

CHASE PARKINSON LIMITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1997



A K P  
Chartered Accountants  
Sanford House  
Medwin Walk, Horsham  
West Sussex, RH12 1AG

CHASE PARKINSON LIMITED

DIRECTORS AND ADVISERS

Date of incorporation:	11 November 1987
Company number:	2191976
Directors:	C V Chase C M Chase P Cullum
Company secretary:	A J S Freebody
Registered office:	317 Woodham Lane Weybridge Surrey KT15 3PB
Auditors:	A K P Sanford House Medwin Walk Horsham West Sussex RH12 1AG
Bankers:	Coutts & Co. 23 Hanover Square London W1A AYE

CHASE PARKINSON LIMITED  
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FOR THE YEAR ENDED 31 DECEMBER 1997

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## CHASE PARKINSON LIMITED

### DIRECTORS' REPORT

The directors present herewith their annual report, together with the audited financial statements of the company for the year ended 31 December 1997.

#### **RESULTS AND DIVIDENDS**

The profit for the year after taxation was £266,258.

No dividend was paid during the year.

#### **REVIEW OF THE BUSINESS**

The company's principal activity during the year continued to be the provision of specialist Travel Insurance Services.

The directors are most pleased with the year's results reflecting a most acceptable profit level upon a consistently good turnover.

The directors are equally pleased at this time to further report a projected increase for 1998 following the successful acquisition of a number of additional contracts.

#### **DIRECTORS AND THEIR INTERESTS**

The directors of the company during the year and their interests in the share capital of the company at the beginning and end of the year were as follows:

	<u>Class of share</u>	<u>Number of shares</u>	
		<u>1997</u>	<u>1996</u>
C V Chase	Ordinary shares	500	500
C M Chase	Ordinary shares	500	500
P Cullum (appointed 2 December 1997)	Ordinary shares	-	-

#### **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 and 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.

CHASE PARKINSON LIMITED  
DIRECTORS' REPORT - continued

**FIXED ASSETS**

The movements in fixed assets during the year are set out in the notes to the financial statements.

**POLITICAL AND CHARITABLE CONTRIBUTIONS**

The company gave £4,674 for charitable purposes and £250 to the Conservative Fighting Fund.

**CLOSE COMPANY**

The company is a close company as defined by the Income and Corporation Taxes Act 1988.

**SMALL COMPANY DISCLOSURE**

In preparing this report, the directors have taken advantage of the special exemptions applicable to small companies on the grounds that the company is small.

By Order of the Board



A J S Freebody  
Secretary

30 January 1998

AUDITORS' REPORT TO THE MEMBERS OF  
CHASE PARKINSON LIMITED

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

**Respective responsibilities of the directors and auditors**

As described in the Directors' Report 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 Standard 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.

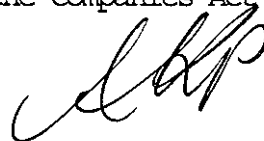
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

As more fully discussed in note 1(b), the company continues to adopt a cash accounting policy.

In our opinion this does not conform with the fundamental accounting principles of consistency and accruals in Statement of Standard Accounting Practice 2 and Schedule 4, Companies Act 1985 as amended. The above policy does not give rise to a material difference in the profit and loss account.

Except for the effects of the accounting policy above, in our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1997 and of its profit for the year then ended and have been properly prepared in accordance with the provision of the Companies Act 1985, applicable to small companies.



A K P  
Chartered Accountants  
Registered Auditor

Sanford House  
Medwin Walk  
Horsham  
West Sussex  
RH12 1AG

30 January 1998

CHASE PARKINSON LIMITED  
PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 1997

	<u>Notes</u>	£	<u>1997</u>	£	£	<u>1996</u>	£
TURNOVER	2		2,066,214			1,476,450	
DIRECT COSTS		1,403			-		
ADMINISTRATIVE EXPENSES		1,759,554			1,157,864		
			1,760,957			1,157,864	
OPERATING PROFIT	3		305,257			318,586	
Income from other sources:							
Property investments		1,440			-		
Interest receivable	6	56,724			30,909		
Interest payable	7	(20,548)			(20,611)		
			37,616			10,298	
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			342,873			328,884	
TAX ON PROFIT ON ORDINARY ACTIVITIES	8		76,615			91,404	
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			266,258			237,480	
DIVIDENDS			-			200,000	
RETAINED PROFIT FOR THE YEAR			266,258			37,480	
RETAINED PROFIT BROUGHT FORWARD			128,421			90,941	
RETAINED PROFIT CARRIED FORWARD			£ 394,679			£ 128,421	

None of the company's activities were acquired or discontinued during the two above financial years.

The company has no recognised gains or losses other than those dealt with in the profit and loss account.

The notes on pages 6 to 12 form part of these financial statements.

