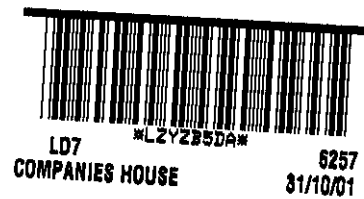


Company Registration No. 1674230 (England and Wales)

WJB Chiltern plc

Directors' report and financial statements

For the year ended 31 March 2001



WJB Chiltern plc

Company Information

Directors	AD Bischoff A Sarikhani
Secretary	S E Massie
Company number	1674230
Registered office	Sceptre House 169-173 Regent Street London W1R 7FB
Auditors	PricewaterhouseCoopers
Business address	Sceptre House 169-173 Regent Street London W1R 7FB

WJB Chiltern plc

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WJB Chiltern plc

Directors' report

For the year ended 31 March 2001

The directors present their report and financial statements for the year ended 31 March 2001.

Principal activities

The principal activity of the company is the provision of tax consultancy and related conference services.

Results and dividends

The results for the year are set out on page 4 and the Directors consider satisfactory progress has been made during the year.

Directors

The following directors have held office since 1 April 2000 unless otherwise stated:-

AD Bischoff

A Sarikhani

JS Freedman

(Appointed 1 April, 2000)

(Appointed 1 April 2000, Resigned 5 May, 2000)

Directors' interests

The directors had no interest in the shares of the company at any time during the year. The interests of AD Bischoff and A Sarikhani in the share capital of the ultimate parent undertaking are disclosed in the accounts of WJB Chiltern Group plc.

The option relating to AD Bischoff is disclosed in the accounts of WJB Chiltern Group plc.

Auditors

In accordance with section 385 of the United Kingdom Companies Act 1985, a resolution proposing that PricewaterhouseCoopers be re-appointed will be put forward to the Annual General Meeting.

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;
- 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.

WJB Chiltern plc

Directors' report (continued) **For the year ended 31 March 2001**

The directors are responsible for keeping 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 United Kingdom 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.

By order of the board



Company secretary

Dated 30.10.01

WJB Chiltern plc

Auditors' report

To the shareholders of WJB Chiltern plc

We have audited the financial statements on pages 4 to 11, which have been prepared under the historical cost convention and the accounting policies set out on pages 6 and 7.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report, including as described on page 1 and 2, for preparing the financial statements in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatement or material inconsistencies with the financial statements.


Basis of audit 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 at 31 March 2001 and of its profit for the year then ended and have been properly prepared in accordance with the United Kingdom Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London

Date: 30 October 2001

WJB Chiltern plc

Profit and loss account

For the year ended 31 March 2001

	Notes	2001 £	2000 £
Turnover	2	17,795,732	6,752,008
Administrative expenses	3	<u>(14,015,406)</u>	<u>(6,659,304)</u>
Operating profit	4	3,780,326	92,704
Interest receivable		27,342	2,828
Interest payable and similar charges		<u>(47,427)</u>	<u>(30)</u>
Profit on ordinary activities before taxation		3,760,241	95,502
Tax on profit on ordinary activities	6	<u>(1,322,574)</u>	<u>(28,650)</u>
Retained profit for the year		2,437,667	66,852
Retained profit brought forward		<u>1,012,093</u>	<u>945,241</u>
Retained profit carried forward		<u>3,449,760</u>	<u>1,012,093</u>

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

There are no recognised gains or losses other than those recorded in the profit and loss account.

WJB Chiltern plc

Balance sheet As at 31 March 2001

	Notes	£	2001 £	£	2000 £
Fixed assets					
Tangible assets	7		90,740		197,274
Investments	8		158		158
			<u>90,898</u>		<u>197,432</u>
Current assets					
Stock and work in progress	9	1,243,783		1,353,737	
Debtors: Amounts falling due within one year	10	11,753,979		4,849,767	
Debtors: Amounts falling due after one year	11	-		4,051,793	
Cash at bank and in hand		<u>282,762</u>		<u>115,444</u>	
		13,280,524		10,370,741	
Creditors: amounts falling due within one year	12	(9,906,662)		(5,374,939)	
Creditors: amounts falling due after one year	13	<u>-</u>		<u>(4,051,793)</u>	
Net current assets			<u>3,373,862</u>		<u>944,009</u>
Total assets less current liabilities			<u>3,464,760</u>		<u>1,141,441</u>
Provision for liabilities and charges	14		<u>-</u>		<u>(114,348)</u>
			<u>3,464,760</u>		<u>1,027,093</u>
Capital and reserves					
Called up share capital	15		15,000		15,000
Profit and loss account			<u>3,449,760</u>		<u>1,012,093</u>
Shareholders' funds – equity interests	16		<u>3,464,760</u>		<u>1,027,093</u>

The financial statements were approved by the board on 30 October 2001.

