

CFS INDEPENDENT LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2000

**COMPANIES
HOUSE**

Company No. 2960433



11/2150

CFS INDEPENDENT LIMITED

CONTENTS

	Page
Company Information	1
Directors' Report	2 to 3
Auditors' Report	4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Financial Statements	7 to 11

The following pages do not form part of the statutory accounts:

Management Profit and Loss Account	12 to 13
---	----------

CFS INDEPENDENT LIMITED

COMPANY INFORMATION

Directors	A.O. Harwood S.H. Harwood (appointed 12/11/1999) R. Prudence (resigned 15/9/2000) A.D. Bischoff (resigned 12/11/1999) J.S. Freedman (resigned 12/11/1999)
Secretary	S.H. Harwood
Company Number	2960433
Registered Office	2 Fisher Street London WC1R 4QA
Auditors	Bright Grahame Murray 124/130 Seymour Place London W1H 1BG

CFS INDEPENDENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2000

The directors present their report together with the audited financial statements for the year ended 31st March 2000.

Results and Dividends

The results for the year are set out in the profit and loss account on page 5.

The directors recommend dividends amounting to £21,275 (1999 £72,000)

Principal Activity and Review of the Business

The principal activity of the company is the provision of investment advice with the majority of clients favouring security as opposed to adventure.

The directors are satisfied with the results for the year and the state of affairs of the company at the balance sheet date.

Change of Name

The company changed its name from Chiltern Financial Services Limited to CFS Independent Limited on 15 November 1999.

Directors and Their Interests

The directors at 31st March 2000 and their beneficial interests in the company's issued share capital were as follows:

	<u>At</u> <u>31st March 2000</u> <u>Ordinary Shares</u>	<u>At</u> <u>1st April 1999</u> <u>Ordinary Shares</u>
A.O. Harwood	500	400
S.H. Harwood (appointed 12/11/1999)	500	-
R. Prudence (resigned 15/9/2000)	-	-

CFS INDEPENDENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2000

Directors' Responsibilities for the Financial Statements

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the company's affairs and of the profit or loss for that year. 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 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

A resolution to re-appoint Messrs Bright Grahame Murray, Chartered Accountants, of 124/130 Seymour Place, London, W1H 1BG., as auditors of the company will be proposed at the Annual General Meeting.

By order of the board

.....*XS yfin H. Harwood*.....
Secretary

Date: 2 1 01

AUDITORS' REPORT TO THE SHAREHOLDERS OF CFS INDEPENDENT LIMITED

We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective Responsibilities of Directors and Auditors

As described on page 3 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and report our opinion to you.

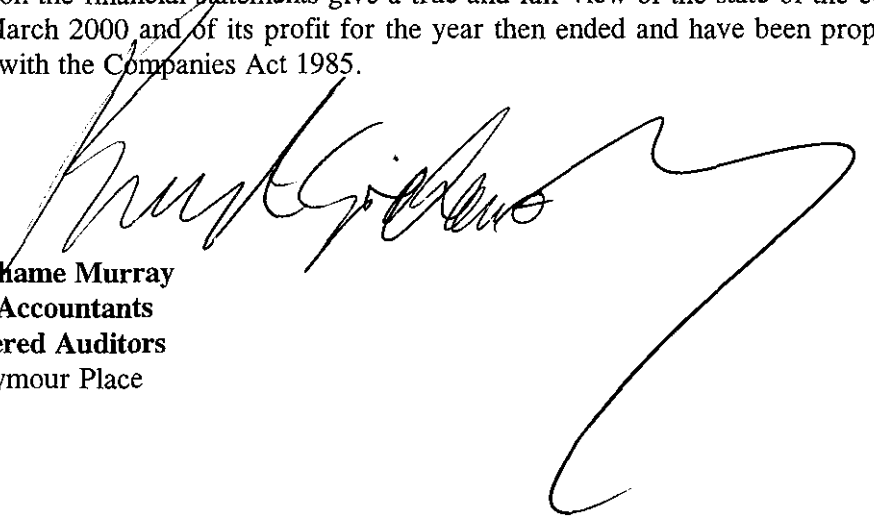
Basis of Opinion

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 the 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 31st March 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Bright Grahame Murray
Chartered Accountants
and Registered Auditors
124/130 Seymour Place
London
W1H 1BG

5th January 2001

CFS INDEPENDENT LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2000**

	Notes	2000 £	1999 £
Turnover	2	414,775	491,903
Administrative expenses		408,390	417,836
Operating Profit	3	6,385	74,067
Interest receivable		1,076	2,371
Interest payable	5	(6)	(196)
Profit on Ordinary Activities before Taxation		7,455	76,242
Tax on profit on ordinary activities	6	2,365	23,007
Profit for the Financial Year		5,090	53,235
Dividends	7	21,275	72,000
Retained (Loss) for the Financial Year	13	(16,185)	(18,765)
Retained profit brought forward		56,954	75,719
Retained profit carried forward		40,769	56,954

All amounts relate to continuing activities.

There were no recognised gains or losses for 2000 or 1999 other than those recorded in the profit and loss account.

