

COMPANY INFORMATION

FOR THE YEAR ENDED 30 APRIL 1996

DIRECTORS:

K R Train Esq
G Epstein Esq
M J MacDonald
D A Roberts
I S A MacLavery

SECRETARY:

M J MacDonald

REGISTERED OFFICE:

DTE House
Hollins Mount
Bury
Lancashire
BL9 8AT

REGISTERED NUMBER: 01967512 (England and Wales)

AUDITORS:

John A Edgar and Co
Chartered Accountants and
Registered Auditors
569 Market Street
Whitworth
Rochdale
Lancashire OL12 8QS

BANKERS:

National Westminster Bank plc
PO Box No 305
55 King Street
Manchester
M60 2DB



D.T.E. FINANCIAL SERVICES LIMITED

REPORT OF THE DIRECTORS **FOR THE YEAR ENDED 30 APRIL 1996**

The directors present their report with the financial statements of the company for the year ended 30 April 1996.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the provision of financial services, particularly the supply of life assurance and pension products.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

The directors consider the results for the year and the final balance sheet position to be satisfactory and expect the present level of activity to continue for the foreseeable future.

DIVIDENDS

An interim dividend of £12.50 per share was paid on 30 April 1996. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 30 April 1996 will be £12,500.

DIRECTORS

The directors during the year under review were:

K R Train Esq
G Epstein Esq
M J MacDonald
D A Roberts
I S A MacLavery

The beneficial interests of the directors holding office on 30 April 1996 in the issued share capital of the company were as follows:

	30.4.96	1.5.95
Ordinary £1 shares		
K R Train Esq)	-	-
G Epstein Esq) Held jointly	900	900
M J MacDonald)	-	-
D A Roberts)	-	-
I S A MacLavery	-	-

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;
- 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.

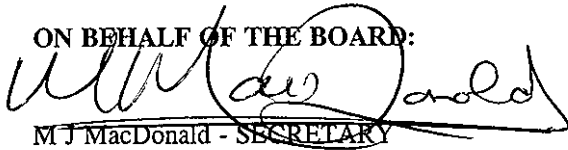
D.T.E. FINANCIAL SERVICES LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 APRIL 1996

AUDITORS

The auditors, John A Edgar and Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'M J MacDonald', is written over the printed name and title.

M J MacDonald - SECRETARY

Dated: 10 January 1997

D.T.E. FINANCIAL SERVICES LIMITED

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
D.T.E. FINANCIAL SERVICES LIMITED

We have audited the financial statements on pages five to seventeen which have been prepared under the historical cost convention and the accounting policies set out on page ten.

Respective responsibilities of directors and auditors

As described on page two 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.

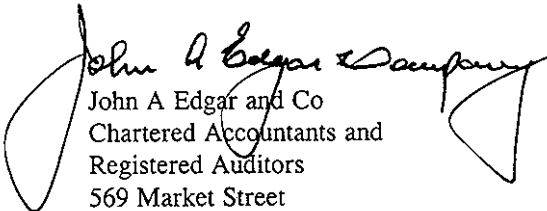
Basis of opinion

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 30 April 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



John A Edgar and Co
Chartered Accountants and
Registered Auditors
569 Market Street
Whitworth
Rochdale
Lancashire

OL12 8QS

Dated: 10 January 1997

D.T.E. FINANCIAL SERVICES LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 1996

		<u>30.4.96</u>	<u>30.4.95</u>
	Notes	£	£
TURNOVER	2	336,134	397,974
Cost of sales		<u>21,325</u>	<u>21,034</u>
GROSS PROFIT		314,809	376,940
Administrative expenses		<u>299,854</u>	<u>377,010</u>
		14,955	(70)
Other operating income		<u>6,500</u>	<u>5,000</u>
OPERATING PROFIT	4	21,455	4,930
Interest payable and similar charges	5	<u>5,902</u>	<u>4,124</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		15,553	806
Tax on profit on ordinary activities	6	<u>4,041</u>	<u>(421)</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		11,512	1,227
Dividends paid	7	<u>12,500</u>	<u>-</u>
RETAINED DEFICIT FOR THE YEAR		(988)	1,227
Retained profit brought forward		<u>12,413</u>	<u>11,186</u>
RETAINED PROFIT CARRIED FORWARD		<u>£11,425</u>	<u>£12,413</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

