinahan	(Appointed 18 April 2002)
Secretary	L C Kinahan	
Company number	1563351	
Registered office	Regina House 124 Finchley Road London NW3 5JS	
Accountants	Nyman Libson Paul Chartered Accountants Regina House 124 Finchley Road London NW3 5JS	
Business address	9 Belvedere Grove Wimbledon London SW19 7RQ	
Bankers	National Westminster Bank Plc 1 Princes Street London EC2R 8PA	

CHATSET LIMITED

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CHATSET LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2002

The directors present their report and financial statements for the year ended 31 December 2002.

Principal activities and review of the business

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

The results for the year and the financial position at the year end were considered satisfactory by the directors.

Results and dividends

The results for the year are set out on page 3.

The directors do not recommend payment of a final ordinary dividend.

Directors

The following directors have held office since 1 January 2002:


A C L Sturge	
T L S Sturge	(Appointed 18 April 2002)
L C Kinahan	(Appointed 18 April 2002)

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 December 2002	1 January 2002
A C L Sturge	540	180
T L S Sturge	180	-
L C Kinahan	180	-

On behalf of the Board



A C L Sturge

Director

5 June 2003



Nyman Libson Paul
CHARTERED ACCOUNTANTS

Regina House, 124 Finchley Road, London NW3 5JS

CHATSET LIMITED

**ACCOUNTANTS' REPORT TO THE DIRECTORS ON THE
UNAUDITED FINANCIAL STATEMENTS OF CHATSET LIMITED**

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31 December 2002, set out on pages 3 to 11 and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities from the accounting records and information and explanations supplied to us.

Nyman Libson Paul

5 June 2003

Chartered Accountants

CHATSET LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2002

	Notes	2002 £	2001 £
Turnover	2	39,872	60,964
Cost of sales		(5,923)	(23,670)
Gross profit		33,949	37,294
Distribution costs		(1,130)	(5,128)
Administrative expenses		(10,345)	(38,849)
Operating profit/(loss)	3	22,474	(6,683)
Other interest receivable and similar income		631	2,204
Profit/(loss) on ordinary activities before taxation		23,105	(4,479)
Tax on profit/(loss) on ordinary activities	4	(3,000)	-
Profit/(loss) on ordinary activities after taxation		20,105	(4,479)
Dividends	5	(25,000)	(21,259)
Retained loss for the year	10	(4,895)	(25,738)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

CHATSET LIMITED


BALANCE SHEET AS AT 31 DECEMBER 2002

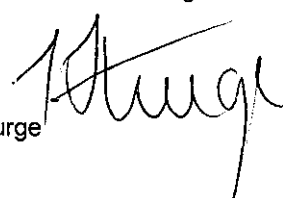
	Notes	2002 £	£	2001 £	£
Fixed assets					
Tangible assets	6		1,928		688
Current assets					
Debtors	7	3,956		3,445	
Cash at bank and in hand		22,798		111,084	
		<u>26,754</u>		<u>114,529</u>	
Creditors: amounts falling due within one year	8	<u>(8,284)</u>		<u>(89,924)</u>	
Net current assets			18,470		24,605
Total assets less current liabilities			<u>20,398</u>		<u>25,293</u>
Capital and reserves					
Called up share capital	9		900		900
Profit and loss account	10		19,498		24,393
Shareholders' funds - equity interests	11		<u>20,398</u>		<u>25,293</u>

In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

The financial statements were approved by the Board on 5 June 2003 and signed on its behalf by:


A C L Sturge
Director


T L S Sturge
Director

CHATSET LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2002

	2002		2001	
	£	£	£	£
Net cash (outflow)/inflow from operating activities		(40,813)		32,372
Returns on investments and servicing of finance				
Interest received	631		2,204	
	<u>631</u>		<u>2,204</u>	
Net cash inflow for returns on investments and servicing of finance		631		2,204
Taxation		-		(2,566)
Capital expenditure				
Payments to acquire tangible assets	(1,845)		-	
	<u>(1,845)</u>		<u>-</u>	
Net cash outflow for capital expenditure		(1,845)		-
Equity dividends paid		(46,259)		-
		<u>(46,259)</u>		<u>-</u>
Net cash (outflow)/inflow before management of liquid resources and financing		(88,286)		32,010
		<u>(88,286)</u>		<u>32,010</u>
(Decrease)/increase in cash in the year		<u>(88,286)</u>		<u>32,010</u>

CHATSET LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2002

1	Reconciliation of operating profit/(loss) to net cash (outflow)/inflow from operating activities	2002	2001
		£	£
	Operating profit/(loss)	22,474	(6,683)
	Depreciation of tangible assets	605	236
	Increase in debtors	(511)	(426)
	(Decrease)/Increase in creditors within one year	(63,381)	39,245
	Net cash (outflow)/inflow from operating activities	(40,813)	32,372

2	Analysis of net funds	1 January 2002	Cash flow	Other non-cash changes	31 December 2002
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	111,084	(88,286)	-	22,798
	Net funds	111,084	(88,286)	-	22,798

