

**SMITHSON MASON GROUP LIMITED**  
(formerly SMITHSON MASON GROUP plc)

**REPORT AND GROUP ACCOUNTS**  
**FOR THE PERIOD ENDED**

**31 MARCH 2002**



Company Number: 3027964 (England and Wales)

## Smithson Mason Group Limited

### Company Information

Directors	T.D. Philip A. Proverbs P. Cullum A.C. Homer A.J. Linnell K. Maciver
Secretary	T.D. Philip
Company Number	3027964
Registered Office	SMG House Canal Place Leeds LS12 2DU
Auditors	John Gordon Walton & Co. Yorkshire House Greek Street Leeds LS1 5ST
Bankers	National Westminster Bank plc 8 Park Row Leeds LS1 1QS

# Smithson Mason Group Limited

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## Smithson Mason Group Limited

### Directors' Report

The directors present their report and the group accounts for the year period ended 31 March 2002.

#### Company Status

The company changed its status from a plc to a private limited company on 19 December 2001. This resulted in a change of name from Smithson Mason Group plc to Smithson Mason Group Limited.

#### Results and dividends

The group trading loss for the year after taxation amounted to £110,539 (2000: Profit of £93,208). The directors paid £60,000 by way of a dividend during the year.

#### Review of the business and future developments

The group's principal activities during the year continued to be insurance broking.

Both the level of business and the year end position were satisfactory.

The directors expect that the present level of activity will be sustained for the foreseeable future.

Since the period end the entire share capital of the company was acquired by The Folgate Partnership Limited, a company registered in England and Wales.

#### Directors

The directors who served during the year were as follows:

P.H. Battersby (resigned 16 April 2002)  
M.J. Hill (resigned 16 April 2002)  
R. Eveleigh (resigned 20 July 2001)  
A.D. Byard (appointed 2 April 2001 - resigned 28 February 2002)

#### Directors' interests

The directors' beneficial interests in the share capital of the company during the year were as follows:

	At 31 March 2002		At 31 December 2000 (or date of appointment)	
	'A' Ordinary Shares	'C' Ordinary Shares	'A' Ordinary Shares	'C' Ordinary Shares
P.H. Battersby (resigned 16 April 2002)	97,442	10,000	97,442	10,000
M.J. Hill (resigned 16 April 2002)	97,442	10,000	97,442	10,000
R. Everleigh (resigned 20 July 2001)	-	-	-	-
A.D. Byard (appointed 2 April 2001 - resigned 28 February 2002)	-	-	-	-

No directors held any 'B' Ordinary Shares during the year.

**Smithson Mason Group Limited**

**Directors' Report (continued)**

**Auditors**

In accordance with Section 385 of the Companies Act 1985 a resolution proposing that Deloitte & Touche will be appointed as auditors of the company will be put to the members at the Annual General Meeting.

For and on behalf of the Board

**T.D. Philip**  
Director



24 January 2003

## **Smithson Mason Group Limited**

### **Statement of Directors' Responsibilities in respect of the accounts**

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that year. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether the applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the group 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 accounts 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.

## **Smithson Mason Group Limited**

### **Independent Auditors' Report To the Members of Smithson Mason Group Limited**

We have audited the financial statements of Smithson Mason Group Limited on pages 5 to 18 for the period ended 31 March 2002. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out herein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities on page 3 the company's directors are responsible for the preparation of the 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 directors' report 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 directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

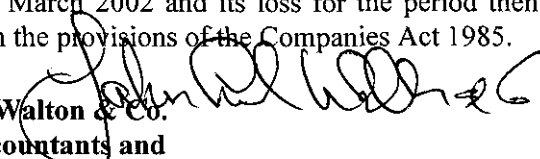
#### **Basis of audit opinion**

We conducted our audit in accordance with 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 and the group's affairs as at 31 March 2002 and its loss for the period then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

  
**John Gordon Walton & Co.**  
**Chartered Accountants and**  
**Registered Auditors**  
Yorkshire House  
Greek Street  
Leeds  
LS1 5ST

