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Report of the Directors and
Financial Statements for the Period 1 January 2001 to 31 March 2002
for
BR CORPORATE FINANCE LIMITED



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BR CORPORATE FINANCE LIMITED

Company Information

for the Period 1 January 2001 to 31 March 2002

DIRECTORS:

B I Olsson
R L Stubbs

SECRETARY:

R L Stubbs

REGISTERED OFFICE:

95 Addison Gardens
London W14 0DT

REGISTERED NUMBER:

2952746 (England and Wales)

AUDITORS:

Badger Hakim
Chartered Accountants and
Registered Auditors
10 Dover Street
London W1S 4LQ

BR CORPORATE FINANCE LIMITED

Report of the Directors

for the Period 1 January 2001 to 31 March 2002

The directors present their report with the financial statements of the company for the period 1 January 2001 to 31 March 2002.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of the provision of corporate financial consultancy services.

REVIEW OF BUSINESS

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

During the period under review, the company's activities wound down and it was acquired by new shareholders from EVC Christows PLC. At the balance sheet date the company had cleared all significant debtors and creditors and was in a position to recommence its activities.

The company is regulated by the Financial Services Authority, having formerly been regulated by the Securities and Futures Authority.

DIVIDENDS

An interim dividend of £8.51625 per share was paid on 28 December 2001. The directors recommend that no final dividend be paid.

The total distribution of dividends for the period ended 31 March 2002 will be £306,585.

FUTURE DEVELOPMENTS

Following a change of ownership as the company was acquired by its existing shareholders out of the Christows Group, it commenced operations in earnest. The directors anticipate satisfactory performance in the current year.

DIRECTORS

The directors during the period under review were:

D J L Abbot	- resigned 25/1/2001
B I Olsson	- appointed 2/1/2002
Miss A F K Pierson	- resigned 31/12/2001
C A Hartley	- resigned 12/1/2001
R L Stubbs	- appointed 12/1/2001
H Ryan	- appointed 19/2/2001
	- resigned 23/5/2001
A Snow	- appointed 2/10/2001
	- resigned 31/12/2001
G Dell	- appointed 2/10/2001
	- resigned 31/12/2001
P Logan	- resigned 15/6/2001

The beneficial interests of the directors holding office on 31 March 2002 in the issued share capital of the company were as follows:

	31.3.02	1.1.01 or date of appointment if later
Ordinary £1 shares		
B I Olsson	18,000	18,000
R L Stubbs	18,000	18,000

BR CORPORATE FINANCE LIMITED

Report of the Directors

for the Period 1 January 2001 to 31 March 2002

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.

AUDITORS

The auditors, Badger Hakim, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



B I Olsson - DIRECTOR

Dated: 27 June 2002

BR CORPORATE FINANCE LIMITED

Report of the Independent Auditors to the Shareholders of BR Corporate Finance Limited

We have audited the financial statements of BR Corporate Finance Limited for the period ended 31 March 2002 on pages five to eleven. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described on page three the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom 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 Report of the Directors 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 Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

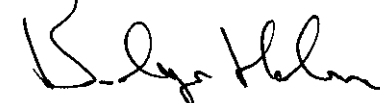
Basis of audit opinion

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 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 31 March 2002 and of its for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Badger Hakim
Chartered Accountants and
Registered Auditors
10 Dover Street
London W1S 4LQ

Dated: 27 June 2002

BR CORPORATE FINANCE LIMITED

Profit and Loss Account

for the Period 1 January 2001 to 31 March 2002

	Notes	Period 1/1/01 to 31/3/02 £	Year Ended 31/12/00 £
TURNOVER		208,464	286,564
Cost of sales		<u>58,110</u>	<u>106,336</u>
GROSS PROFIT		150,354	180,228
Administrative expenses		<u>153,439</u>	<u>189,525</u>
		(3,085)	(9,297)
Other operating income		<u>18</u>	<u>8</u>
OPERATING LOSS	3	(3,067)	(9,289)
Interest receivable and similar income		<u>11,139</u>	<u>7,793</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		8,072	(1,496)
Tax on profit/(loss) on ordinary activities	4	<u>(657)</u>	<u>579</u>
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD AFTER TAXATION		8,729	(2,075)
Dividends	5	<u>306,585</u>	<u>-</u>
DEFICIT FOR THE PERIOD		<u>£(297,856)</u>	<u>£(2,075)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current period or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the current period and the loss for the previous year.

