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FIRST LEADER (UK) LIMITED

ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1994

TOGETHER WITH DIRECTORS' AND AUDITORS' REPORT

RAMSDENS
Chartered Accountants
Birstall House
6 Bourbon Street
Aylesbury
Bucks

FIRST LEADER (UK) LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31ST DECEMBER 1994

The directors present their annual report on the company, together with the accounts and auditors' report, for the year ended 31st December 1994.

DIRECTORS' RESPONSIBILITIES

Company law requires us as 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 year. In preparing those financial statements we 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;
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enables me to ensure that the financial statements comply with the Companies Act 1985. We 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.

PRINCIPAL ACTIVITY

The company's principal activity was the provision of agency services.

BUSINESS REVIEW, RESULTS AND DIVIDENDS

The results for the year were as follows:-

	<u>1994</u>	<u>1993</u>
Turnover	£849,020	£793,138
Profit on Ordinary Activities before Taxation	£ 77,184	£ 72,103
Profit on Ordinary Activities after Taxation	£ 40,770	£ 31,852

The directors who served during the year were:-

	<u>Ordinary Shares</u> <u>of £1 each</u>	
Doctor N Levy	-	-
R Cohen	-	-
A L Terzakian	-	-
S Aspiotis	-	-

No dividend is proposed for the year.

It is proposed that the retained profit should be transferred to reserves.


FIXED ASSETS

The movement in the company's fixed assets is shown in Note 7 to the accounts.

AUDITORS

The directors will place a resolution before the Annual General Meeting to re-appoint Ramsdens as auditors for the ensuing year.

By Order of the Board


Secretary

AUDITORS REPORT TO THE MEMBERS

OF

FIRST LEADER (UK) LIMITED

We have audited the financial statements on pages 3 to 8, which have been prepared under the historical cost convention and the accounting policies set out on page 5.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1, 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.

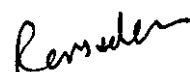
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularities 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 31st December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Birstall House
6 Bourbon Street
Aylesbury
Bucks

26 October 1995



RAMSDENS
Chartered Accountants
and Registered Auditors

FIRST LEADER (UK) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1994

	<u>Notes</u>	<u>1994</u>	<u>1993</u>
TURNOVER - Continuing Operations		849,020	793,138
Less: Direct and Commercial Costs		146,810	153,490
		<u>702,210</u>	<u>639,648</u>
Other Operating Expenses		616,575	560,918
OPERATING PROFIT - Continuing Operations	2	85,635	78,730
Interest Payable	3	8,451	6,627
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>77,184</u>	<u>72,103</u>
Tax Charge on Profit on Ordinary Activities	6	36,414	40,251
PROFIT FOR THE FINANCIAL YEAR		<u>40,770</u>	<u>31,852</u>
RETAINED PROFIT, Beginning of Year		197,827	165,975
RETAINED PROFIT, End of Year		<u><u>£238,597</u></u>	<u><u>£197,827</u></u>

The company has no recognised gains and losses other than those included in the profits above, and therefore no separate statement of total recognised gains and losses has been presented.

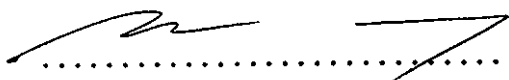

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalent.

The accompanying notes form an integral part of this Profit and Loss Account.

FIRST LEADER (UK) LIMITED

BALANCE SHEET AS AT 31ST DECEMBER 1994

	<u>Notes</u>	<u>1994</u>	<u>1993</u>
<u>FIXED ASSETS</u>			
Tangible Assets	7	105,440	50,344
 <u>CURRENT ASSETS</u>			
Debtors	8	243,563	260,075
Cash at Bank and On Hand		13,745	4,273
		257,308	264,348
 <u>CREDITORS:-</u>			
Amounts falling due within one year	9	101,693	103,917
		155,615	160,431
<u>NET CURRENT ASSETS</u>			
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		261,055	210,775
 <u>CREDITORS:-</u>			
Amounts falling due after more than one year	10	22,358	12,848
<u>TOTAL ASSETS</u>		£238,697	£197,927
 <u>CAPITAL AND RESERVES</u>			
Called Up Share Capital	11	100	100
Reserves		238,597	197,827
	12	£238,697	£197,927


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) Directors

The accounts were approved by the Board of Directors on 15th September 1995.

The annexed notes form part of these accounts.

FIRST LEADER (UK) LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1994

1. ACCOUNTING POLICIES

The principal accounting policies are:-

a) Basis of Accounting

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

b) Tangible Fixed Assets

Tangible fixed assets are shown at cost less accumulated depreciation.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset on a straight line basis over its estimated useful life as follows:-

Motor Vehicles	25%
Fixtures and Fittings	25%

c) Debtors

Debtors are stated net of any provision for bad and doubtful debts.

d) Taxation

Corporation tax is payable on taxable profits at the current rate.

e) Turnover

Turnover comprises the value of sales (excluding VAT and trade discounts) of services in the normal course of business.

f) Leased Assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Depreciation on the relevant assets is charged to the Profit and Loss Account.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account using the rule of 78 method.

