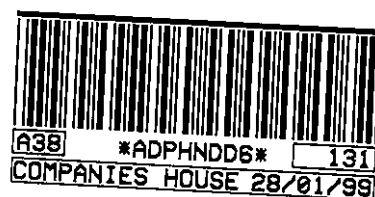


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CB FINANCIAL PLANNING LTD
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1998



**INDEX TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1998**

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CB FINANCIAL PLANNING LTD
COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 1998

DIRECTORS: A.O. Harwood
G. Barnes
J.B. Grisman

SECRETARY: J.B. Grisman

REGISTERED OFFICE: Hobson House
155 Gower Street
London
WC1E 6BJ

REGISTERED NUMBER: 2960433 (England and Wales)

AUDITORS: Collard Benzie & Hoys
Chartered Accountants
Registered Auditors
Lion House
51 Sheen Lane
London
SW14 8AB

CB FINANCIAL PLANNING LTD

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 1998

The directors present their report with the financial statements of the company for the year ended 31 March 1998.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of investment advice with the majority of clients favouring security as opposed to adventure.

REVIEW OF BUSINESS

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

DIVIDENDS

No dividends will be distributed for the year ended 31 March 1998.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors during the year under review were:

A.O. Harwood
G. Barnes
J.B. Grisman

The beneficial interests of the directors holding office on 31 March 1998 in the issued share capital of the company were as follows:

	31.3.98	1.4.97
Ordinary A £1 shares		
A.O. Harwood	200	200
G. Barnes	160	160
J.B. Grisman	160	160
Ordinary B £1 shares		
A.O. Harwood	-	-
G. Barnes	140	140
J.B. Grisman	140	140

G.F. Barnes and J.B. Grisman hold their shares as nominees for Casson Beckman.

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 judgments 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.

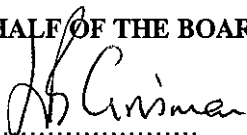
CB FINANCIAL PLANNING LTD

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 1998**

AUDITORS

The auditors, Collard Benzie & Hoys, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



.....
J.B. Grisman - SECRETARY

Dated: 7 Aug 98

**REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
CB FINANCIAL PLANNING LTD**

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

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

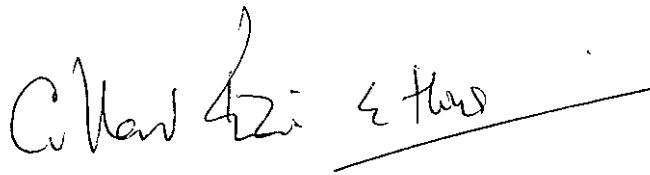
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Collard Benzie & Hoys
Chartered Accountants
Registered Auditors
Lion House
51 Sheen Lane
London
SW14 8AB



Dated: 7 Aug 98

CB FINANCIAL PLANNING LTD

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1998**

		Year Ended 31.3.98	Period 1.10.95 to 31.3.97
	Notes	£	£
TURNOVER	2	490,382	514,766
GROSS PROFIT		<u>490,382</u>	<u>514,766</u>
Administrative expenses		481,415	373,952
		<u>8,967</u>	<u>140,814</u>
Other operating income		3,432	-
OPERATING PROFIT	4	<u>12,399</u>	<u>140,814</u>
Interest receivable and similar income	5	1,514	2,103
		<u>13,913</u>	<u>142,917</u>
Interest payable and similar charges	6	1,329	3,466
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>12,584</u>	<u>139,451</u>
Tax on profit on ordinary activities	7	2,533	41,422
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>10,051</u>	<u>98,029</u>
Dividends	8	-	45,000
		<u>10,051</u>	<u>53,029</u>
Retained profit brought forward		65,668	12,639
RETAINED PROFIT CARRIED FORWARD		<u><u>£75,719</u></u>	<u><u>£65,668</u></u>

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

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

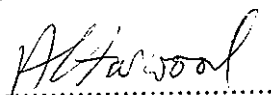
The notes form part of these financial statements

CB FINANCIAL PLANNING LTD

**BALANCE SHEET
31 MARCH 1998**

		1998		1997	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	9		29,478		14,312
CURRENT ASSETS:					
Debtors	10	7,708		6,786	
Investments	11	126,458		114,500	
Cash at bank		15,986		19,281	
		<u>150,152</u>		<u>140,567</u>	
CREDITORS: Amounts falling due within one year	12	102,911		84,559	
NET CURRENT ASSETS:			<u>47,241</u>		<u>56,008</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			76,719		70,320
CREDITORS: Amounts falling due after more than one year	13		-		3,652
			<u>£76,719</u>		<u>£66,668</u>
CAPITAL AND RESERVES:					
Called up share capital	15		1,000		1,000
Profit and loss account			75,719		65,668
Shareholders' funds	17		<u>£76,719</u>		<u>£66,668</u>

ON BEHALF OF THE BOARD:



A.O. Harwood - DIRECTOR

Approved by the Board on 7 Aug 98

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1998**

1. ACCOUNTING POLICIES**Accounting convention**

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

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 33 % on cost
Motor vehicles	- 25 % on cost
Computer equipment	- 20 % on cost

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.

