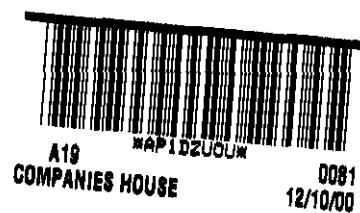


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**CRANMORE ADJUSTERS LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**31st MARCH 2000**



**Cranmore Adjusters Limited****Directors**

P.J. O'Shea  
N.A. Packer  
D.F. Silvester  
D.W. Hackett  
S.J. Norrington  
P.C. Cooper

**Secretary and Registered Office**

Cornhill Secretaries Limited  
St. Paul's House, Warwick Lane, London EC4P 4BN

**Auditors**

Moore Stephens  
Chartered Accountants  
St. Paul's House, Warwick Lane, London, EC4P 4BN

**Report of the Directors**

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

**Review of Activities and Future Prospects**

The company was incorporated on 9th September 1998. This was the first year of trading which commenced September 1999. The principal activity is to act as loss adjusters.

**Results and Dividends**

The profit for the financial period amounted to £31,494.

**Directors**

On 4th May 1999 J.C. Williams resigned from the Board. On 28th July 1999 D.W. Hackett, S.J. Norrington and P.C. Cooper were appointed to the Board.

**Directors' Interests**

The directors held no interests in the company during the year.

**Year 2000**

No significant problems resulting from the Year 2000 have been experienced and no future problems are envisaged.

**Cranmore Adjusters Limited****Report of the Directors (Continued)****Auditors**

The auditors, Moore Stephens, are willing to continue in office. A resolution for their re-appointment and authorising the directors to fix their remuneration will be submitted to the forthcoming Annual General Meeting.

By Order of the Board

CORNHILL SECRETARIES LIMITED

Secretary

**Cranmore Adjusters Limited****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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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

**Report of the Auditors to the Members of  
Cranmore Adjusters Limited**

We have audited the financial statements on pages 5 to 10 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 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 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 at 31st March 2000 of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

St. Paul's House  
London, EC4P 4BN

20 SEP 2000

*Moore Stephens*  
MOORE STEPHENS

Registered Auditor  
Chartered Accountants

## Cranmore Adjusters Limited

**Profit and Loss Account**  
**For the year ended 31st March 2000**

	<u>Note</u>	<u>2000</u>
<b>Turnover</b>	1(b)	334,165
Net operating expenses	2	(283,067)
<b>Operating Profit</b>		<u>51,098</u>
Interest receivable		<u>583</u>
<b>Profit on Ordinary Activities before Taxation</b>		51,681
Taxation	4	(20,187)
<b>Profit for the Financial Year</b>		£ <u><u>31,494</u></u>

There are no recognised gains and losses other than those included in the profit and loss account, therefore no separate statement of total recognised gains and losses has been prepared

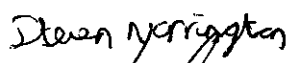

The result above is derived wholly from continuing activities.

## Cranmore Adjusters Limited

## Balance Sheet - 31st March 2000

	Note	2000	1999
<b>Tangible Fixed Assets</b>	5	20,142	-
<b>Current Assets</b>			
Debtors	6	166,360	1,000
Cash at bank and in hand		73,446	-
		<u>239,806</u>	<u>1,000</u>
<b>Creditors, amounts falling due within one year</b>	7	<u>(128,454)</u>	<u>-</u>
<b>Net Current Assets</b>		111,352	1,000
		<u>£ 131,494</u>	<u>£ 1,000</u>
<b>Capital and Reserves</b>			
Called up equity share capital	8	100,000	1,000
Profit and loss account		31,494	-
		<u>£ 131,494</u>	<u>£ 1,000</u>

Approved by the Board on 18 SEPTEMBER 2000

	S.J. NORRINGTON	)	
	D.W. HACKETT	)	Directors

# **Cranmore Adjusters Limited**

## **Financial Statements for the year ended 31st March 2000**

### **Notes**

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

##### **(a) Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

##### **(b) Turnover**

Turnover represents management and consultancy fees receivable, exclusive of value added tax.

##### **(c) Fixed assets and depreciation**

Fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated in order to write off costs of fixed assets over their estimated useful lives at the following annual rates:

Fixtures and fittings	33 $\frac{1}{3}$ % straight line
Computer equipment	33 $\frac{1}{3}$ % straight line

##### **(d) Deferred taxation**

Deferred taxation is calculated using the liability method and accounted for where material on short term timing differences.

##### **(e) Foreign currency**

All receipts and payments have been translated at the rate of exchange ruling at the date of the transaction.

Assets and liabilities in foreign currencies have been translated at the rate ruling at the balance sheet date.

#### **2. Operating Expenses**

Operating expenses include:

	<u>2000</u>
Depreciation	10,072
Directors' emoluments	107,014
Auditors' remuneration - audit	3,500
	<u>120,586</u>



## Cranmore Adjusters Limited

## Financial Statements for the year ended 31st March 2000

## Notes (Continued)

## 3. Directors and Employees

Directors emoluments

Staff costs include the following in respect of directors of the company:

2000

Emoluments	99,564
Amounts payable to money purchase pension schemes (6 directors)	7,450
	<hr/>
£	107,014
	<hr/>

Staff costs

Staff costs during the year were as follows:

2000

Wages and salaries	77,556
Social security costs	15,991
Other pension costs	5,300
	<hr/>
£	98,847
	<hr/>

The average monthly number of employees of the company was:

Number

Administration	2
	<hr/>

## 4. Taxation

2000

UK corporation tax at 30%	£ 20,187
	<hr/>

## Cranmore Adjusters Limited

## Financial Statements for the year ended 31st March 2000

## Notes (Continued)

## 5. Tangible Fixed Assets

	Fixtures and fittings	Computer equipment	Total
Cost			
Additions	9,553	20,661	30,214
At 31st March 2000	£ 9,553	£ 20,661	£ 30,214
Depreciation			
Charge for the year	3,185	6,887	10,072
At 31st March 2000	£ 3,185	£ 6,887	£ 10,072
Net book value			
At 31st March 2000	£ 6,368	£ 13,774	£ 20,142

## 6. Debtors

	2000
Other debtors	10,560
Prepayments and accrued income	155,800
	£ 166,360

## 7. Creditors, amounts falling due within one year

	2000
Corporation tax	20,187
Accruals and deferred income	100,725
Other taxation and social security creditors	7,542
	£ 128,454

**Cranmore Adjusters Limited**

**Financial Statements for the year ended 31st March 2000**

**Notes (Continued)**

**8. Called Up Equity Share Capital**

	<u>2000</u>
Authorised	
100,000 (1999: 10,000) ordinary shares of £1 each	£ 100,000
	<hr/>
Allotted, called up and fully paid	
Ordinary shares of £1 each issued at par to	
31st March 1999	1,000
September 1999 - 99,000 ordinary shares of £1	
each issued at par	99,000
	<hr/>
As at 31st March 2000	£ 100,000
	<hr/>

**9. Related Parties**

Under FRS8 the company is a related party, with its 100% fellow subsidiary, of parent company Castlewood (EU) Holdings Ltd and both companies are under the common control of Castlewood Limited.

**10. Ultimate Holding Company**

In the opinion of the directors Castlewood Limited, a company incorporated in Bermuda, is the ultimate holding company.