29 January 2003

# Smithson Mason Group Limited

## Group Profit and Loss Account for the period ended 31 March 2002

	Note	For the period ended 31 March 2002 £	For the year ended 31 December 2000 £
Turnover	2	5,545,881	4,309,271
Administrative expenses		<u>5,641,601</u>	<u>4,111,686</u>
<b>Operating (loss)/profit</b>	3	(95,720)	197,585
Interest receivable		193,913	185,804
Interest payable	7	<u>(197,202)</u>	<u>(200,181)</u>
		<u>(3,289)</u>	<u>(14,377)</u>
<b>(Loss)/profit on ordinary activities before taxation</b>		(99,009)	183,208
Taxation	8	<u>(11,530)</u>	<u>(90,000)</u>
<b>(Loss)/profit after taxation</b>		(110,539)	93,208
Minority interests		<u>18,109</u>	<u>18,532</u>
<b>(Loss)/profit attributable to members of the parent undertaking</b>		(92,430)	111,740
<b>Dividend paid</b>	9	<u>(60,000)</u>	<u>(60,000)</u>
<b>(Loss)/profit retained for the year</b>	18	<u>(152,430)</u>	<u>51,740</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.



# Smithson Mason Group Limited

## Group Balance Sheet at 31 March 2002

	Note	At 31 March 2002 £	At 31 December 2000 £
<b>Fixed Assets</b>			
Tangible assets	11	469,667	728,753
Investments	12	<u>2,000</u>	<u>2,467</u>
		<u>471,667</u>	<u>731,220</u>
<b>Current Assets</b>			
Debtors	13	2,681,184	2,093,156
Cash at bank and in hand		<u>1,712,967</u>	<u>2,376,480</u>
		4,394,151	4,469,636
<b>Creditors: amounts falling due within one year</b>	14	<u>(5,154,092)</u>	<u>(4,951,916)</u>
<b>Net Current Liabilities</b>		<u>(759,941)</u>	<u>(482,280)</u>
<b>Total Assets less Current Liabilities</b>		<u>(288,274)</u>	<u>248,940</u>
<b>Creditors: amounts falling due after more than one year</b>	15	<u>(978,464)</u>	<u>(1,345,139)</u>
		<u>(1,266,738)</u>	<u>(1,096,199)</u>
<b>Capital and Reserves</b>			
Called up share capital	17	320,000	320,000
Profit and loss account	18	<u>(1,557,597)</u>	<u>(1,405,167)</u>
<b>Equity Shareholders' Funds</b>		<u>(1,237,597)</u>	<u>(1,085,167)</u>
<b>Minority Interests</b>		<u>(29,141)</u>	<u>(11,032)</u>
		<u>(1,266,738)</u>	<u>(1,096,199)</u>

On behalf of the Board

**T.D. Philip**  
Director



24 January 2003

# Smithson Mason Group Limited

## Company Balance Sheet at 31 March 2002

	Note	At 31 March 2002 £	At 31 December 2000 £
<b>Fixed Assets</b>			
Investments	12	<u>2,368,629</u>	<u>2,368,629</u>
<b>Current Assets</b>			
Debtors	13	-	-
<b>Creditors: amounts falling due within one year</b>	14	<u>(1,166,887)</u>	<u>(797,487)</u>
<b>Net Current Liabilities</b>		<u>(1,166,887)</u>	<u>(797,487)</u>
<b>Total Assets less Current Liabilities</b>		1,201,742	1,571,142
<b>Creditors: amounts falling due after more than one year</b>	15	<u>(937,500)</u>	<u>(1,250,000)</u>
		<u>264,242</u>	<u>321,142</u>
<b>Capital and Reserves</b>			
Called up share capital	17	320,000	320,000
Profit and loss account	18	<u>(55,758)</u>	<u>1,142</u>
<b>Equity Shareholders' Funds</b>		<u>264,242</u>	<u>321,142</u>

## Reconciliation of Movements in Shareholders' Funds

Opening balance	321,142	339,411
Loss attributable to shareholders	<u>(56,900)</u>	<u>(18,269)</u>
Closing balance	<u>264,242</u>	<u>321,142</u>