D.T.E. FINANCIAL SERVICES LIMITED

BALANCE SHEET

30 APRIL 1996

		<u>30.4.96</u>		<u>30.4.95</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	8		47,741		42,136
CURRENT ASSETS:					
Stocks	9	560		645	
Debtors	10	66,734		70,800	
Investments	11	<u>165</u>		<u>165</u>	
		67,459		71,610	
CREDITORS: Amounts falling due within one year	12	<u>94,519</u>		<u>95,675</u>	
NET CURRENT LIABILITIES:			<u>(27,060)</u>		<u>(24,065)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			20,681		18,071
CREDITORS: Amounts falling due after more than one year	13		<u>8,256</u>		<u>4,658</u>
			<u>£12,425</u>		<u>£13,413</u>
CAPITAL AND RESERVES:					
Called up share capital	16		1,000		1,000
Profit and loss account			<u>11,425</u>		<u>12,413</u>
Shareholders' funds	20		<u>£12,425</u>		<u>£13,413</u>

ON BEHALF OF THE BOARD:

K R Train Esq - DIRECTOR



Approved by the Board on 10 January 1997

D.T.E. FINANCIAL SERVICES LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 1996

	<u>30.4.96</u>		<u>30.4.95</u>	
	£	£	£	£
Net cash inflow/(outflow) from operating activities		67,772		(18,798)
Returns on investments and servicing of finance				
Interest paid	(3,930)		(2,008)	
Interest element of finance lease rentals payments	(1,972)		(2,116)	
Dividends paid	<u>(12,500)</u>		<u>-</u>	
Net cash outflow from returns on investments and servicing of finance		(18,402)		(4,124)
Taxation				
Corporation tax paid	(1,412)		(3,783)	
Corporation tax refund	<u>310</u>		<u>918</u>	
Tax paid		(1,102)		(2,865)
Investing activities				
Purchase of tangible fixed assets	(5,740)		(5,507)	
Sale of tangible fixed assets	<u>5,400</u>		<u>25,700</u>	
Net cash (outflow)/inflow from investing activities		<u>(340)</u>		<u>20,193</u>
Net cash inflow/(outflow) before financing		47,928		(5,594)
Financing				
Loan repayments in year	(17,987)		(46,082)	
Amount withdrawn by directors	<u>-</u>		<u>(351)</u>	
Net cash outflow from financing		(17,987)		(46,433)
Increase/(Decrease) in cash and cash equivalents		<u>£29,941</u>		<u>£(52,027)</u>

The notes form part of these financial statements

D.T.E. FINANCIAL SERVICES LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 1996

1. **RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**

	30.4.96	30.4.95
	£	£
Operating profit	21,455	4,930
Depreciation charges	8,701	10,871
Loss on sale of fixed assets	3,225	5
Decrease/(Increase) in stocks	85	(325)
Decrease/(Increase) in debtors	5,168	(16,966)
Increase/(Decrease) in creditors	<u>29,138</u>	<u>(17,313)</u>
Net cash inflow/(outflow) from operating activities	<u>67,772</u>	<u>(18,798)</u>

2. **ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR**

Year ended 30 April 1996

	£
Balance at 1 May 1995	(64,371)
Net cash inflow	<u>29,941</u>
Balance at 30 April 1996	<u>(34,430)</u>

Year ended 30 April 1995

	£
Balance at 1 May 1994	(12,344)
Net cash outflow	<u>(52,027)</u>
Balance at 30 April 1995	<u>(64,371)</u>

3. **ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET**

Year ended 30 April 1996

	30.4.96	1.5.95	Change in year
	£	£	£
Short-term investments	165	165	-
Bank overdrafts	<u>(34,595)</u>	<u>(64,536)</u>	<u>29,941</u>
	<u>(34,430)</u>	<u>(64,371)</u>	<u>29,941</u>

D.T.E. FINANCIAL SERVICES LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 1996

Year ended 30 April 1995

	30.4.95	1.5.94	Change in year
	£	£	£
Short-term investments	165	165	-
Bank overdrafts	<u>(64,536)</u>	<u>(12,509)</u>	<u>(52,027)</u>
	<u>(64,371)</u>	<u>(12,344)</u>	<u>(52,027)</u>

4. **ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR**

Year ended 30 April 1996

	Loans and finance lease obligations £
Balance at 1 May 1995	18,460
New finance leases	17,191
Other loan repayments	
Finance lease repayments	(17,987)
Net withdrawn by directors	—
Balance at 30 April 1996	<u>17,664</u>

Year ended 30 April 1995

	Loans and finance lease obligations £
Balance at 1 May 1994	49,893
New finance leases	15,000
Other loan repayments	(17,787)
Finance lease repayments	(28,295)
Net withdrawn by directors	<u>(351)</u>
Balance at 30 April 1995	<u>18,460</u>

D.T.E. FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 1996

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents commissions and other income received during the year.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Office equipment and computers	- 15% pa on reducing balance
Motor vehicles	- 25% pa on reducing balance