Director

Dated 30.10.01

The notes on pages 6 to 11 form an integral part of these financial statements

WJB Chiltern plc

Notes to the financial statements For the year ended 31 March 2001

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 have been prepared in accordance with applicable Accounting Standards.

They present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirements to do so by section 228 of the United Kingdom Companies Act 1985 as it is a subsidiary undertaking of WJB Chiltern Group plc, a company incorporated in the United Kingdom, and is included in the consolidated accounts of that company.

The company has taken advantage of the exemption in Financial Reporting Standard No.1 from producing a cash flow statement since a consolidated cashflow statement is included in the accounts of the company's parent undertaking, WJB Chiltern Group plc.

1.3 Turnover

Turnover represents amounts receivable for services rendered net of VAT and trade discounts, as adjusted for movements in work in progress.

1.4 Operating leases

Operating leases are charged to the profit and loss account in equal instalments over the life of the lease.

1.5 Tangible fixed assets

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

Leasehold improvements	20% straight line basis
Office equipment	20% to 33 1/3 % straight line basis
Motor vehicles	25% straight line basis

1.6 Investments

Investments are stated at cost. Provision is made for permanent diminution in value.

1.7 Stock and work in progress

Work in progress is valued at the lower of cost and net realisable value.

1.8 Deferred income

Annual fees are billed in advance and time apportioned to the respective accounting periods. Fees billed but not yet earned are recorded as deferred income.

1.9 Deferred taxation

Deferred taxation is provided at the appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

WJB Chiltern plc

Notes to the financial statements (continued) For the year ended 31 March 2001

1.10 Foreign Currencies

The company's accounting records are maintained in Pounds Sterling.

Transactions in other currencies are converted at the rate ruling at the date of the transaction. Current assets and liabilities are converted at the rate of exchange ruling at the balance sheet date. Any material gains and losses resulting from the conversion are taken to the profit and loss account.

1.11 Contributions to pension funds

Defined contribution schemes.

The company operates defined contribution pension schemes for the benefit of certain employees. The assets of these schemes are administered by trustees in funds, independent from those of the group. The pension costs charged against profits represent the amount of the contributions paid to the schemes in respect of the accounting year.

2 Turnover

The total turnover of the company for the year has been derived from its principal activities wholly undertaken in the British Isles.

3 Administrative expenses

The administrative expenses include recharges due to parent company in respect of services provided to the company.

4	Operating profit	2001 £	2000 £
	<i>Operating profit is stated after charging:-</i>		
	Depreciation	87,521	90,039
	Operating lease rentals – buildings	405,132	10,606
	Overhead charges from other group companies	2,817,656	1,459,558

The auditors' remuneration is borne by the parent company, WJB Chiltern Group plc.

5	Staff costs	2001 £	2000 £
	<i>Staff costs including directors:-</i>		
	Wages and salaries	7,481,123	2,749,356
	Social security costs	647,069	318,346
		<u>8,128,192</u>	<u>3,067,702</u>
	 The average number of employees during the year was 148 (2000 : 38).		
	Directors' remuneration included above	<u>-</u>	<u>887,778</u>
	 The remuneration of directors was as follows :		
	Highest paid director	<u>-</u>	<u>145,030</u>

WJB Chiltern plc

Notes to the financial statements (continued) For the year ended 31 March 2001

6	Taxation	2001 £	2000 £
	U.K. current year taxation		
	U.K. corporation tax at 30% (2000 : 30%)	1,322,574	28,650
		<u>1,322,574</u>	<u>28,650</u>

There is no material unprovided asset for deferred taxation at 31 March 2001 (2000 : £34,300). The asset at March 2000 previously arose on the provision made for future costs of a short leasehold property to the end of the lease, amounting to £114,350. The lease on the property was surrendered during the current financial year.