All other leases are 'operating' leases, and the annual rentals are charged to the profit and loss account of a straight-line basis over the lease term.

g) Cash Flow Statement

Exemption under FRS1 applies on the grounds that the company qualifies as a small company.

FIRST LEADER (UK) LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 1994

Continued

	<u>1994</u>	<u>1993</u>
2. <u>OPERATED PROFIT/(LOSS)</u>		
Total Directors' Emoluments	83,026	80,813
Auditors Remuneration and Expenses	7,500	7,000
Depreciation of Assets	40,216	34,365
Loss on Sale of Tangible Fixed Assets	-	-
Hire of Plant and Machinery	10,825	17,285
Hire of Other Assets	-	-
	-	-
and after crediting:-		
Profit on Sale of Tangible Fixed Assets	4,385	-
Rents Received	-	-
	-	-
3. <u>INTEREST PAYABLE AND SIMILAR CHARGES</u>	<u>1994</u>	<u>1993</u>
Interest Payable - Bank Loans and Overdrafts and other Loans repayable within five years:-		
- all other loans	2,262	771
Finance charges payable - finance leases and Hire Purchase Contracts	6,189	5,856
	£ 8,451	£ 6,627
4. <u>STAFF COSTS</u>		
The average number of persons employed by the company, including directors, during the year was as follows:-		
	<u>1994</u>	<u>1993</u>
Management and Administration	11	9
The aggregate payroll costs of these persons were as follows:-		
	<u>1994</u>	<u>1993</u>
Wages and Salaries	315,792	267,284
Social Security	33,423	31,139
Other Pension Costs	-	-
	£349,215	£298,423
5. <u>DIRECTORS' REMUNERATION</u>	<u>1994</u>	<u>1993</u>
(excluding pension contributions)	£ 73,200	£ 73,200
The remuneration of the chairman was	£ 43,200	£ 43,200
The remuneration of the directors, including the above, was within the following ranges:-		
	<u>1994</u>	<u>1993</u>
£ 0 - £ 5,000	2	2
£25,001 - £30,000	1	1
£40,000 - £45,000	1	1

FIRST LEADER (UK) LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 1994

Continued

6. <u>TAXATION ON PROFIT ON ORDINARY ACTIVITIES</u>	<u>1994</u>	<u>1993</u>
Corporation Tax based on profits for the year at 33%	£ 36,414	£ 40,251

7. TANGIBLE FIXED ASSETS

The following are included in the net book value of tangible fixed assets:-

	<u>TOTAL</u>	<u>Motor Vehicles</u>	<u>Fixtures & Fittings</u>
<u>COST</u>			
Balance as at 1.1.94	152,575	128,120	24,455
Additions in Year	129,012	92,200	36,812
Disposals in Year	(72,337)	(50,740)	(21,597)
Balance as at 31.12.94	£209,250	169,580	39,670
<u>DEPRECIATION</u>			
Depreciation as at 1.1.94	102,231	81,000	21,231
Charge for Year	40,216	30,300	9,916
Depreciation on Disposals	(38,637)	(18,120)	(20,517)
Balance as at 31.12.94	£103,810	93,180	10,630
<u>NET BOOK VALUE</u>			
31st December 1994	£105,440	76,400	29,040
31st December 1993	£ 50,344	47,120	3,224

	<u>1994</u>	<u>1993</u>
8. <u>DEBTORS</u> - All receivable within one year		
Trade Debtors	106,837	111,128
Other Debtors	9,881	18,870
Prepayments and Accrued Income	6,427	9,659
Holding Company	120,418	120,418
	£243,563	£260,075

Included in debtors is an amount due from directors of £7,013. This was repaid on 16th January 1995.

	<u>1994</u>	<u>1993</u>
9. <u>CREDITORS</u> - Amounts falling due within one year		
Trade Creditors	-	-
Social Security and Other Taxes	13,937	10,640
Other Creditors	25,498	33,742
Obligations under Finance Leases and Hire Purchase Contracts	24,854	19,284
Bank Overdrafts and Loans	-	-
Current Taxation	37,404	40,251
	£101,693	£103,917

FIRST LEADER (UK) LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1994

Continued

10. CREDITORS - Amounts falling due after more than one year
(If any of the following fall due after more than five years a further analysis is required giving the amounts falling due after that time)

	<u>1994</u>	<u>1993</u>
Trade Creditors	-	-
Other Creditors	-	-
Obligations under finance leases and Hire Purchase Contracts	22,358	12,848
Bank Loans	-	-
	<u>£ 22,358</u>	<u>£ 12,848</u>

11. SHARE CAPITAL

The authorised, allotted and fully paid share capital of the company consisted of 100 shares of £1 each amounting to £100.

	<u>1994</u>	<u>1993</u>
100 Ordinary Shares of £1 each - Authorised	<u>£ 100</u>	<u>£ 100</u>
100 Ordinary Shares of £1 each - Issued and Fully Paid	<u>£ 100</u>	<u>£ 100</u>

	<u>1994</u>	<u>1993</u>
12. <u>RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS</u>		
Profit for the Year	40,770	31,852
Opening Shareholders Funds	197,927	166,075
	<u>£238,697</u>	<u>£197,927</u>

13. ULTIMATE HOLDING COMPANY

The company is a subsidiary of First Leader SA, a company incorporated in Panama.