

Report of the Directors and
Financial Statements
for the Period 17 August 1998 to 31 October 1999
for
B W Financial Services Limited



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B W Financial Services Limited

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for the Period 17 August 1998 to 31 October 1999

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B W Financial Services Limited

Company Information
for the Period 17 August 1998 to 31 October 1999

DIRECTORS:	M Morton FCA R J Smith FCA M D Booter FCII D J Ball
SECRETARY:	R J Smith FCA
REGISTERED OFFICE:	The Mills Canal Street Derby DE1 2RJ
REGISTERED NUMBER:	3616474 (England and Wales)
AUDITORS:	Deloitte & Touche St. John's House East Street Leicester LE1 6NG
BANKERS:	Lloyds TSB 43 Irongate Derby DE1 3FT

B W Financial Services Limited

Report of the Directors
for the Period 17 August 1998 to 31 October 1999

The directors present their report with the financial statements of the company for the period 17 August 1998 to 31 October 1999.

INCORPORATION

The company was incorporated on 17 August 1998 and commenced trading on 31 October 1998.

PRINCIPAL ACTIVITY

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

REVIEW OF BUSINESS

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

DIVIDENDS

Interim dividends per share were paid as follows:

'A' Ordinary £1 shares	£20	- 19 July 1999
'B' Ordinary £1 shares	£10	- 19 July 1999

The directors recommend final dividends per share as follows:

'A' Ordinary £1 shares	£22
'B' Ordinary £1 shares	£11

The total distribution of dividends for the period ended 31 October 1999 will be £37,800.

DIRECTORS

The directors during the period under review were:

M Morton FCA	- appointed 17.8.98
R J Smith FCA	- appointed 17.8.98
M D Booler FCII	- appointed 17.8.98
D J Ball	- appointed 17.8.98
Corporate Appointments Limited	- appointed 17.8.98
	- resigned 17.8.98

The beneficial interests of the directors holding office on 31 October 1999 in the issued share capital of the company were as follows:

	31.10.99	at date of appointment
'A' Ordinary £1 shares		
M Morton FCA	-	-
R J Smith FCA	-	-
M D Booler FCII	-	-
D J Ball	-	-
'B' Ordinary £1 shares		
M Morton FCA	-	-
R J Smith FCA	-	-
M D Booler FCII	360	-
D J Ball	240	-

All the directors, being eligible, offer themselves for election at the forthcoming first Annual General Meeting.

B W Financial Services Limited

Report of the Directors
for the Period 17 August 1998 to 31 October 1999

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

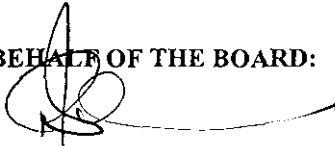
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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, Deloitte & Touche, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



.....
R J Smith FCA - SECRETARY

Dated: 25/2/00



B W FINANCIAL SERVICES LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the financial statements on pages 5 to 11 which have been prepared under the accounting policies set out on page 9.

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 as at 31 October 1999 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Chartered Accountants and
Registered Auditors

25/2/00

B W Financial Services Limited
Profit and Loss Account
for the Period 17 August 1998 to 31 October 1999

	Notes	£
TURNOVER		56,272
GROSS PROFIT		56,272
Administrative expenses		<u>7,424</u>
OPERATING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	48,848
Tax on profit on ordinary activities	3	<u>10,114</u>
PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION		38,734
Dividends	4	<u>37,800</u>
RETAINED PROFIT CARRIED FORWARD		<u><u>£934</u></u>

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

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

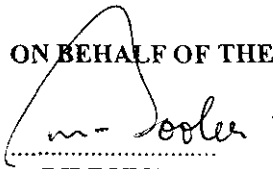
The notes form part of these financial statements

B W Financial Services Limited

Balance Sheet
31 October 1999

	Notes	£
CURRENT ASSETS:		
Debtors	5	18,118
Cash at bank		<u>19,836</u>
		37,954
CREDITORS: Amounts falling due within one year	6	<u>35,820</u>
NET CURRENT ASSETS:		<u>2,134</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:		<u>£2,134</u>
CAPITAL AND RESERVES:		
Called up share capital	7	1,200
Profit and loss account		<u>934</u>
Shareholders' funds	9	<u>£2,134</u>

ON BEHALF OF THE BOARD:


.....
- DIRECTOR

Approved by the Board on 25/2/00.....