On behalf of the Board

**T.D. Philip**  
Director



24 January 2003

# Smithson Mason Group Limited

## Group Cash Flow Statement for the period ended 31 March 2002

	Note	For the period ended 31 March 2002 £	For the year ended 31 December 2000 £
<b>Net cash (outflow)/inflow from operating activities</b>	1	(169,371)	1,074,337
<b>Returns on investments and servicing of finance</b>			
Interest received		193,913	185,804
Interest paid		(197,202)	(200,181)
<b>Net cash outflow for returns on investments and servicing of finance</b>		(3,289)	(14,377)
<b>Taxation</b>			
Taxation paid		(87,530)	(30,000)
<b>Net cash outflow for taxation</b>		(87,530)	(30,000)
<b>Capital expenditure and financial investment</b>			
Payments to acquire tangible assets		(123,088)	(82,068)
Receipts from sale of tangible assets		71,891	90,499
Receipts from sale of fixed asset investments		-	400
Proceeds of share issue to Minority Interest		-	7,500
<b>Net cash (outflow)/inflow from capital expenditure and financial investment</b>		(51,197)	16,331
<b>Equity dividends paid</b>		(60,000)	(60,000)
<b>Cash inflow before use of liquid resources and financing</b>		(371,387)	986,291
<b>Management of liquid resources</b>			
Increase in short term deposits		(300,000)	(700,000)
		(300,000)	(700,000)
<b>Financing</b>			
Loan repayments		(332,500)	(370,000)
Capital element of hire purchase payments		(106,207)	(189,294)
<b>Net cash outflow from financing</b>		(438,707)	(559,294)
<b>Decrease in cash and cash equivalents</b>	2	(1,110,094)	(273,003)

# Smithson Mason Group Limited

## Notes to the Group Cash Flow Statement

for the period ended 31 March 2002

	For the period ended 31 March 2002 £	For the year ended 31 December 2000 £		
<b>1. Reconciliation of operating (loss)/profit to net cash inflow from operating activities</b>				
Operating (loss)/profit	(95,720)	197,585		
Depreciation of tangible assets	310,819	295,919		
Profit on disposal of tangible assets	(536)	(582)		
Loss on disposal of time shares	28,684	-		
Increase in debtors	(616,712)	(403,225)		
Increase in creditors	203,627	1,016,763		
Gain on early settlement of Saltire loan	-	(32,123)		
Provision against investment	<u>467</u>	<u>-</u>		
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(169,371)</b>	<b>1,074,337</b>		
<b>2. Analysis of net funds</b>				
	1 January 2001 £	Cash flow £	Other non- cash changes £	31 March 2002 £
Net cash:				
Cash at bank and in hand	90,577	(90,577)	-	-
Bank overdrafts	-	(1,019,517)	-	(1,019,517)
		(1,110,094)		
Debt:				
Loans	(1,520,000)	332,500	-	(1,187,500)
Finance leases	(192,286)	106,207	-	(86,079)
		438,707		
Short term deposits	1,700,000	300,000	-	2,000,000
Net funds/(debt)	<u>78,291</u>	<u>(371,387)</u>	<u>-</u>	<u>(293,096)</u>
<b>3. Reconciliation of net cash flow to movement in net funds</b>		2002 £	2000 £	
Decrease in cash in the year		(1,110,094)	(273,003)	
Cash outflow from decrease in debt and lease financing		106,207	189,294	
Cash outflow from increase in liquid resources		300,000	-	
New finance lease		-	(63,612)	
Loan repayments		332,500	370,000	
Gain on early settlement of Saltire loan		-	32,123	
<b>Movement in net funds in the year</b>		<b>(371,387)</b>	<b>254,802</b>	
Opening net funds/(debt)		<u>78,291</u>	<u>(176,511)</u>	
<b>Closing net (debt)/funds</b>		<b>(293,096)</b>	<b>78,291</b>	

## **Smithson Mason Group Limited**

### **Notes to the Group Accounts for the period ended 31 March 2002**

#### **1. Accounting Policies**

##### **Accounting convention**

The accounts have been prepared under the historical cost convention and comply with applicable accounting standards.

##### **Basis of consolidation**

The group accounts consolidate the accounts of Smithson Mason Group Limited and all its subsidiary undertakings drawn up to 31 March 2002. The results of subsidiaries sold or acquired are included in the consolidated profit and loss account up to or from the date control passes.

Intra-group sales and profits are eliminated fully on consolidation.

On acquisition of a subsidiary all of the subsidiary's assets and liabilities existing at the date of acquisition are recorded at their fair values reflecting their condition at that date. All changes to those assets and liabilities and the resulting gains and losses arising after the group has gained control of the subsidiary are charged to the post acquisition profit and loss account.

