

Registered Number: 1506926

LONDON AND SURREY FINANCE
LIMITED

ACCOUNTS
Period ended 31 May 1996

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For Management Purposes only:

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EDWARDS & CO
Chartered Accountants



LONDON AND SURREY FINANCE LIMITED

DIRECTORS' REPORT

The Directors submit their Report and Unaudited Financial Statements for the 14 months ended 31 May 1996.

Business Review - Business activity was very satisfactory although variable.

Statement of Directors' Responsibilities - Company law requires the Directors to prepare Financial Statements for each financial year, which gives 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 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 they 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 safe-guarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

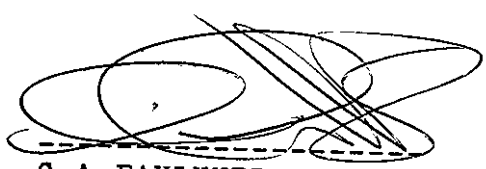
Principal Activity - The Company's principal activity was finance brokers.

Directors - The directors who served during the period and their beneficial interests, as defined by the Companies Acts, in the Company's issued ordinary share capital were:

	<u>Number of Shares</u>	
	<u>1996</u>	<u>1995</u>
C A Faulkner (with family interests)	400	90
D J Faulkner	10	10

Mr D J Faulkner retires by rotation but, being eligible, offers himself for re-election. The further 400 shares were issued in view of commencement of trading on 1 June 1995.

This Report, which has been prepared taking advantage of special exemptions applicable to small companies, was approved by the Board on 6 November 1996 and is signed on its behalf by



C A FAULKNER
Director

REGISTERED OFFICE: 51/3 Chipstead Valley Road Coulsdon Surrey

REGISTERED NUMBER: 1506926

LONDON AND SURREY FINANCE LIMITEDACCOUNTANTS' REPORT TO THE SHAREHOLDERS ON THE UNAUDITED ACCOUNTS

We report on the accounts for the 14 months ended 31 May 1996 set out on pages 3 to 7.

Respective responsibilities of directors and reporting accountants

As described on page 4, the company's directors are responsible for the preparation of the accounts and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

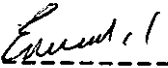
Opinion

In our opinion:

a) the accounts are in agreement with the accounting records kept by the company under Section 221 of the Companies Act 1985;

b) having regard only to, and on the basis of, the information contained in those accounting records:

- (i) the accounts have been drawn up in a manner consistent with accounting requirements specified in Section 249C(6) of the Act; and
- (ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in Section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1).



Reporting Accountants
EDWARDS & CO
Chartered Accountants
6 Strathmore Close
Caterham
Surrey CR3 5EQ

DATE: 2 November 1996

LONDON AND SURREY FINANCE LIMITEDProfit and Loss Account for the 14 Months ended 31 May 1996

	<u>Notes</u>	<u>This</u> <u>Year</u>	<u>Last</u> <u>Year</u>
		£	£
Turnover - on business acquired in period	1	192,441	-
Cost of Sales		(152,398)	---
<u>GROSS PROFIT</u>		40,043	-
<u>Distribution and Administration Costs</u>		(12,624)	---(64)
		27,419	(64)
<u>OPERATING PROFIT (LOSS)</u>			
Interest Payable	4	(1,277)	---
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>	5	26,142	(64)
Tax on Profit on Ordinary Activities		(6,757)	---
		(19,385)	(64)
<u>RETAINED PROFIT, BROUGHT FORWARD</u>		---12	---76
<u>RETAINED PROFIT TO DATE, as Page 4</u>		(19,397)	12
		-----	-----

The Notes on pages 5 to 7 form part of these Financial Statements.

This Account shows all recognised gains and losses for the above years from the company director, C A Faulkner, from 1 June 1995. No business was discontinued during the periods shown.

LONDON AND SURREY FINANCE LIMITED

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Balance Sheet at 31 March 1996

	<u>Notes</u>	<u>This Year</u>	<u>Last Year</u>
		£	£
<u>FIXED ASSETS</u>			
Tangible Assets	6	20,810	-
<u>CIRCULATING ASSETS</u>			
Debtors	7	22,268	437
Bank and Cash Balances		39,998	9
		<u>62,266</u>	<u>446</u>
<u>CREDITORS: Amounts falling due within one year</u>	8	<u>59,522</u>	<u>334</u>
<u>NET CURRENT ASSETS</u>		<u>2,744</u>	<u>112</u>
		23,554	112
<u>CREDITORS AFTER ONE YEAR</u>	9	<u>3,657</u>	<u>-</u>
<u>NET ASSETS</u>		<u>19,897</u>	<u>112</u>
<u>CAPITAL AND RESERVES</u>			
Called Up Share Capital	10	500	100
Accumulated Profits as Page 3		<u>19,397</u>	<u>12</u>
<u>SHAREHOLDERS' FUNDS</u>	11	<u>19,897</u>	<u>112</u>

The notes 1 to 13 form part of these Accounts.

