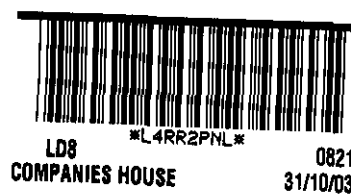


Company Registration No. 1674230 (England and Wales)

**WJB Chiltern plc**

**Directors' report and financial statements**

**For the year ended 31 March 2003**



# **WJB Chiltern plc**

## **Company Information**

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<b>Directors</b>	A D Bischoff A Sarikhani
<b>Secretary</b>	R J H Williams
<b>Company number</b>	1674230
<b>Registered office</b>	3 Sheldon Square London W2 6PS
<b>Independent auditors</b>	Deloitte & Touche
<b>Business address</b>	3 Sheldon Square London W2 6PS

# WJB Chiltern plc

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# WJB Chiltern plc

## Directors' report

For the year ended 31 March 2003

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The directors present their report and financial statements for the year ended 31 March 2003.

### 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 5 and the directors consider satisfactory progress has been made during the year.

The directors do not recommend a final dividend (2002: £nil).

### Future developments

In the year under review the company has continued to recruit a number of high quality professional tax staff, which further confirmed the position of the WJB Chiltern Group as the foremost tax-led professional services group in the UK. The significant audit independence issues faced by the Big Four firms have created a tremendous opportunity for the company's specialist tax teams which will lead to further revenue growth opportunities.

During the year the WJB Chiltern Group invested over £500,000 in expanding its tax-led professional services resources to the media, entertainment, music and film industries focusing both on high net worth individuals and corporate clients. This is considered to be a significant growth area. Additional investment is also planned in other niche markets, most notably the property and financial services sectors, where there is considerable demand for tax and other added value service offerings.

### Directors

The following directors have held office since 1 April 2002:

A D Bischoff  
A Sarikhani

### Directors' interests

Mr Sarikhani is included in the class of beneficiaries of the Habib Settlement, which is the ultimate controlling party of the group. Mr Bischoff is beneficially interested in a minority interest in the share capital of Chiltern Participations Limited, the ultimate parent company.

The following director holds options to purchase shares in WJB Chiltern Group plc as follows:

	<i>Exercise price per share</i>	<i>Number of shares</i>	<i>Period option is exercisable</i>
A D Bischoff	25p	1,577,265	1/10/01-31/10/08

# **WJB Chiltern plc**

## **Directors' report (continued) For the year ended 31 March 2003**

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### **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 as at the financial year end 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; 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 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 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.

### **Payment of trade creditors**

The company has no dealings with external suppliers. All expenditure is borne by the parent company, WJB Chiltern Group plc and recharged to the company by way of management recharges. The payment terms of the parent company are disclosed in its own financial statements.

The trade creditor balance included within creditors relates to debit balances on the sales ledger.

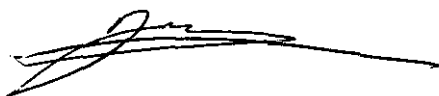
### **Post balance sheet events**

No significant events have affected the company since the year end.

### **Auditors**

A resolution recommending the reappointment of Deloitte & Touche will be proposed at the Annual General Meeting.

### **By order of the board**



**R J H Williams**  
Company secretary

**Dated** 30 October 2003

# **WJB Chiltern plc**

## **Independent Auditors' report To the shareholders of WJB Chiltern plc**

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We have audited the financial statements of WJB Chiltern plc for the year ended 31 March 2003 which comprise the profit and loss account, balance sheet, and the related notes numbered 1 to 18. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities, the company's directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 1985. 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 with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### **Basis of opinion**

We conducted our audit in accordance with United Kingdom 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 circumstances of the company, 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.

# WJB Chiltern plc

## Independent Auditors' report To the shareholders of WJB Chiltern plc

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### Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs at 31 March 2003 and of the company's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche*

**Deloitte & Touche**  
**Chartered Accountants and Registered Auditors**  
St Helier, Jersey

Date:..... *30 October 2003*

# WJB Chiltern plc

## Profit and loss account

For the year ended 31 March 2003

		2003	2002
	Notes	£	£
Turnover	2	19,216,917	17,071,650
Administrative expenses	3	(18,860,332)	(15,501,379)
Operating profit	4	356,585	1,570,271
Interest receivable		79,422	95,015
Interest payable and similar charges		(556)	(50,893)
Profit on ordinary activities before taxation		435,451	1,614,393
Tax on profit on ordinary activities	7	(106,848)	(507,591)
Profit on ordinary activities after taxation retained for the year		328,603	1,106,802
Retained profit brought forward		4,564,143	3,457,341
Retained profit carried forward		4,892,746	4,564,143

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 for the current and the prior financial year.