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

3. STAFF COSTS

	30.4.96	30.4.95
	£	£
Wages and salaries	170,983	284,450
Social security costs	27,516	14,745
Other pension costs	<u>2,513</u>	<u>5,644</u>
	<u>201,012</u>	<u>304,839</u>

D.T.E. FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 1996

The average monthly number of employees during the year was as follows:

	30.4.96	30.4.95
Management and administration	6	6
Sales and general administration	<u>6</u>	<u>6</u>
	<u>12</u>	<u>12</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	30.4.96	30.4.95
	£	£
Depreciation - owned assets	3,013	3,572
Depreciation - assets on hire purchase or finance leases	5,688	7,299
Loss on disposal of fixed assets	3,225	5
Auditors' remuneration	<u>588</u>	<u>771</u>
Directors' emoluments (see below)	<u>65,967</u>	<u>196,963</u>

Details of individual emoluments, excluding pension contributions, were as follows:

	30.4.96	30.4.95
	£	£
Chairman	3,600	44,200
Highest paid director	55,167	56,929

These emoluments are included in the information which follows.

The directors' emoluments, excluding pension contributions, fell within the following ranges:

	30.4.96	30.4.95
£Nil - £5,000	4	2
£40,001 - £45,000	-	3
£55,001 - £60,000	1	1

5. INTEREST PAYABLE AND SIMILAR CHARGES

	30.4.96	30.4.95
	£	£
Bank interest	3,922	885
Loan interest BA and RJ Rose	-	1,123
Interest on late payment of tax	8	-
Hire purchase	<u>1,972</u>	<u>2,116</u>
	<u>5,902</u>	<u>4,124</u>

D.T.E. FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 1996

6. **TAXATION**

The tax charge on the profit on ordinary activities for the year was as follows:

	30.4.96	30.4.95
	£	£
UK Corporation Tax	4,041	(310)
Adjustment to previous years	<u>-</u>	<u>(111)</u>
	<u>4,041</u>	<u>(421)</u>

UK Corporation Tax has been charged at 25% (1995 - 25%).

7. **DIVIDENDS PAID**

	30.4.96	30.4.95
	£	£
Equity shares:		
Interim - ordinary paid 30 April 1996	<u>12,500</u>	<u>-</u>

8. **TANGIBLE FIXED ASSETS**

	Office equipment and computers	Motor vehicles	Totals
	£	£	£
COST:			
At 1 May 1995	50,914	32,260	83,174
Additions	3,965	18,966	22,931
Disposals	<u>-</u>	<u>(11,500)</u>	<u>(11,500)</u>
At 30 April 1996	<u>54,879</u>	<u>39,726</u>	<u>94,605</u>
DEPRECIATION:			
At 1 May 1995	30,673	10,365	41,038
Charge for year	3,013	5,688	8,701
Eliminated on disposals	<u>-</u>	<u>(2,875)</u>	<u>(2,875)</u>
At 30 April 1996	<u>33,686</u>	<u>13,178</u>	<u>46,864</u>
NET BOOK VALUE:			
At 30 April 1996	<u>21,193</u>	<u>26,548</u>	<u>47,741</u>
At 30 April 1995	<u>20,241</u>	<u>21,895</u>	<u>42,136</u>

D.T.E. FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 1996

Fixed assets, included in the above, which are held under hire purchase or finance leases are as follows:

	<u>Motor vehicles</u>
	£
COST:	
At 1 May 1995	32,260
Additions	18,966
Disposals	<u>(11,500)</u>
At 30 April 1996	<u>39,726</u>
DEPRECIATION:	
At 1 May 1995	10,365
Charge for year	5,688
Eliminated on disposals	<u>(2,875)</u>
At 30 April 1996	<u>13,178</u>
NET BOOK VALUE:	
At 30 April 1996	<u><u>26,548</u></u>
At 30 April 1995	<u><u>21,895</u></u>

9. **STOCKS**

	30.4.96 £	30.4.95 £
Stock of stationery and office sundries	<u>560</u>	<u>645</u>
	<u><u>560</u></u>	<u><u>645</u></u>

D.T.E. FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 1996

10. DEBTORS

	30.4.96	30.4.95
	£	£
Amounts falling due within one year:		
Trade debtors	-	7,362
Prepayments and accrued income	6,887	7,493
Amount due from former director	7,399	5,649
Amount due from DTE Insurance Brokers Limited	1,186	136
Corporation tax	-	310
Notional corporation tax	<u>1,412</u>	<u>-</u>
	<u>16,884</u>	<u>20,950</u>
Amounts falling due after more than one year:		
Loan to DTE Insurance Brokers Limited	<u>49,850</u>	<u>49,850</u>
	<u>49,850</u>	<u>49,850</u>
Aggregate amounts	<u>66,734</u>	<u>70,800</u>

The above loan to DTE Insurance Brokers Limited is unsecured, interest free and subject to at least thirty six months notice in respect of repayment.