The notes form part of these financial statements

BR CORPORATE FINANCE LIMITED

Balance Sheet

31 March 2002

	Notes	2002 £	2000 £
CURRENT ASSETS:			
Debtors	6	-	44,887
Cash at bank		38,169	437,167
		<u>38,169</u>	<u>482,054</u>
CREDITORS:			
Amounts falling due within one year	7	4,668	150,697
		<u>33,501</u>	<u>331,357</u>
NET CURRENT ASSETS:			
		<u>33,501</u>	<u>331,357</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:		<u>£33,501</u>	<u>£331,357</u>
CAPITAL AND RESERVES:			
Called up share capital	8	36,000	36,000
Profit and loss account	9	(2,499)	295,357
		<u>£33,501</u>	<u>£331,357</u>
SHAREHOLDERS' FUNDS:	10	<u>£33,501</u>	<u>£331,357</u>

ON BEHALF OF THE BOARD:



B I Olsson - DIRECTOR

Approved by the Board on 27 June 2002

The notes form part of these financial statements

BR CORPORATE FINANCE LIMITED**Cash Flow Statement**

for the Period 1 January 2001 to 31 March 2002

		Period 1/1/01 to 31/3/02 £	Year Ended 31/12/00 £
Net cash (outflow)/inflow from operating activities	Notes 1	(79,259)	257,775
Returns on investments and servicing of finance	2	11,139	7,793
Taxation		(24,293)	(6,345)
Equity dividends paid		(306,585)	-
(Decrease)/Increase in cash in the period		<u>£(398,998)</u>	<u>£259,223</u>
Reconciliation of net cash flow to movement in net funds	3		
(Decrease)/Increase in cash in the period		<u>(398,998)</u>	<u>259,223</u>
Change in net funds resulting from cash flows		<u>(398,998)</u>	<u>259,223</u>
Movement in net funds in the period		<u>(398,998)</u>	<u>259,223</u>
Net funds at 1 January		<u>437,167</u>	<u>177,944</u>
Net funds at 31 March		<u>£38,169</u>	<u>£437,167</u>

The notes form part of these financial statements

BR CORPORATE FINANCE LIMITED

Notes to the Cash Flow Statement

for the Period 1 January 2001 to 31 March 2002

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

	Period 1/1/01 to 31/3/02 £	Year Ended 31/12/00 £
Operating loss	(3,067)	(9,289)
Decrease in debtors	44,887	174,949
Decrease/(Increase) in creditors	(121,079)	92,115
Net cash (outflow)/inflow from operating activities	(79,259)	257,775

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	Period 1/1/01 to 31/3/02 £	Year Ended 31/12/00 £
Returns on investments and servicing of finance		
Interest received	11,139	7,793
Net cash inflow for returns on investments and servicing of finance	11,139	7,793

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/01 £	Cash flow £	At 31/3/02 £
Net cash:			
Cash at bank	437,167	(398,998)	38,169
	<u>437,167</u>	<u>(398,998)</u>	<u>38,169</u>
Total	<u>437,167</u>	<u>(398,998)</u>	<u>38,169</u>

The notes form part of these financial statements

BR CORPORATE FINANCE LIMITED

Notes to the Financial Statements

for the Period 1 January 2001 to 31 March 2002

1. ACCOUNTING POLICIES

Accounting convention

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

Turnover

Turnover represents fees and commissions billed for services excluding value added tax. All turnover arose from the principal activity within the United Kingdom.

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.

2. STAFF COSTS

	Period 1/1/01 to 31/3/02 £	Year Ended 31/12/00 £
Wages and salaries	90,612	129,616
Social security costs	10,628	13,610
	<u>101,240</u>	<u>143,226</u>

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

	Period 1/1/01 to 31/3/02	Year Ended 31/12/00
Operational staff	<u>2</u>	<u>3</u>

3. OPERATING LOSS

The operating loss is stated after charging:

	Period 1/1/01 to 31/3/02 £	Year Ended 31/12/00 £
Auditors remuneration	<u>1,800</u>	<u>5,000</u>
Directors' emoluments	<u>81,221</u>	<u>56,400</u>

BR CORPORATE FINANCE LIMITED

Notes to the Financial Statements

for the Period 1 January 2001 to 31 March 2002

4. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the profit on ordinary activities for the period was as follows:

	Period 1/1/01 to 31/3/02 £	Year Ended 31/12/00 £
Current tax:		
UK corporation tax	(657)	579

5. DIVIDENDS

	Period 1/1/01 to 31/3/02 £	Year Ended 31/12/00 £
Equity shares:		
Interim	306,585	-

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2000 £
Trade debtors	-	34,203
Connected companies	-	10,684
	-	44,887

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2000 £
Amounts owed by/to group undertakings	-	110,625
Taxation	2,868	27,818
Social security and other taxes	-	7,254
Accruals and deferred income	1,800	5,000
	4,668	150,697

8. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2002 £	2000 £
36,000	Ordinary	£1	36,000	36,000

BR CORPORATE FINANCE LIMITED

Notes to the Financial Statements for the Period 1 January 2001 to 31 March 2002

9. RESERVES

	Profit and loss account £
At 1 January 2001	295,357
Loss for the period	(297,856)
At 31 March 2002	<u>(2,499)</u>

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2000 £
Profit/(Loss) for the financial period	8,729	(2,075)
Dividends	(306,585)	-
Net reduction of shareholders' funds	<u>(297,856)</u>	<u>(2,075)</u>
Opening shareholders' funds	331,357	333,432
Closing shareholders' funds	<u>33,501</u>	<u>331,357</u>
Equity interests	<u>33,501</u>	<u>331,357</u>