

**REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2000**  
**FOR**  
**S R FINANCIAL MANAGEMENT LIMITED**



**S R FINANCIAL MANAGEMENT LIMITED**

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**FOR THE YEAR ENDED 30TH SEPTEMBER 2000**

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**S R FINANCIAL MANAGEMENT LIMITED**

**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2000**

**DIRECTORS:** S J Raber  
Mrs A R Raber  
S M M Banham

**SECRETARY:** A R Raber

**REGISTERED OFFICE:** 63 High Street  
Hurstpierpoint  
West Sussex  
BN6 9RE

**REGISTERED NUMBER:** 3653371 (England and Wales)

**AUDITORS:** Sykes Dalby & Truelove  
Registered Auditors  
Chartered Accountants  
63 High street  
Hurstpierpoint  
West Sussex  
BN6 9RE

**BANKERS:** Barclays Bank Plc  
The Gatwick Group  
Crawley

**S R FINANCIAL MANAGEMENT LIMITED**

**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2000**

The directors present their report with the financial statements of the company for the year ended 30th September 2000.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of giving independent financial advice.

**REVIEW OF BUSINESS**

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

**DIVIDENDS**

No dividends will be distributed for the year ended 30th September 2000.

**DIRECTORS**

The directors during the year under review were:

S J Raber  
Mrs A R Raber  
S M M Banham

The beneficial interests of the directors holding office on 30th September 2000 in the issued share capital of the company were as follows:

	30.9.00	1.10.99
<b>Ordinary 10p shares</b>		
S J Raber	6,000	600
Mrs A R Raber	4,000	400
S M M Banham	5,000	500

**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, Sykes Dalby & Truelove, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

**ON BEHALF OF THE BOARD:**



A R Raber - SECRETARY

Dated: 31.5.01

**S R FINANCIAL MANAGEMENT LIMITED**

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF**  
**S R FINANCIAL MANAGEMENT LIMITED**

We have audited the financial statements of S R Financial Management Limited for the year ended 30th September 2000 on pages four to fourteen. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

**Respective responsibilities of directors and auditors**

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

**Basis of opinion**

We conducted our audit in accordance with United Kingdom 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 30th September 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Sykes Dalby & Truelove  
Registered Auditors  
Chartered Accountants  
63 High street  
Hurstpierpoint  
West Sussex  
BN6 9RE



Dated: 11-6-01

**S R FINANCIAL MANAGEMENT LIMITED**

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2000**

		Year Ended 30.9.00	Period 21.10.98 to 30.9.99
	Notes	£	£
<b>TURNOVER</b>		429,334	197,045
Cost of sales		102,089	70,519
<b>GROSS PROFIT</b>		327,245	126,526
Administrative expenses		325,571	123,366
<b>OPERATING PROFIT</b>	3	1,674	3,160
Interest payable and similar charges	4	780	7
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		894	3,153
Tax on profit on ordinary activities	5	948	267
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		(54)	2,886
Retained profit brought forward		2,886	-
<b>RETAINED PROFIT CARRIED FORWARD</b>		£2,832	£2,886

**CONTINUING OPERATIONS**

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

**TOTAL RECOGNISED GAINS AND LOSSES**

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

**S R FINANCIAL MANAGEMENT LIMITED**

**BALANCE SHEET**  
**30TH SEPTEMBER 2000**

		<u>30.9.00</u>		<u>30.9.99</u>	
	Notes	£	£	£	£
<b>FIXED ASSETS:</b>					
Tangible assets	6		23,537		9,982
<b>CURRENT ASSETS:</b>					
Debtors	7	126,493		106,174	
Cash in hand		76		60	
		<u>126,569</u>		<u>106,234</u>	
<b>CREDITORS:</b> Amounts falling due within one year	8	<u>48,527</u>		<u>37,330</u>	
<b>NET CURRENT ASSETS:</b>			<u>78,042</u>		<u>68,904</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>			101,579		78,886
<b>CREDITORS:</b> Amounts falling due after more than one year	9		<u>22,647</u>		-
			<u>£78,932</u>		<u>£78,886</u>
<b>CAPITAL AND RESERVES:</b>					
Called up share capital	13		1,600		1,500
Share premium	14		74,500		74,500
Profit and loss account			<u>2,832</u>		<u>2,886</u>
<b>SHAREHOLDERS' FUNDS:</b>	15		<u>£78,932</u>		<u>£78,886</u>