##### **Depreciation of tangible fixed assets**

Depreciation is provided on a straight line basis to write off assets over their estimated useful lives, as follows:

Leasehold improvements	-	over the lease term
Fixtures and fittings	-	10% to 20% on cost
Plant and machinery	-	20% to 33 $\frac{1}{3}$ % on cost

##### **Deferred taxation**

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items of taxation and accounting purposes in accordance with FRS19.

## Smithson Mason Group Limited

### Notes to the Accounts for the period ended 31 March 2002 (continued)

#### 1. Accounting Policies (continued)

##### Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are included as tangible assets at cost and depreciated over the asset's life. The interest element is charged to the profit and loss account using a reducing balance method. Rentals under operating leases are charged to profit as incurred over the term of the lease.

##### Commissions

Credit is taken for commissions earned as follows when the premium notice is issued to the client.

Commissions are adjusted to reflect under or over payments as and when the settlement sums are paid to or received from the insurance companies.

##### Pensions

The group operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme. The assets of the scheme are held separately from those of the group in independently administered funds.

#### 2. Turnover

Turnover represents commissions earned from insurance broking and is derived entirely from the United Kingdom.

#### 3. Operating profit

	For the period ended 31 March 2002	For the year ended 31 December 2000
This is stated after charging/(crediting):	£	£
Auditors' remuneration	24,750	17,702
Non-audit fees paid to auditors	6,500	3,936
Depreciation of owned assets	208,952	165,640
Depreciation of assets held under finance leases and hire purchase contracts	101,870	130,279
Operating lease rentals - land and buildings	195,652	195,692
- plant and machinery	-	28,539
Loss/(profit) on disposal of fixed assets	26,244	(582)
Gain on early settlement of loan	<u>-</u>	<u>(32,123)</u>

# Smithson Mason Group Limited

## Notes to the Accounts for the period ended 31 March 2002 (continued)

### 4. Directors' Emoluments

	For the period ended 31 March 2002 £	For the year ended 31 December 2000 £
Emoluments	<u>603,560</u>	<u>354,007</u>

There are two directors who are accruing retirement benefits under defined contribution scheme. Contributions in respect of these directors amounted to £220,000 (2000: £100,000).

The emoluments, excluding pension contributions, of the highest paid director were £192,634 (2000: £127,066). The company contributions to a money purchase scheme in respect of this director amounted to £110,000 (2000: £50,000).

### 5. Staff Costs

	For the period ended 31 March 2002 £	For the year ended 31 December 2000 £
Wages and salaries	2,661,165	1,960,251
Social security costs	274,385	202,846
Other pension costs	<u>203,463</u>	<u>156,523</u>
	<u>3,139,013</u>	<u>2,319,620</u>

The average weekly number of employees during the year was 101 (2000: 96).

### 6. Pension Costs

The amount payable in respect of the group's defined contribution scheme during the year was £203,463 (2000 : £156,523). There were no unpaid contributions at the period end (2000: £nil).

### 7. Interest payable

	For the period ended 31 March 2002 £	For the year ended 31 December 2000 £
Bank loans and overdrafts	179,413	40,032
Finance charges payable under finance leases and hire purchase contracts	17,789	28,014
Other loan interest	-	<u>132,135</u>
	<u>197,202</u>	<u>200,181</u>

# Smithson Mason Group Limited

## Notes to the Accounts for the period ended 31 March 2002 (continued)

8. Tax on ordinary activities	For the period ended 31 March 2002 £	For the year ended 31 December 2000 £
Based on the profit for the year:		
UK corporation tax at 30%	14,000	90,000
Prior year adjustment	<u>(2,470)</u>	<u>-</u>
	<u>11,530</u>	<u>90,000</u>
<b>Factors affecting the tax charge for the year</b>		
(Loss)/profit on ordinary activities before taxation	<u>(99,009)</u>	<u>183,208</u>
(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.0% (2000: 30.0%)	<u>(29,703)</u>	<u>54,962</u>
Effects of:		
Non-deductible expenses	15,419	12,077
Depreciation	93,245	88,776
Capital allowances	(69,039)	(66,189)
Adjustments to previous periods	(2,470)	-
Other tax adjustments	<u>4,078</u>	<u>374</u>
	<u>41,233</u>	<u>35,038</u>
<b>Current tax charge</b>	<u>11,530</u>	<u>90,000</u>
9. Dividends	2002 £	2000 £
Paid £3.00 per 'C' Ordinary share	<u>60,000</u>	<u>60,000</u>

### 10. Loss attributable to members of the holding company

The holding company has taken advantage of the exemption, under section 230 of the Companies Act 1985, from presenting its own profit and loss account. The loss after tax for the year dealt with in the accounts of the holding company was £56,900 (2000: £18,269 loss).