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of Section 249A(2) of the Companies Act, 1985. Shareholders holding 10% or more of the nominal value of the company's issued share capital have not issued a notice requiring an audit. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and for preparing Accounts which give a true and fair view of the state of affairs of the company as at 31 May 1996 and of its profit for the period then ended in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Act relating to the Accounts so far as applicable to the company.

The directors have taken advantage, in the preparation of these Accounts, of special exemptions applicable to small companies under Schedule 8 Part 1 of the Companies Act 1985 on the grounds that, in the opinion of the directors, the company qualifies as a small company and is entitled to make use of the special exemptions. The Accounts were approved by the board on 1 November 1996 and signed on its behalf.



C A FAULKNER
Director

LONDON AND SURREY FINANCE LIMITED

Notes forming part of the Financial Statements
for the Period ended 31 May 1996

1) ACCOUNTING POLICIES

a) Basis of Accounting

The Financial Statements have been prepared under the Historical Cost Convention, using applicable U.K. accounting standards. The Company has taken advantage of the exemption in FRS1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

b) Turnover

This represents amounts invoiced by the Company, in respect of commission earned sold and services rendered during the period stated, net of Value Added Tax.

c) Tangible Fixed Assets

Depreciation is provided at rates calculated to write off the cost or valuation, less estimated residual value of each asset over the expected useful life, on the reducing balance, as follows:-

Motor Vehicles	25%
Plant and Machinery	20%

d) Research and Development

There was no expenditure on this during the period.

e) Deferred Taxation

No provision has been made (see note 10).

2) TURNOVER AND COMPANY PROFIT

The turnover of the Company during the period was derived from the same class of business, as noted in the Directors' Report, and arose in the same geographical area.

<u>This Year</u>	<u>Last Year</u>
£	£
196,441	-
-----	-----

3) OPERATING PROFIT after charging:

Directors' Remuneration	30,000	-
Depreciation	5,227	-

4) INTEREST PAYABLE

On Hire Purchase Contracts	1,273	-
On Bank Overdraft	4	-
	1,277	-
	-----	-----

5) TAXATION

The taxation charge, which is based on the results of the period, is made up as follows:-

Current Period - Corporation Tax	6,757	-
	-----	-----

United Kingdom Corporation Tax Rate of 25% has been used.

LONDON AND SURREY FINANCE LIMITEDNotes forming part of the Financial Statements
for the Period ended 31 May 19966) TANGIBLE FIXED ASSETS

	<u>TOTAL</u>	<u>Motor</u>	<u>Equipment</u>
<u>Cost</u>		<u>Vehicles</u>	
At commencement	£	£	£
Additions	-	-	-
	<u>26,030</u>	<u>24,395</u>	<u>1,635</u>
At End	26,030	24,395	1,635
	-----	-----	-----
<u>Depreciation</u>			
At Commencement	-	-	-
Charge for Period	<u>5,220</u>	<u>4,895</u>	<u>325</u>
At End	5,220	4,895	325
	-----	-----	-----
<u>Net Book Value</u>			
At Commencement	-----	-----	-----
At End	<u>20,810</u>	<u>19,500</u>	<u>1,310</u>

7) DEBTORS: Amounts falling due within one year

	<u>This</u>	<u>Last</u>
	<u>Year</u>	<u>Year</u>
Prepaid Expenses	2,696	-
Trade Debtors	<u>19,572</u>	-----
	22,268	-
	-----	-----

8) CREDITORS: Amounts falling due within one year

Provision for Commission Repayable	21,743	-
Director's Loan	5,848	-
Trade Creditors	9,766	-
Hire Purchase Contracts	7,356	-
Other Creditors	3,727	-
PAYE Taxation and Social Security Costs	3,507	-
Accruals	<u>818</u>	-----
	<u>52,765</u>	-----
Corporation Tax	<u>6,757</u>	-----
	59,522	-
	-----	-----

9) CREDITORS: Amounts falling due after one year

Hire Purchase Contracts	3,657	-
	-----	-----

LONDON AND SURREY FINANCE LIMITEDNotes forming part of the Financial Statements
for the Period ended 31 May 1996

	<u>This Year £</u>	<u>Last Year £</u>
<u>10)PROVISION FOR LIABILITIES AND CHARGES</u>		
No provision for deferred taxation has been made on the liability for Accelerated Capital Allowances, which would be £132	---	---
<u>11)CALLED UP SHARE CAPITAL</u>		
<u>Authorised</u>		
Ordinary Shares of £1 each	5,000	5,000
<u>Allotted Called Up and Fully Paid</u>		
Ordinary Shares of £1 each	500	100
<u>12)MOVEMENT ON SHAREHOLDERS' FUNDS</u>		
Profit (Loss) for Year	19,385	(64)
Opening Shareholders' Funds	12	76
Closing Shareholders Funds	19,397	12
<u>13)CONTINGENT LIABILITY</u>		

The Company has a liability to repay commission earned on agreements settled prematurely within 12 months of commencement date and all commission if advances are not recovered. A specific provision of £21,743 has made in respect of this.