7 Tangible assets

Group	Leasehold improvements £	Office equipment £	Motor vehicles £	Total £
<i>Cost</i>				
At 1 April 2000	7,141	496,429	204,420	707,990
Additions	-	-	-	-
Disposals	-	-	(57,090)	(57,090)
At 31 March 2001	<u>7,141</u>	<u>496,429</u>	<u>147,330</u>	<u>650,900</u>
<i>Depreciation</i>				
At 1 April 2000	6,743	403,605	100,368	510,716
Charge for the year	-	54,489	36,846	91,335
Disposals	-	-	(41,891)	(41,891)
At 31 March 2001	<u>6,743</u>	<u>458,094</u>	<u>95,323</u>	<u>560,160</u>
<i>Net book value</i>				
At 31 March 2001	<u>398</u>	<u>38,335</u>	<u>52,007</u>	<u>90,740</u>
At 31 March 2000	<u>398</u>	<u>92,824</u>	<u>104,052</u>	<u>197,274</u>

WJB Chiltern plc

Notes to the financial statements (continued) For the year ended 31 March 2001

8	Investments		
	Unquoted shares at cost		£
	At 1 April 2000		158
	Additions		-
	At 31 March 2001		158
The company owns a 100% of the issued share capital of Vatline Limited, Taxline Limited, and Practical Share Valuations Limited, none of which have traded during the year and which are incorporated in the United Kingdom.			
9	Stock and work in progress	2001	2000
		£	£
	Work in progress	1,243,783	1,353,737
10	Debtors: Amounts falling due within one year	2001	2000
		£	£
	Trade debtors	5,514,794	4,452,700
	Amounts owed by group undertakings	4,323,553	194,675
	Other debtors	44,386	30,990
	Prepayments and accrued income	39,048	171,402
	Loans receivable	1,832,198	-
		11,753,979	4,849,767
11	Debtors: Amounts falling due after one year	2001	2000
		£	£
	Loans receivable	-	4,051,793
12	Creditors: Amounts falling due within one year	2001	2000
		£	£
	Trade creditors	(1,689)	-
	Amounts owed to group undertakings	3,514,961	4,544,274
	Amounts owed to related parties	153,701	54,826
	Other creditors	185,523	7,551
	Accruals and deferred income	1,461,608	756,773
	Corporation tax	1,325,339	8,780
	Other taxes payable	1,437,679	2,735
	Loans payable	1,829,540	-
		9,906,662	5,374,939

WJB Chiltern plc

Notes to the financial statements (continued) For the year ended 31 March 2001

13 Creditors: Amounts falling due after one year	2001	2000
	£	£
Loans payable	-	4,051,793

Loans in 2000 were receivable between two and five years.

14 Provisions for liabilities and charges	2001	2000
	£	£
Vacant property		
At 1 April 2000	114,348	139,927
Provided	-	-
Utilised	(114,348)	(25,579)
At 31 March, 2001	-	114,348

During the current financial year the group surrendered the lease on vacant property which comprised former offices. Full provisions was made for the lease commitments, together with other outgoings for the remaining period of the lease.

15 Share capital	2001	2000
	£	£
Authorised		
15,000 Ordinary shares of £1 each	15,000	15,000
Allotted, called up and fully paid		
15,000 Ordinary shares of £1 each	15,000	15,000
16 Reconciliation of movements in shareholders' funds	2001	2000
	£	£
Profit for the financial year after taxation	2,437,667	66,852
Opening shareholders' funds	1,027,093	960,241
Closing shareholders' funds	3,464,760	1,027,093

WJB Chiltern plc

Notes to the financial statements (continued) **For the year ended 31 March 2001**

17 Financial commitments – Leases

Operating lease payments in respect of leases of premises amounting to £28,400 (2000 : £28,400) are due within one year.

18 Contingent liabilities

There were no contingent liabilities at the balance sheet date (2000– nil).

19 Capital commitments

There were no capital commitments at the balance sheet date (2000 – nil).

20 Related party transactions

The company has taken advantage of the exemption under FRS8 not to disclose intra-group related party transactions.

During the period, the company entered into transactions with MRI Moores Rowland, a firm of Chartered Accountants, in which certain of the directors of the holding company were also partners. Net income for the company in relation to this firm was £507,472 (2000 : £89,306) and the amount owed to the firm at 31 March 2001 was £153,701 (2000 : £12,078).

21 Parent companies

WJB Chiltern Group plc, a company registered in England and Wales, is the immediate controlling party and the parent undertaking of the smallest group to consolidate the accounts of the company. Copies of the consolidated accounts of the company are available from the Registrar of Companies.

The directors consider Chiltern Participations Limited, a company incorporated in Jersey, to be the ultimate parent company.

The Company's ultimate controlling parties are the Trustees of the Habib Settlement.