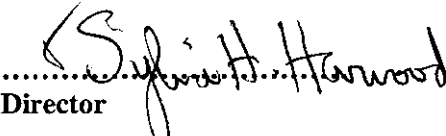
CFS INDEPENDENT LIMITED

BALANCE SHEET AS AT 31ST MARCH 2000

	Notes	2000	1999
		£	£
Fixed Assets			
Tangible assets	8	26,774	21,092
Current Assets			
Debtors	9	1,107	25,725
Current asset investments	10	48,918	61,823
Cash at bank and in hand		200	24,984
		<u>50,225</u>	<u>112,532</u>
Creditors			
Amounts falling due within one year	11	<u>35,230</u>	<u>75,670</u>
Net Current Assets		<u>14,995</u>	<u>36,862</u>
Total Assets Less Current Liabilities		<u>41,769</u>	<u>57,954</u>
Capital and Reserves			
Share capital	12	1,000	1,000
Profit and loss account	13	40,769	56,954
Shareholders' funds	14	<u>41,769</u>	<u>57,954</u>



 Director



 Director

Approved on: 2 1 01

CFS INDEPENDENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2000

1 Accounting Policies

Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention and in accordance with applicable Accounting Standards.

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset evenly over its expected useful life, as follows:-

Motor vehicles	25% p.a. on a straight line basis
Furniture and equipment	25% to 33 1/3% p.a. on a straight line basis

Investments

Investments are stated at cost. Provision is made for permanent diminution in value.

Deferred Taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

Pensions

The company operates a defined contribution scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

Turnover

Turnover represents amounts received for services rendered less commission paid to third parties.

2 Turnover

The turnover was derived from the company's principal activity which was carried out wholly in the United Kingdom.

3 Operating Profit

<i>This is stated after charging:</i>	2000	1999
	£	£
Depreciation of owned assets	12,985	9,343
Profit on sale of investments	(2,175)	-
Hire of equipment	1,992	2,190
Auditors' remuneration	3,000	-

CFS INDEPENDENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2000

4 Directors and Employees

Staff costs, including directors' remuneration, were as follows:

	2000	1999
	£	£
Wages and salaries	234,724	277,598
Social security costs	30,364	35,975
Other pension costs	32,809	21,623
Other costs	16,664	9,289
	<u>314,561</u>	<u>344,485</u>

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

	2000	1999
	Number	Number
Administration	<u>7</u>	<u>6</u>

Directors' emoluments

	2000	1999
	£	£
For management services	<u>133,882</u>	<u>172,436</u>

5 Interest Payable and Similar Charges

	2000	1999
	£	£
Bank loans and overdrafts	<u>6</u>	<u>196</u>

6 Taxation

	2000	1999
	£	£
Based on the results for the year		
UK corporation tax at 20% (1999: 31%)	<u>2,365</u>	<u>23,007</u>

7 Dividends

	2000	1999
	£	£
Ordinary dividends - paid	<u>21,275</u>	<u>72,000</u>
	<u>21,275</u>	<u>72,000</u>

CFS INDEPENDENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2000

8 Tangible Fixed Assets

	Motor Vehicles	Furniture and Equipment	Total
Cost	£	£	£
At 1st April 1999	14,098	17,707	31,805
Additions	-	30,035	30,035
Disposals	(14,098)	-	(14,098)
At 31st March 2000	-	47,742	47,742
Depreciation			
At 1st April 1999	2,730	7,983	10,713
Charge for the year	-	12,985	12,985
Disposals	(2,730)	-	(2,730)
At 31st March 2000	-	20,968	20,968
Net Book Value			
At 31st March 2000	-	26,774	26,774
<i>At 31st March 1999</i>	<i>11,368</i>	<i>9,724</i>	<i>21,092</i>

9 Debtors	2000 £	1999 £
Other debtors	1,107	17,778
Prepayments and accrued income	-	7,947
	1,107	25,725
10 Current Asset Investments	2000 £	1999 £
Commercial Property Syndicate	25,205	35,910
Listed investments	23,713	25,913
	48,918	61,823

Market value of listed investments at 31 March 2000: £12,255 (1999: £16,697).

Listed investments are shown at cost and the directors are of the opinion that the investments have not suffered a permanent diminution in value. The investment in the Commercial Property Syndicate is shown at cost and the directors are of the opinion that the market value is no less than this figure.

CFS INDEPENDENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2000

11	Creditors: Amounts Falling Due Within One Year	2000	1999
		£	£
	Bank overdraft	7,363	-
	Amounts owed to group undertakings	-	46,824
	Corporation tax	2,365	22,854
	Other taxes and social security	7,858	5,642
	Other creditors	-	350
	Accruals and deferred income	17,644	-
		<u>35,230</u>	<u>75,670</u>
12	Share Capital	2000	1999
		£	£
	Authorised		
	Equity Shares		
	Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>
	Allotted, called up and fully paid		
	Equity Shares		
	Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>
13	Reserves		
			Profit and Loss Account
			£
	At 1st April 1999		56,954
	Loss for the year		(16,185)
	At 31st March 2000		<u>40,769</u>
14	Reconciliation of Shareholders' Funds	2000	1999
		£	£
	Profit for the financial year	5,090	53,235
	Dividends	(21,275)	(72,000)
		<u>(16,185)</u>	<u>(18,765)</u>
	Opening shareholders' funds	57,954	76,719
	Closing shareholders' funds	<u>41,769</u>	<u>57,954</u>

CFS INDEPENDENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2000

15 Related Party Transactions

The company is controlled by the company's directors.

During the year the company paid rent on its premises to Andrew Harwood totalling £7,835.