The notes form part of these financial statements

B W Financial Services Limited

Cash Flow Statement
for the Period 17 August 1998 to 31 October 1999

	Notes	£
Net cash inflow from operating activities	1	36,636
Equity dividends paid		<u>(18,000)</u>
		18,636
Financing	2	<u>1,200</u>
Increase in cash in the period		<u>£19,836</u>

Reconciliation of net cash flow to movement in net debt	3	
Increase in cash in the period		<u>19,836</u>
Change in net debt resulting from cash flows		<u>19,836</u>
Movement in net debt in the period		19,836
Net funds at 17 August 1998		<u>-</u>
Net funds at 31 October 1999		<u>£19,836</u>

The notes form part of these financial statements

B W Financial Services Limited

**Notes to the Cash Flow Statement
for the Period 17 August 1998 to 31 October 1999**

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	£
Operating profit	48,848
Increase in debtors	(18,118)
Increase in creditors	<u>5,906</u>
Net cash inflow from operating activities	<u>36,636</u>

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

	£
Financing	
Cash receipt re share issue	<u>1,200</u>
Net cash inflow from financing	<u>1,200</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 17.8.98 £	Cash flow £	At 31.10.99 £
Net cash:			
Cash at bank	<u>-</u>	<u>19,836</u>	<u>19,836</u>
	<u>-</u>	<u>19,836</u>	<u>19,836</u>
Total	<u>-</u>	<u>19,836</u>	<u>19,836</u>
Analysed in Balance Sheet			
Cash at bank	<u>-</u>		<u>19,836</u>
	<u>-</u>		<u>19,836</u>

The notes form part of these financial statements

B W Financial Services Limited

Notes to the Financial Statements
for the Period 17 August 1998 to 31 October 1999

1. ACCOUNTING POLICIES

Accounting convention

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

Turnover

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

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. OPERATING PROFIT

The operating profit is stated after charging:

Auditors' remuneration	£ <u>969</u>
Directors' emoluments	<u>-</u>

3. TAXATION

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

UK corporation tax	£ <u>10,114</u>
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UK corporation tax has been charged at 20.40%.

4. DIVIDENDS

Equity shares:	£
600 'A' Ordinary shares of £1 each	
Dividends paid	12,000
Dividends proposed	13,200
600 'B' Ordinary shares of £1 each	
Dividends paid	6,000
Dividends proposed	<u>6,600</u>
	<u>37,800</u>

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

Trade debtors	£ <u>18,118</u>
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B W Financial Services Limited

Notes to the Financial Statements
for the Period 17 August 1998 to 31 October 1999

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

	£
Trade creditors	3,349
Other creditors	1,000
Dividends proposed	19,800
Taxation	10,114
Accrued expenses	<u>1,557</u>
	<u>35,820</u>

7. CALLED UP SHARE CAPITAL

Authorised:		Nominal value:	£
Number:	Class:		
50,000	'A' Ordinary	£1	50,000
50,000	'B' Ordinary	£1	<u>50,000</u>
			<u>100,000</u>

Allotted, issued and fully paid:		Nominal value:	£
Number:	Class:		
600	'A' Ordinary	£1	600
600	'B' Ordinary	£1	<u>600</u>
			<u>1,200</u>

The following shares were allotted and fully paid for cash at par during the period:

600 'A' Ordinary shares of £1 each
600 'B' Ordinary shares of £1 each

2 'A' Ordinary shares were issued at the date of incorporation and an additional 598 'A' Ordinary shares were allotted and issued on 23 June 1999.

The 600 'B' Ordinary shares were also allotted and issued on 23 June 1999.

Shares were allotted to provide the initial capital base of the company.

8. RELATED PARTY DISCLOSURES

The 600 'A' Ordinary shares are held by Bates Weston Limited. Mr.M.Morton and Mr.R.J.Smith are directors and shareholders of Bates Weston Limited.

Mr.M.D.Booler and Mr.D.J.Ball are both partners of David Booler and Co and provide on-going services to the company. No remuneration was paid for services provided.

B W Financial Services Limited

Notes to the Financial Statements
for the Period 17 August 1998 to 31 October 1999

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	£
Profit for the financial period	38,734
Dividends	<u>(37,800)</u>
	934
Issue of share capital	<u>1,200</u>
NET ADDITION TO SHAREHOLDERS' FUNDS	2,134
Opening shareholders' funds	<u>-</u>
CLOSING SHAREHOLDERS' FUNDS	<u><u>2,134</u></u>
 Equity interests	 <u><u>2,134</u></u>