3	Reconciliation of net cash flow to movement in net funds	2002	2001
		£	£
	(Decrease)/increase in cash in the year	(88,286)	32,010
	Movement in net funds in the year	(88,286)	32,010
	Opening net funds	111,084	79,074
	Closing net funds	22,798	111,084

CHATSET LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT. Investment income is accounted for on an accruals basis. Other income and expenses are accounted for on an accruals basis.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	20% of original cost per annum
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1.5 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.6 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Turnover and profit/(loss) on ordinary activities before taxation

Class of business	Turnover	
	2002 £	2001 £
Publications	8,343	49,865
Other Sales	31,529	11,099
	<u>39,872</u>	<u>60,964</u>

3 Operating profit/(loss)

	2002 £	2001 £
Operating profit/(loss) is stated after charging:		
Depreciation of tangible assets	605	236
Auditors' remuneration	-	2,675
and after crediting:		
Profit on foreign exchange transactions	-	(425)
	<u>-</u>	<u>(425)</u>

CHATSET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

4	Taxation	2002 £	2001 £
	Domestic current year tax		
	U.K. corporation tax	3,000	-
	Current tax charge	<u>3,000</u>	<u>-</u>
	Factors affecting the tax charge for the year		
	Profit/(loss) on ordinary activities before taxation	23,105	(4,479)
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 17.37 % (2001 : 20.00 %)	<u>4,013</u>	<u>(896)</u>
	Effects of:		
	Depreciation add back	105	47
	Capital allowances	(288)	(107)
	Tax losses utilised	(830)	(441)
	Other tax adjustments	-	1,397
		<u>(1,013)</u>	<u>896</u>
	Current tax charge	<u>3,000</u>	<u>-</u>

The company has estimated losses of £ nil (2001 : £ 4,614) available for carry forward against future trading profits.

5	Dividends	2002 £	2001 £
	Ordinary interim paid	25,000	-
	Ordinary final proposed	-	21,259
		<u>25,000</u>	<u>21,259</u>

CHATSET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

6 Tangible fixed assets

	Fixtures, fittings and equipment £
Cost	
At 1 January 2002	2,880
Additions	1,845
	<hr/>
At 31 December 2002	4,725
	<hr/>
Depreciation	
At 1 January 2002	2,192
Charge for the year	605
	<hr/>
At 31 December 2002	2,797
	<hr/>
Net book value	
At 31 December 2002	1,928
	<hr/>
At 31 December 2001	688
	<hr/>

7 Debtors	2002 £	2001 £
Trade debtors	2,450	3,425
Other debtors	1,506	20
	<hr/>	<hr/>
	3,956	3,445
	<hr/>	<hr/>

8 Creditors: amounts falling due within one year	2002 £	2001 £
Amounts owed to parent and fellow subsidiary undertakings	-	59,202
Corporation tax	3,000	-
Other taxes and social security costs	-	578
Other creditors	1,784	-
Accruals and deferred income	3,500	8,885
Proposed dividend	-	21,259
	<hr/>	<hr/>
	8,284	89,924
	<hr/>	<hr/>

CHATSET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

9 Share capital	2002	2001
	£	£
Authorised		
1,000 Ordinary shares of £ 1 each	1,000	1,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
900 Ordinary shares of £ 1 each	900	900
	<u> </u>	<u> </u>
10 Statement of movements on profit and loss account		Profit and loss account £
Balance at 1 January 2002		24,393
Retained loss for the year		(4,895)
		<u> </u>
Balance at 31 December 2002		19,498
		<u> </u>
11 Reconciliation of movements in shareholders' funds	2002	2001
	£	£
Profit/(Loss) for the financial year	20,105	(4,479)
Dividends	(25,000)	(21,259)
	<u> </u>	<u> </u>
Net depletion in shareholders' funds	(4,895)	(25,738)
Opening shareholders' funds	25,293	51,031
	<u> </u>	<u> </u>
Closing shareholders' funds	20,398	25,293
	<u> </u>	<u> </u>
12 Directors' emoluments	2002	2001
	£	£
Emoluments for qualifying services	-	15,000
	<u> </u>	<u> </u>

13 Transactions with directors

A C L Sturge has received an interest free loan from the company during the year. The balance outstanding at the balance sheet date and the maximum outstanding during the year was £1,000.

CHATSET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

14 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

2002 Number	2001 Number
3	1

Employment costs

	£	£
Wages and salaries	-	20,234
Social security costs	-	1,688
	-	21,922

15 Control

During the year the company was transferred to the control of A C L Sturge, one of the directors.

16 Related party transactions

The company received consultancy services of £40 (2001 - £333) and paid sales commissions of £330 (2001 - £3,629) to Chatset Consultants Limited, a company of which A C L Sturge and L C Kinahan are directors and shareholders. At the year end the company owed £1,660 to Chatset Consultants Limited.

Rent of £2,000 was paid to Ashtonia Investments Limited, a company of which A C L Sturge is a director.