**ON BEHALF OF THE BOARD:**



S J Raber - DIRECTOR



SMM - Banham

S M M Banham - DIRECTOR

Approved by the Board on 31-05-01

The notes form part of these financial statements

**S R FINANCIAL MANAGEMENT LIMITED**

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2000**

		Year Ended 30.9.00	Period 21.10.98 to 30.9.99
	Notes	£	£
Net cash outflow from operating activities	1	(36,985)	(35,791)
Returns on investments and servicing of finance	2	(780)	(7)
Taxation		(267)	-
Capital expenditure	2	(18,871)	(10,930)
		<u>(56,903)</u>	<u>(46,728)</u>
Financing	2	75,360	26,000
Increase/(Decrease) in cash in the period		<u>£18,457</u>	<u>£(20,728)</u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	3		
Increase/(Decrease) in cash in the period		<u>18,457</u>	<u>(20,728)</u>
Change in net debt resulting from cash flows		<u>18,457</u>	<u>(20,728)</u>
Movement in net debt in the period		<u>18,457</u>	<u>(20,728)</u>
Net debt at 1st October		<u>(20,728)</u>	<u>-</u>
Net debt at 30th September		<u>£(2,271)</u>	<u>£(20,728)</u>

The notes form part of these financial statements



**S R FINANCIAL MANAGEMENT LIMITED**

**NOTES TO THE CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2000**

**1. RECONCILIATION OF OPERATING PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES**

	Year Ended 30.9.00 £	Period 21.10.98 to 30.9.99 £
Operating profit	1,674	3,160
Depreciation charges	5,316	948
Other debtors	-	(8,834)
Increase in debtors	(66,204)	(47,340)
Increase in creditors	22,229	16,275
	<u>          </u>	<u>          </u>
<b>Net cash outflow from operating activities</b>	<b><u>(36,985)</u></b>	<b><u>(35,791)</u></b>

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

	Year Ended 30.9.00 £	Period 21.10.98 to 30.9.99 £
<b>Returns on investments and servicing of finance</b>		
Interest paid	(780)	(7)
	<u>          </u>	<u>          </u>
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b><u>(780)</u></b>	<b><u>(7)</u></b>
 <b>Capital expenditure</b>		
Purchase of tangible fixed assets	(18,871)	(10,930)
	<u>          </u>	<u>          </u>
<b>Net cash outflow for capital expenditure</b>	<b><u>(18,871)</u></b>	<b><u>(10,930)</u></b>
 <b>Financing</b>		
New loan taken out in year	25,000	-
Amount introduced by directors	4,375	-
Amount withdrawn by directors	(4,115)	-
Cash receipt re share issue	50,100	26,000
	<u>          </u>	<u>          </u>
<b>Net cash inflow from financing</b>	<b><u>75,360</u></b>	<b><u>26,000</u></b>

**S R FINANCIAL MANAGEMENT LIMITED**

**NOTES TO THE CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2000**

**3. ANALYSIS OF CHANGES IN NET DEBT**

	At 1.10.99 £	Cash flow £	At 30.9.00 £
Net cash:			
Cash at bank and in hand	60	16	76
Bank overdraft	(20,788)	18,441	(2,347)
	<u>(20,728)</u>	<u>18,457</u>	<u>(2,271)</u>
 Total	 <u>(20,728)</u>	 <u>18,457</u>	 <u>(2,271)</u>
 Analysed in Balance Sheet			
 Cash at bank and in hand	 60		 76
Bank overdraft	(20,788)		(2,347)
	<u>(20,728)</u>		<u>(2,271)</u>

The notes form part of these financial statements

**S R FINANCIAL MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2000**

**1. ACCOUNTING POLICIES**

**Accounting convention**

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

**Turnover**

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

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Fixtures and fittings	- 20% on cost
Computer equipment	- 33% on cost

**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.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

**Pensions**

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

**2. STAFF COSTS**

	Year Ended	Period
	30.9.00	21.10.98
	£	to
		30.9.99
	£	£
Wages and salaries	186,893	63,309
Social security costs	17,310	5,831
Other pension costs	250	-
	<hr/>	<hr/>
	204,453	69,140
	<hr/>	<hr/>