CHASE PARKINSON LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 1997

	<u>Notes</u>	<u>1997</u>	<u>1996</u>
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	9	436,228	415,996
Investments	10	17,203	79,703
		<u>453,431</u>	<u>495,699</u>
<b>CURRENT ASSETS</b>			
Debtors	11	1,062	2,000
Cash at bank and in hand		329,496	197,843
		<u>330,558</u>	<u>199,843</u>
<b>CREDITORS - amounts falling due within one year</b>	12	190,310	357,688
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>140,248</u>	<u>(157,845)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>£593,679</u>	<u>£337,854</u>
<b>CREDITORS - amounts falling due after more than one year</b>	13	198,000	208,433
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	1,000	1,000
Profit and loss account		394,679	128,421
		<u>£593,679</u>	<u>£337,854</u>

In preparing these financial statements, the directors have taken advantage of the special exemptions applicable to small companies on the grounds that the company is small.

The financial statements were approved by the board 30 January 1998 and signed on its behalf by

C V Chase  Director

30 January 1998

The notes on pages 6 to 12 form part of these financial statements.



CHASE PARKINSON LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1997

1. **ACCOUNTING POLICIES**

(a) Accounting convention

The financial statements are prepared under the historical cost convention.

(b) Basis of preparation

The financial statements are prepared on a cash accounting basis, except for material accrued expenses which the directors believe should be brought in on the grounds of prudence. This reflects a change in accounting policy because the financial statements had previously been prepared on a wholly cash basis.

This accounting policy does not conform with the fundamental accounting principles of consistency and accruals in Statement of Standard Accounting Practice 2 and Schedule 4 Companies Act 1985, as amended. The directors have adopted this accounting policy as it does not give rise to a material difference in the profit and loss account.

(c) Turnover

Turnover represents the commission received.

(d) Depreciation of tangible assets

Depreciation is provided on all tangible assets, other than freehold land and buildings, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Computer equipment	- 20% per annum on straight line basis
Fixtures, fittings and office equipment	- 15% per annum on reducing balance
Motor vehicles	- 25% per annum on reducing balance

(e) Deferred taxation

Provision is made by the liability method for all timing differences which are expected to be reversed in the foreseeable future.

(f) Leasing and lease purchase commitments

Assets acquired under lease purchase contracts are capitalised in the balance sheet and are depreciated over their expected useful lives.

The interest element of the instalments is charged to the profit and loss account over the period of the contract.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

(g) Pensions

Pension contributions are charged to the profit and loss account so as to spread the cost of the pensions over the employees' working lives with the company. These contributions are invested separately from the company's assets.

**CHASE PARKINSON LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 1997**

**2. TURNOVER**

The turnover and pre-tax profit are wholly attributable to the company's main activity.  
The turnover all arises in the United Kingdom.

**3. OPERATING PROFIT**

	<u>1997</u> £	<u>1996</u> £
This is stated after charging:		
Auditors' remuneration	11,004	4,975
Depreciation	35,242	30,908
(Profit)/loss on disposal of fixed assets	(12,705)	3,300
Hire of equipment - including operating leases	1,689	1,719
	<u>          </u>	<u>          </u>

**4. EMPLOYEE INFORMATION**

**(a) Staff costs:**

	<u>1997</u> £	<u>1996</u> £
Wages and salaries	1,239,408	765,376
Social security costs	149,356	62,319
Pension costs	4,500	9,156
Medical care costs	6,185	3,988
	<u>          </u>	<u>          </u>
	£1,399,449	£ 840,839
	<u>          </u>	<u>          </u>

**(b) The average weekly number of employees during the year was made up as follows:**

	<b>No.</b>	<b>No.</b>
Directors	3	2
Management	1	1
Technical, clerical and secretarial	23	17
	<u>          </u>	<u>          </u>
	27	20
	<u>          </u>	<u>          </u>

**(c) Directors' emoluments:**

	<u>£</u>	<u>£</u>
Fees and salaries	580,500	353,500
Pension contributions	4,500	9,156
	<u>          </u>	<u>          </u>
	£ 585,000	£ 362,656
	<u>          </u>	<u>          </u>

Further details, excluding pension contributions:

Highest paid director	<u>£ 429,500</u>	<u>£ 241,000</u>
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Other directors' emoluments fell within the following ranges:

	<b>No.</b>	<b>No.</b>
£Nil - £5,000	1	-
£120,000 - £125,000	-	1
£150,000 - £175,000	1	-

CHASE PARKINSON LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1997

5. PENSION COSTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable by the company amounted to £4,500 (1996 £9,156). All contributions were paid in the year.

6. INTEREST RECEIVABLE	<u>1997</u> £	<u>1996</u> £
Bank interest	£56,724	£30,909

7. INTEREST PAYABLE	<u>1997</u> £	<u>1996</u> £
On bank loans wholly repayable after five years	16,697	17,631
On overdue tax	902	54
Lease finance charges and lease purchase interest	2,949	2,926
	<u>£20,548</u>	<u>£20,611</u>

8. TAXATION	<u>1997</u> £	<u>1996</u> £
(a) Based on the results of the year:		
Corporation tax at marginal rate	£76,615	£91,404

(b) The company is a close company within the terms of section 414 of the Income and Corporation Taxes Act 1988.