# Smithson Mason Group Limited

## Notes to the Accounts for the period ended 31 March 2002 (continued)

### 11. Tangible fixed assets

Group	Leasehold Improvements £	Office Furniture and Equipment £	Plant and Machinery £	Total £
Cost:				
At 31 December 2000	248,060	330,798	714,781	1,293,639
Additions	-	10,474	112,614	123,088
Disposals	-	-	(200,250)	(200,250)
At 31 March 2002	<u>248,060</u>	<u>341,272</u>	<u>627,145</u>	<u>1,216,477</u>
Depreciation:				
At 31 December 2000	56,655	152,004	356,227	564,886
Provided	24,612	65,740	220,467	310,819
Disposals	-	-	(128,895)	(128,895)
At 31 March 2002	<u>81,267</u>	<u>217,744</u>	<u>447,799</u>	<u>746,810</u>
Net book amount:				
At 31 March 2002	<u>166,793</u>	<u>123,528</u>	<u>179,346</u>	<u>469,667</u>
At 31 December 2000	<u>191,405</u>	<u>178,794</u>	<u>358,554</u>	<u>728,753</u>

The company had no tangible fixed assets during the year.

Included above are assets held under finance leases or hire purchase contracts as follows:-

	Office Furniture and Equipment £	Plant and Machinery £	Total £
Net book amount			
At 31 March 2002	<u>41,168</u>	<u>68,296</u>	<u>109,464</u>
At 31 December 2000	<u>63,223</u>	<u>177,131</u>	<u>240,354</u>
Depreciation charge for the year	<u>22,055</u>	<u>79,815</u>	<u>101,870</u>

### 12. Investments

Group	Other Investments £
Cost and net book value	
At 31 December 2000	2,467
Provision	(467)
At 31 March 2002	<u>2,000</u>

# Smithson Mason Group Limited

## Notes to the Accounts for the period ended 31 March 2002 (continued)

### 12. Investments (continued)

#### Company

Cost and net book value:

At 31 December 2000 and 31 March 2002

Subsidiary  
undertakings  
£

2,368,629

Smithson Mason Group Limited owns the entire share capital of Smithson Mason Limited, a company registered in England whose nature of business is that of insurance broking.

Smithson Mason Limited owns 75% of the ordinary share capital of Smithson Mason Municipal Limited (formerly Smithson Mason Credit Risk Limited), a company registered in England whose nature of business was that of credit insurance broking. The company ceased trading on 31 December 2001.

### 13. Debtors

	Group		Company	
	31 March 2002	31 December 2000	31 March 2002	31 December 2000
	£	£	£	£
Amounts due from clients	2,220,658	1,737,253	-	-
Other debtors	58,850	142,408	-	-
Corporation tax receivable	-	-	-	-
Prepayments and accrued income	401,676	213,495	-	-
Amounts due from subsidiary	-	-	-	-
	<u>2,681,184</u>	<u>2,093,156</u>	<u>-</u>	<u>-</u>

Other debtors include £22,954 (2000: £72,946) which is receivable after more than one year.

### 14. Creditors: amounts falling due within one year

	Group		Company	
	31 March 2002	31 December 2000	31 March 2002	31 December 2000
	£	£	£	£
Bank overdraft	732,484	585,903	568,559	503,039
Other loans	250,000	250,000	250,000	250,000
Obligations under finance leases and hire purchase contracts (note 16)	45,115	97,147	-	-
Amounts due to insurance companies	3,739,433	3,456,662	-	-
Corporation tax payable	14,000	90,000	-	-
Other taxes and social security costs	63,817	91,340	-	6,677
Other creditors and accruals	309,243	380,864	5,850	4,825
Amounts due to group undertaking	-	-	342,478	32,946
	<u>5,154,092</u>	<u>4,951,916</u>	<u>1,166,887</u>	<u>797,487</u>

The bank overdraft is secured by a mortgage debenture over the assets of the group, excluding any trade debtors and insurance broking bank accounts, up to a limit of £600,000.

The hire purchase liabilities are secured on the assets to which they relate.