**S R FINANCIAL MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2000**

**2. STAFF COSTS - continued**

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

	Year Ended 30.9.00	Period 21.10.98 to 30.9.99
Directors	3	2
Financial advisers	3	-
Administrators	3	1
	<u>9</u>	<u>3</u>

**3. OPERATING PROFIT**

The operating profit is stated after charging:

	Year Ended 30.9.00 £	Period 21.10.98 to 30.9.99 £
Computer & equipment hire	3,170	1,033
Depreciation - owned assets	4,383	948
Depreciation - assets on hire purchase contracts or finance leases	933	-
Auditors' remuneration	<u>3,378</u>	<u>2,585</u>
Directors' emoluments	<u>68,596</u>	<u>44,056</u>

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

	Year Ended 30.9.00 £	Period 21.10.98 to 30.9.99 £
Bank interest	539	7
Interest on PAYE/NI	<u>241</u>	<u>-</u>
	<u>780</u>	<u>7</u>

**5. TAXATION**

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

	Year Ended 30.9.00 £	Period 21.10.98 to 30.9.99 £
UK corporation tax	<u>948</u>	<u>267</u>

**S R FINANCIAL MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2000**

**6. TANGIBLE FIXED ASSETS**

	Improvem- ents to property	Fixtures and fittings	Computer equipment	Totals
	£	£	£	£
<b>COST:</b>				
At 1st October 1999	-	2,461	8,469	10,930
Additions	14,000	298	4,573	18,871
	<hr/>	<hr/>	<hr/>	<hr/>
At 30th September 2000	14,000	2,759	13,042	29,801
	<hr/>	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION:</b>				
At 1st October 1999	-	248	700	948
Charge for year	933	547	3,836	5,316
	<hr/>	<hr/>	<hr/>	<hr/>
At 30th September 2000	933	795	4,536	6,264
	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE:</b>				
At 30th September 2000	13,067	1,964	8,506	23,537
	<hr/>	<hr/>	<hr/>	<hr/>
At 30th September 1999	-	2,213	7,769	9,982
	<hr/>	<hr/>	<hr/>	<hr/>

Fixed assets, included in the above, which are held under hire purchase contracts or finance leases are as follows:

	Improvem- ents to property
	£
<b>COST:</b>	
Additions	14,000
	<hr/>
At 30th September 2000	14,000
	<hr/>
<b>DEPRECIATION:</b>	
Charge for year	933
	<hr/>
At 30th September 2000	933
	<hr/>
<b>NET BOOK VALUE:</b>	
At 30th September 2000	13,067
	<hr/>

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

	30.9.00 £	30.9.99 £
Trade debtors	95,362	46,673
Prepayments	18,182	667
Unpaid share capital & premium	-	50,000
Directors' current accounts	12,949	8,834
	<hr/>	<hr/>
	126,493	106,174
	<hr/>	<hr/>

**S R FINANCIAL MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2000**

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

	30.9.00	30.9.99
	£	£
Bank loans and overdrafts (see note 10)	4,700	20,788
Trade creditors	10,938	-
Directors' current accounts	4,375	-
Social security & other taxes	16,174	11,232
Salaries Control	7,839	-
Taxation	948	267
Accrued expenses	3,553	5,043
	<u>48,527</u>	<u>37,330</u>

**9. CREDITORS: AMOUNTS FALLING  
DUE AFTER MORE THAN ONE YEAR**

	30.9.00	30.9.99
	£	£
Bank loans (see note 10)	<u>22,647</u>	<u>-</u>

**10. LOANS AND OVERDRAFTS**

An analysis of the maturity of loans and overdrafts is given below:

	30.9.00	30.9.99
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	2,347	20,788
Bank loans	2,353	-
	<u>4,700</u>	<u>20,788</u>
Amounts falling due between one and two years:		
Bank loans	<u>2,759</u>	<u>-</u>
Amounts falling due between two and five years:		
Bank loans	<u>10,714</u>	<u>-</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	<u>9,174</u>	<u>-</u>

**S R FINANCIAL MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2000**

**11. OBLIGATIONS UNDER LEASING AGREEMENTS**

The following payments are committed to be paid within one year:

	Operating leases			
	Land and buildings		Other	
	30.9.00 £	30.9.99 £	30.9.00 £	30.9.99 £
Expiring:				
Within one year	-	-	7,639	-
Between one and five years	8,500	-	12,929	1,942
In more than five years	2,900	-	-	-
	<u>11,400</u>	<u>-</u>	<u>20,568</u>	<u>1,942</u>

**12. SECURED DEBTS**

The following secured debts are included within creditors:

	30.9.00 £	30.9.99 £
Bank overdrafts	2,347	20,788
Bank loans	25,000	-
	<u>27,347</u>	<u>20,788</u>

The bank overdraft and loan are secured via a personal guarantee from SR Raber and AR Raber.