CHASE PARKINSON LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1997

9. TANGIBLE FIXED ASSETS

	<u>Freehold land and buildings</u>	<u>Computer equipment</u>	<u>Fixtures, fittings and office equipment</u>	<u>Motor vehicles</u>	<u>Total</u>
	£	£	£	£	£
Cost:					
At 1 January 1997	309,206	69,356	61,647	123,480	563,689
Additions	1,119	22,020	28,496	24,172	75,807
Disposals	-	-	(11,731)	(83,530)	(95,261)
At 31 December 1997	310,325	91,376	78,412	64,122	544,235
Depreciation:					
At 1 January 1997	-	33,660	28,787	85,246	147,693
Charge for year	-	14,831	8,477	11,934	35,242
Disposals	-	-	(6,887)	(68,041)	(74,928)
At 31 December 1997	-	48,491	30,377	29,139	108,007
Net book value at 31 December 1997	<u>£310,325</u>	<u>£ 42,885</u>	<u>£ 48,035</u>	<u>£ 34,983</u>	<u>£436,228</u>
Net book value at 31 December 1996	<u>£309,206</u>	<u>£ 35,696</u>	<u>£ 32,860</u>	<u>£ 38,234</u>	<u>£415,996</u>

No depreciation has been provided on freehold buildings because the directors are of the opinion that the property will maintain its value in future years.

Included above are assets held under lease purchase contracts as follow:

Net book value at 31 December 1997	
Computer equipment	17,761
Motor vehicles	24,671
	<u>£ 42,432</u>
Depreciation charged during year	
Computer equipment	5,920
Motor vehicles	8,223
	<u>£ 14,143</u>

Net obligations under lease purchase contracts are secured on the assets acquired.

CHASE PARKINSON LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1997

10. **FIXED ASSET INVESTMENTS**

	<u>1997</u> £	<u>1996</u> £
Investment properties overseas		
Cost at 1 January 1997	79,703	17,203
Additions	-	62,500
Disposals	(62,500)	-
	<u>          </u>	<u>          </u>
Cost at 31 December 1997	<u>£17,203</u>	<u>£79,703</u>

11. **DEBTORS**

	<u>1997</u> £	<u>1996</u> £
Sundry debtors	831	2,000
Directors' current accounts	231	-
	<u>          </u>	<u>          </u>
	<u>£1,062</u>	<u>£2,000</u>

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

	<u>1997</u> £	<u>1996</u> £
Obligations under		
lease purchase contracts (see note 14)	10,433	20,930
Corporation tax	76,615	41,404
Other taxes and social security costs	21,725	-
Directors' current accounts	-	295,354
Sundry creditors	76,837	-
Accruals	4,700	-
	<u>          </u>	<u>          </u>
	<u>£190,310</u>	<u>£357,688</u>

Aggregate amounts which fall due for repayment after more than five years are shown in note 13.

CHASE PARKINSON LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1997

13. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	<u>1997</u> £	<u>1996</u> £
Bank loan	198,000	198,000
Obligations under lease purchase contracts (see note 14)	-	10,433
	<u>£198,000</u>	<u>£208,433</u>
Aggregate amounts repayable by instalments any of which fall due for repayment:		
Between one and five years	£ -	£ 10,433
Aggregate amounts repayable otherwise than by instalments, which fall due for repayment after five years	<u>£198,000</u>	<u>£198,000</u>

The bank loan which is not wholly repayable within five years bears interest at 2% above bank base rate and is secured by a fixed charge over the company's freehold property.

14. OBLIGATIONS UNDER LEASE PURCHASE CONTRACTS	<u>1997</u> £	<u>1996</u> £
Repayable within one year	12,572	25,012
Repayable between one and five years	-	12,572
	<u>12,572</u>	<u>37,584</u>
Less: finance charges allocated to future periods	<u>2,139</u>	<u>6,221</u>
	<u>£10,433</u>	<u>£31,363</u>
Within one year - shown in note 12	10,433	20,930
After one year - shown in note 13	-	10,433
	<u>£10,433</u>	<u>£31,363</u>

CHASE PARKINSON LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1997

15. SHARE CAPITAL

	<u>Authorised</u>		<u>Allotted, called up and fully paid</u>	
	<u>1997 No.</u>	<u>1996 No.</u>	<u>1997 £</u>	<u>1996 £</u>
Ordinary shares of £1 each	10,000	10,000	£1,000	£1,000

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1997 £</u>	<u>1996 £</u>
Profit for the financial year	266,258	237,480
Dividends	-	200,000
Shareholders' funds at 1 January 1997	266,258	37,480
	129,421	91,941
Shareholders' funds at 31 December 1997	£395,679	£129,421

17. LEASES

	<u>1997 £</u>	<u>1996 £</u>
The following payments are committed to be paid in 1998 under operating leases:		
Land and buildings		
Expiring between second and fifth years	15,000	15,000
Other		
Expiring between second and fifth years	1,689	1,689