The amount due from the former director was repaid on 28 June 1996.

11. CURRENT ASSET INVESTMENTS

	30.4.96	30.4.95
	£	£
Investments	<u>165</u>	<u>165</u>

The company owns 100% of the share capital of Downham Rose Nominees Limited, a non-trading company which was incorporated in England on 11 May 1988.

The subsidiary company has not yet commenced to trade and unless an appropriate level of profitable trading takes place in the future the investment will have a nil value.

D.T.E. FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 1996

12. **CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	30.4.96	30.4.95
	£	£
Bank loans and overdrafts (see note 14)	34,595	64,536
Hire purchase and finance leases (see note 15)	9,408	13,802
Trade creditors	616	395
Social security, PAYE and VAT	17,607	6,797
Amount due to Sudden Solutions Limited	-	619
Amount due to Downham Train Epstein	15,406	4,218
Corporation tax	916	-
Advance corporation tax	3,125	-
Accruals and deferred income	<u>12,846</u>	<u>5,308</u>
	<u>94,519</u>	<u>95,675</u>

13. **CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	30.4.96	30.4.95
	£	£
Hire purchase and finance leases (see note 15)	<u>8,256</u>	<u>4,658</u>

14. **LOANS AND OVERDRAFTS**

An analysis of the maturity of loans and overdrafts is given below:

	30.4.96	30.4.95
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>34,595</u>	<u>64,536</u>

The bank overdraft with National Westminster Bank plc was guaranteed by DTE Insurance Brokers Limited for an amount not to exceed £90,000 together with personal guarantees of £30,000 each from Messrs. Train, Epstein and MacDonald.

On 1 July 1996 National Westminster Bank plc formally released the guarantee from DTE Insurance Brokers Limited

D.T.E. FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 1996

15. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	30.4.96	30.4.95
	£	£
Gross obligations repayable:		
Within one year	10,392	14,939
Between one and five years	<u>8,740</u>	<u>4,757</u>
	<u>19,132</u>	<u>19,696</u>
Finance charges repayable:		
Within one year	984	1,137
Between one and five years	<u>484</u>	<u>99</u>
	<u>1,468</u>	<u>1,236</u>
Net obligations repayable:		
Within one year	9,408	13,802
Between one and five years	<u>8,256</u>	<u>4,658</u>
	<u>17,664</u>	<u>18,460</u>

The hire purchase obligations are secured upon the assets to which they relate.

16. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	30.4.96	30.4.95
			£	£
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	30.4.96	30.4.95
			£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

17. CONTINGENT LIABILITIES

a) The company entered into a guarantee, with National Westminster Bank plc, in respect of the bank borrowings of DTE Insurance Brokers Limited, for an amount not to exceed £90,000.

b) The company receives commissions in advance of the period over which such commissions are earned. If policies are cancelled for whatever reason over a period typically of up to four years then the company may suffer a clawback of commissions previously received and credited to the profit and loss account. The directors do not consider any provision for such a clawback to be appropriate as historically the amounts involved have been small and it is extremely difficult to quantify an appropriate amount.

c) There is a deferred liability to Corporation Tax at the balance sheet date not provided within the accounts of £2150 (1995 £2289) calculated at the rate of 24% (1995 25%) on the excess of the net book value on those assets on which capital allowances are granted over their corresponding taxation written down values and tax losses carried forward.

D.T.E. FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 1996

18. **PENSION COMMITMENTS**

During the year the company paid directors' pension fund contributions of £NIL and non director fund contributions of £2,513 which will continue at similar levels in the future.

19. **TRANSACTIONS WITH DIRECTORS**

During the year the company undertook transactions under normal trading terms with the following companies and business in which Messrs. Train, Epstein , MacDonald and Roberts have a material interest:-

Sudden Solutions Limited
Downham Train Epstein
DTE Insurance Brokers Limited

It is not practical to quantify the amounts for transactions undertaken. They are however considered not to be material in the context of the financial statements as a whole.

20. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	30.4.96	30.4.95
	£	£
Profit for the financial year	11,512	1,227
Dividends paid	(12,500)	-
NET (REDUCTION)/ADDITION TO SHAREHOLDERS' FUNDS	(988)	1,227
Opening shareholders' funds	<u>13,413</u>	<u>12,186</u>
CLOSING SHAREHOLDERS' FUNDS	<u>12,425</u>	<u>13,413</u>
Equity interests	<u>12,425</u>	<u>13,413</u>