**13. CALLED UP SHARE CAPITAL**

Authorised:				
Number:	Class:	Nominal value:	30.9.00 £	30.9.99 £
100,000	Ordinary	10p	10,000	10,000
(30.9.99 - 10,000)			<u>10,000</u>	<u>10,000</u>
Allotted and issued:				
Number:	Class:	Nominal value:	30.9.00 £	30.9.99 £
16,000	Share capital 1	10p	1,600	1,500

1,000 Ordinary shares of 10p each were allotted at par during the year.

During the year the authorised share capital of the company was altered from 10,000 Ordinary shares of £1 each to 100,000 ordinary shares of 10p each. At the same time the existing issued share capital was split by a factor of ten, into the new 10p ordinary shares.

**S R FINANCIAL MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2000**

**14. SHARE PREMIUM**

	30.9.00	30.9.99
	£	£
Brought forward	74,500	-
Cash share issue	-	74,500
	<u>74,500</u>	<u>74,500</u>

**15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	30.9.00	30.9.99
	£	£
(Loss)/Profit for the financial year	(54)	2,886
Share capital issued	100	76,000
	<u>46</u>	<u>78,886</u>
Net addition to shareholders' funds	78,886	-
Opening shareholders' funds	<u>78,932</u>	<u>78,886</u>
Closing shareholders' funds	<u>78,932</u>	<u>78,886</u>
Equity interests	<u>78,932</u>	<u>78,886</u>



**S R FINANCIAL MANAGEMENT LIMITED**

**TRADING AND PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2000**

	Year Ended 30.9.00		Period 21.10.98 to 30.9.99	
	£	£	£	£
<b>Income:</b>				
Commission	405,611		181,762	
Fees	23,723		15,283	
		429,334		197,045
<b>Cost of sales:</b>				
Rechargeable expenses	4,895		2,412	
Commission paid	97,194		68,107	
		102,089		70,519
<b>GROSS PROFIT</b>		327,245		126,526
<b>Expenditure:</b>				
Directors' remuneration	66,473		41,577	
Social security	6,142		3,867	
Salaries	120,420		21,732	
Social security	11,168		1,964	
Pensions	250		-	
Health & life insurance	1,266		-	
Telephone & communications	12,731		3,869	
Post & stationery	11,949		5,174	
Travelling	8,867		1,562	
Computer software & internet	12,737		8,494	
Computer & equipment hire	3,170		1,033	
Repairs & maintenance	2,458		2,519	
Staff welfare	-		403	
Cleaning & sundries	1,753		789	
Auditors remuneration	3,378		2,585	
Accountancy & bookkeeping	1,183		1,880	
Professional & consultancy	3,052		7,379	
Advertising & marketing	6,250		3,704	
Entertainment	3,325		1,284	
Motor expenses	6,528		3,473	
Training	3,608		1,019	
Subscriptions & publications	4,522		227	
Recruitment	6,504		-	
Rent	10,666		6,493	
Rates & water	3,529		448	
Insurance	7,329		462	
Light & heat	519		406	
		319,777		122,343
		7,468		4,183
<b>Finance costs:</b>				
Bank interest	539		7	
Interest on PAYE/NI	241		-	
Bank charges	478		75	
		1,258		82
<b>Carried forward</b>		6,210		4,101

This page does not form part of the statutory financial statements

**S R FINANCIAL MANAGEMENT LIMITED**

**TRADING AND PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2000**

	Year Ended 30.9.00		Period 21.10.98 to 30.9.99	
	£	£	£	£
Brought forward		6,210		4,101
<b>Depreciation:</b>				
Leasehold property	933		-	
Fixtures & fittings	547		248	
Computer equipment	3,836		700	
		5,316		948
<b>NET PROFIT</b>		<b>£894</b>		<b>£3,153</b>