# Smithson Mason Group Limited

## Notes to the Accounts for the period ended 31 March 2002 (continued)

### 15. Creditors: amounts falling due after more than one year

	Group		Company	
	31 March 2002	31 December 2000	31 March 2002	31 December 2000
	£	£	£	£
Other loans	937,500	1,250,000	937,500	1,250,000
Obligations under finance leases and hire purchase contracts (note 16)	<u>40,964</u>	<u>95,139</u>	<u>-</u>	<u>-</u>
	<u>978,464</u>	<u>1,345,139</u>	<u>937,500</u>	<u>1,250,000</u>

### Amounts repayable by instalment

	Group and Company	
	31 March 2002	31 December 2000
	£	£
Due within one year	250,000	250,000
Due between one and two years	250,000	250,000
Due between two and five years	687,500	750,000
Due after five years	<u>-</u>	<u>250,000</u>
	<u>1,187,500</u>	<u>1,500,000</u>

The loan is secured by a debenture creating fixed and floating charges over the assets of Smithson Mason Limited.

### 16. Obligations under finance leases and hire purchase contracts

	31 March 2002	Group 31 December 2000
	£	£
Amounts payable:		
Within one year	51,935	110,885
Between two to five years	<u>47,415</u>	<u>110,324</u>
	99,350	221,209
Less: finance charges allocated to future periods	<u>(13,271)</u>	<u>(28,923)</u>
	<u>86,079</u>	<u>192,286</u>
Finance leases and hire purchase contracts are analysed as follows:		
Current obligations (note 14)	45,115	97,147
Non-current obligations (note 15)	<u>40,964</u>	<u>95,139</u>
	<u>86,079</u>	<u>192,286</u>

# Smithson Mason Group Limited

## Notes to the Accounts for the period ended 31 March 2002 (continued)

### 17. Share Capital

	31 March 2002 No.	31 December 2000 No.
<b>Authorised:</b>		
'A' ordinary shares of £1 each	260,000	260,000
'B' ordinary shares of £1 each	40,000	40,000
'C' ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>
	<u>320,000</u>	<u>320,000</u>
<b>Allotted, called up and fully paid:</b>		
'A' ordinary shares of £1 each	260,000	260,000
'B' ordinary shares of £1 each	40,000	40,000
'C' ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>
	<u>320,000</u>	<u>320,000</u>

The 'A' ordinary shares, the 'B' ordinary shares and the 'C' ordinary shares are separate classes of shares but, save as explained below, shall rank pari passu in all respects.

The holders of the 'C' ordinary shares will be entitled to a dividend solely at the recommendation of the board of directors of the company and shall have no right to such a dividend regardless of any dividend that may be paid to holders of 'A' ordinary shares or 'B' ordinary shares.

### 18. Reserves

	2002 £	2000 £
<b>Profit and Loss Account</b>		
<b>Group</b>		
At 31 December 2000	(1,405,167)	(1,456,907)
Retained in the period	<u>(152,430)</u>	<u>51,740</u>
At 31 March 2002	<u>(1,557,597)</u>	<u>(1,405,167)</u>

Goodwill previously eliminated against reserves amounts to £2,276,919.

#### Company

At 31 December 2000	1,142	19,411
Loss for the period	<u>(56,900)</u>	<u>(18,269)</u>
At 31 March 2002	<u>(55,758)</u>	<u>1,142</u>

# Smithson Mason Group Limited

## Notes to the Accounts for the period ended 31 March 2002 (continued)

### 19. Leases

At 31 March 2002 the group had annual commitments under non-cancellable operating leases as set out below:

	Land and Buildings		Other	
	2002	2000	2002	2000
	£	£	£	£
Operating leases which expire:				
Within one year	-	-	-	143
Within two to five years	60,292	60,292	23,213	23,213
After more than five years	<u>135,400</u>	<u>135,400</u>	<u>-</u>	<u>-</u>
	<u>195,692</u>	<u>195,692</u>	<u>23,213</u>	<u>23,356</u>

At 31 March 2002 the company had no annual commitments under non-cancellable operating leases.

### 20. Contingent liabilities

The company has guaranteed the bank overdraft facilities of two subsidiary undertakings. The net amount of these overdrafts at 31 March 2002 was £nil (2000: £nil).

### 21. Related Party Transactions

During the year Smithson Mason Limited received service charges amounting to £67,847 (2000: £60,458) from, and paid administration fees of £9,000 (2000: £10,000) to Smithson Mason Financial Services Limited a company under common control.