The notes on pages 7 to 13 form an integral part of these financial statements.



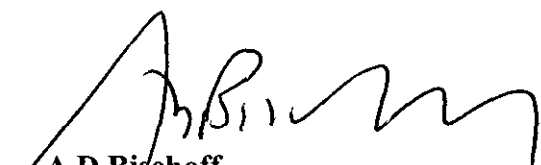
# WJB Chiltern plc

## Balance sheet

As at 31 March 2003

	Notes	2003 £	£	2002 £	£
<b>Fixed assets</b>					
Tangible assets	8		1,158		17,931
Investments	9		158		158
			<u>1,316</u>		<u>18,089</u>
<b>Current assets</b>					
Deferred Tax asset	10	28,611		32,543	
Stock and work in progress	11	660,528		372,784	
Debtors	12	13,318,619		13,681,924	
Cash at bank and in hand		147,516		272,026	
		<u>14,155,274</u>		<u>14,359,277</u>	
<b>Creditors: amounts falling due within one year</b>	13	<b>(9,213,844)</b>		<b>(9,763,223)</b>	
		<u></u>		<u></u>	
<b>Net current assets</b>			<b>4,941,430</b>		<b>4,596,054</b>
			<u></u>		<u></u>
<b>Total assets less current liabilities</b>			<b>4,942,746</b>		<b>4,614,143</b>
			<u></u>		<u></u>
<b>Capital and reserves</b>					
Called up share capital	14	50,000		50,000	
Profit and loss account		4,892,746		4,564,143	
		<u></u>		<u></u>	
<b>Shareholders' funds – equity interests</b>	15	<b>4,942,746</b>		<b>4,614,143</b>	
		<u></u>		<u></u>	

The financial statements were approved by the board on OCTOBER 30TH 2003.

  
A D Bischoff  
Director

The notes on pages 7 to 13 form an integral part of these financial statements

# WJB Chiltern plc

## Notes to the financial statements For the year ended 31 March 2003

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### 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 United Kingdom 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 Companies Act 1985 as it is a subsidiary undertaking of WJB Chiltern Group plc, a company incorporated in the England, 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	Over the lease term
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 impairment 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.

# **WJB Chiltern plc**

## **Notes to the financial statements (continued) For the year ended 31 March 2003**

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### **1.9 Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

### **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 company. 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 the parent company in respect of services provided to the company.

# WJB Chiltern plc

## Notes to the financial statements (continued) For the year ended 31 March 2003

<b>4</b>	<b>Operating profit</b>	<b>2003</b>	<b>2002</b>
		<b>£</b>	<b>£</b>
	<i>Operating profit is stated after charging:</i>		
	Depreciation	14,378	91,568
	Profit on disposal of fixed assets	(1,179)	(3,219)
	Operating lease rentals – buildings	401,007	533,598
	Overhead charges from other group companies	3,596,152	2,860,099

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

<b>5</b>	<b>Staff costs</b>	<b>2003</b>	<b>2002</b>
		<b>£</b>	<b>£</b>
	<i>Staff costs including directors:</i>		
	Wages and salaries	9,401,509	7,372,076
	Social security costs	832,732	721,333
	Pension costs	104,428	80,275
		<u>10,338,669</u>	<u>8,173,684</u>

The average number of employees during the year was 223 (2002: 143).

Directors' remuneration included above

-	-
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The total emoluments paid to directors of WJB Chiltern plc from third parties for qualifying services as directors of the company amounted to £141,450 (2002: 140,875).

<b>6</b>	<b>Pension costs</b>	<b>2003</b>	<b>2002</b>
		<b>£</b>	<b>£</b>
	<b>Defined contribution</b>		
	Contributions payable by the company for the year	<u>104,428</u>	<u>80,275</u>

# WJB Chiltern plc

## Notes to the financial statements (continued) For the year ended 31 March 2003

7	Tax on profit on ordinary activities	2003	2002
		£	£
	<b>Current Taxation</b>		
	<b>United Kingdom</b>		
	Corporation tax at 30% (2002: 30%)	102,916	497,553
	<b>Total Current Tax</b>	<u>102,916</u>	<u>497,553</u>
	Capital allowance in excess of depreciation	3,932	10,038
	<b>Total Deferred Tax</b>	<u>3,392</u>	<u>10,038</u>
		<u>106,848</u>	<u>507,591</u>

The difference between the tax on ordinary activities at the corporation tax rate of 30% (2002: 30%) ruling in the UK and the actual current tax shown above is explained below:

	2003	2002
	£	£
Profit on ordinary activities before taxation	435,451	1,614,393
Tax on profit on ordinary activities at standard rate 30%	130,635	484,318
<i>Factors affecting tax charge for the year:</i>		
Disallowable expenses	45,934	23,273
Capital allowances in excess of depreciation	(3,932)	(10,038)
Group relief claimed	(69,721)	-
<b>Current tax charge</b>	<u>102,916</u>	<u>497,553</u>

# WJB Chiltern plc

## Notes to the financial statements (continued) For the year ended 31 March 2003

### 8 Tangible assets

	<i>Leasehold improvements</i>	<i>Office equipment</i>	<i>Motor vehicles</i>	<i>Total</i>
	£	£	£	£
<i>Cost</i>				
At 1 April 2002	7,141	498,594	44,675	550,410
Disposals	-	(430,652)	(44,675)	(475,327)
At 31 March 2003	<u>7,141</u>	<u>67,942</u>	<u>-</u>	<u>75,083</u>
<i>Depreciation</i>				
At 1 April 2002	7,141	487,869	37,469	532,479
Charge for the year	-	7,922	6,456	14,378
Disposals	-	(429,007)	(43,925)	(472,932)
At 31 March 2003	<u>7,141</u>	<u>66,784</u>	<u>-</u>	<u>73,925</u>
<i>Net book value</i>				
At 31 March 2003	<u>-</u>	<u>1,158</u>	<u>-</u>	<u>1,158</u>
At 31 March 2002	<u>-</u>	<u>10,725</u>	<u>7,206</u>	<u>17,931</u>

### 9 Investments

	£
<b>Unquoted shares at cost</b>	
At 1 April 2002 and 31 March 2003	<u>146</u>
<b>Subsidiaries at cost</b>	
At 1 April 2002 and 31 March 2003	<u>12</u>
<b>Total NBV at 1 April 2002 and 31 March 2003</b>	<u>158</u>

The company owns 100% of the issued share capital of Vatline Limited and Taxline Limited, both of which are incorporated in the United Kingdom. Neither of these companies traded during the current and previous year. As at 31 March 2003, total capital and reserves for Vatline Limited was £2 and for Taxline Limited £10.

10	Deferred tax asset	2003	2002
		£	£
	Depreciation in excess of capital allowances	<u>28,611</u>	<u>32,543</u>
11	Stock and work in progress	2003	2002
		£	£
	Work in progress	<u>660,528</u>	<u>372,784</u>

# WJB Chiltern plc

## Notes to the financial statements (continued) For the year ended 31 March 2003

<b>12 Debtors</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Trade debtors	6,068,278	3,475,786
Amounts owed by group undertakings	5,342,098	5,866,064
Other debtors	3,609	192,157
Prepayments and accrued income	13,153	2,392,087
Loans receivable	1,891,481	1,755,830
	<u>13,318,619</u>	<u>13,681,924</u>
<b>13 Creditors: amounts falling due within one year</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Trade creditors	126,566	-
Amounts owed to group undertakings	4,118,337	3,661,475
Amounts owed to related parties	13,902	907,099
Other creditors	-	52,877
Accruals and deferred income	2,043,619	938,041
Corporation tax	102,916	1,822,501
Other taxes payable	917,023	625,400
Loans payable	1,891,481	1,755,830
	<u>9,213,844</u>	<u>9,763,223</u>
<b>14 Share capital</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
<b>Allotted, called up and fully paid</b>		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
<b>15 Reconciliation of movements in shareholders' funds</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Profit for the financial year after taxation	328,603	1,106,802
Opening shareholders' funds	<u>4,614,143</u>	<u>3,507,341</u>
Closing shareholders' funds	<u>4,942,746</u>	<u>4,614,143</u>

# WJB Chiltern plc

## Notes to the financial statements (continued) For the year ended 31 March 2003

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16	Financial commitments - Leases	2003	2002
		£	£

There are non cancellable annual operating lease commitments for the company in respect of leases of premises expiring as follows:

Leases expiring in less than one year	24,416	24,416
---------------------------------------	--------	--------

Rent on the company's offices are borne by the parent company, WJB Chiltern Group plc and recharged to the company by way of management recharges.

### 17 Related party transactions

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

During the year the company entered into transactions to buy and sell the services of staff with MRI Moores Rowland, a firm of chartered accountants, in which one of the directors was also a partner. The company purchased staff time amounting to £569,739 (2002: £273,590) and sold staff time amounting to £1,578,840 (2002: £1,009,773) during the year. These amounts represent an arms length price based upon standard charge out rates. The amount owed by the company to the firm at 31 March 2003 was £139,021 (2002: £907,099) and is included in creditors.

### 18 Parent companies

WJB Chiltern Group plc, a company registered in England and Wales, is the immediate controlling party and the parent company 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 undertaking.

The company's ultimate controlling party are the trustees of the Habib Settlement.