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

	Year Ended	Period
	31.3.98	1.10.95
	£	to
		31.3.97
	£	£
Wages and salaries	375,659	270,020
Social security costs	28,791	27,249
Other pension costs	13,254	7,825
	<u>417,704</u>	<u>305,094</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1998**

3. STAFF COSTS - continued

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

	Year Ended 31.3.98	Period 1.10.95 to 31.3.97
Professional	7	4
Administrative	2	2
	<u>9</u>	<u>6</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	Year Ended 31.3.98 £	Period 1.10.95 to 31.3.97 £
Depreciation - owned assets	16,782	6,798
Loss on disposal of fixed assets	-	906
Auditors' remuneration	1,175	1,000
	<u>112,875</u>	<u>95,782</u>

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year Ended 31.3.98 £	Period 1.10.95 to 31.3.97 £
Deposit account interest	1,514	2,103

6. INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 31.3.98 £	Period 1.10.95 to 31.3.97 £
Bank interest	671	307
Hire purchase	658	3,159
	<u>1,329</u>	<u>3,466</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1998**

7. TAXATION

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

	Year Ended 31.3.98 £	Period 1.10.95 to 31.3.97 £
UK Corporation Tax	2,533	41,422
	<u> </u>	<u> </u>

UK Corporation Tax has been charged at 21% (1997 - 29.40%).

8. DIVIDENDS

	Year Ended 31.3.98 £	Period 1.10.95 to 31.3.97 £
Equity shares:		
720 Ordinary A shares of £1 each		
Interim	-	13,500
280 Ordinary B shares of £1 each		
Interim	-	31,500
	<u> </u>	<u> </u>
	-	45,000
	<u> </u>	<u> </u>

9. TANGIBLE FIXED ASSETS

	Fixtures and fittings	Motor vehicles	Computer equipment	Totals
	£	£	£	£
COST:				
At 1 April 1997	230	12,000	6,349	18,579
Additions	-	26,900	5,048	31,948
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 1998	230	38,900	11,397	50,527
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
DEPRECIATION:				
At 1 April 1997	108	3,500	659	4,267
Charge for year	76	14,180	2,526	16,782
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 1998	184	17,680	3,185	21,049
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET BOOK VALUE:				
At 31 March 1998	46	21,220	8,212	29,478
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 1997	122	8,500	5,690	14,312
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

CB FINANCIAL PLANNING LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1998**

**10. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	1998	1997
	£	£
Other debtors	7,708	6,786
	<u>7,708</u>	<u>6,786</u>

11. CURRENT ASSET INVESTMENTS

	1998	1997
	£	£
Listed investments	40,548	25,000
Commercial Property Syndicate	35,910	39,500
Offshore Insurance Bonds	50,000	50,000
	<u>126,458</u>	<u>114,500</u>

Market value of listed investments at 31 March 1998 - £43,412 (1997 - £26,125).

Listed investments are shown at cost. The investment in the Commercial Property Syndicate is shown at cost and the directors are of the opinion that the market value is not less than this figure. The company has also invested in certain Offshore Insurance Bonds that do not distribute income but accumulate it within the fund. The structure of the Bonds allows the company to make withdrawals in lieu of income which, within limits, is not liable for tax until a later date. The Bonds are shown at cost, and the directors consider the market value is not less than this figure.

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

	1998	1997
	£	£
Hire Purchase (see note 14)	3,652	3,604
Due to parent partnership	1,532	75
Social security & other taxes	16,846	12,037
Taxation	2,533	41,017
Accrued expenses	78,348	27,826
	<u>102,911</u>	<u>84,559</u>

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

	1998	1997
	£	£
Hire Purchase (see note 14)	-	3,652
	<u>-</u>	<u>3,652</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1998

14. LOANS AND OVERDRAFTS

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

	1998 £	1997 £
Amounts falling due within one year or on demand:		
Hire Purchase	<u>3,652</u>	<u>3,604</u>
Amounts falling due between one and two years:		
Hire Purchase	<u>-</u>	<u>3,652</u>

15. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	1998 £	1997 £
720	Ordinary A	£1	720	720
280	Ordinary B	£1	280	280
			<u>1,000</u>	<u>1,000</u>

16. POST BALANCE SHEET EVENTS

The shares held by G F Barnes and J B Grisman as nominees for Casson Beckman were purchased by A O Harwood on 31 May 1998.

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1998 £	1997 £
Profit for the financial year	10,051	98,029
Dividends	-	(45,000)
Issue of shares		
NET ADDITION TO SHAREHOLDERS' FUNDS	<u>10,051</u>	<u>53,029</u>
Opening shareholders' funds	<u>66,668</u>	<u>13,639</u>
CLOSING SHAREHOLDERS' FUNDS	<u>76,719</u>	<u>66,668</u>
Equity interests	<u>76,719</u>	<u>66,668</u>