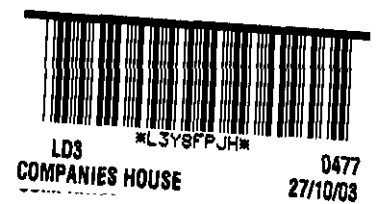


Company Registration No. 01011754

OMFS CENTRAL SERVICES LTD
(FORMERLY KING & SHAXSON (DEALERS) LIMITED)

REPORT AND FINANCIAL STATEMENTS
31 December 2002



OMFS CENTRAL SERVICES LIMITED (FORMERLY KING & SHAXSON (DEALERS) LIMITED)

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2002

The directors present their report and audited financial statements for the year ended 31 December 2002.

CHANGE OF NAME

The Company changed its name from King & Shaxson (Dealers) Limited to OMFS Central Services Limited on 25 February 2002.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Company commenced trading on 1 January 2002 as a central service provider of property and IT related services. The Company acts as a management service company and aims to breakeven each year by recharging all its costs to clients, who are principally fellow group companies, or prior fellow group companies. The Company has achieved breakeven operating profit in the year to 31 December 2002, with all costs fully recharged, and the directors anticipate that this will continue for the foreseeable future.

DIVIDENDS AND SHAREHOLDERS' FUNDS

The results of the Company for the period are set out in the profit and loss account on page 6. The directors do not recommend the payment of an ordinary dividend (year ended 31 December 2001: £nil).

DIRECTORS AND DIRECTORS' INTERESTS IN SHARES OF THE COMPANY

The directors of the Company who served during the period and up to the date of the signing of these accounts were:

V Raimondo (*appointed 1 April 2003*)
M Satchel (*appointed 13 June 2003*)
N Moss (*appointed 1 October 2002; resigned 12 June 2003*)
I Perkins (*resigned 1 October 2002*)
J Thornton (*resigned 28 March 2003*)
E Warner (*appointed 29 April 2002; resigned 1 February 2003*)

None of the directors had any interest in the shares of the Company during the year ended 31 December 2002.

DIRECTORS' INTERESTS IN THE SHARE CAPITAL AND SECURITIES OF OLD MUTUAL PLC

The interests of Mr Thornton and Mr Warner in the securities of Old Mutual Plc for the year ending 31 December 2002 are set out in the accounts of Old Mutual Financial Services (UK) plc. The interests of Mr Moss are set out in the accounts of OMFS Company 1 Limited. These companies are fellow group Companies.

CREDITOR PAYMENT POLICY

The Company's current policy concerning the payment of its creditors is to:

- settle the terms of payment with suppliers when negotiating the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with its contractual and legal obligations.

OMFS CENTRAL SERVICES LIMITED (FORMERLY KING & SHAXSON (DEALERS) LIMITED)

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2002 (CONTINUED)

CREDITOR PAYMENT POLICY (CONTINUED)

The payment policy applies to all payments to creditors for revenue and capital supplies of goods and services without exception.

AUDITORS

Following the commencement of trading, a resolution to appoint auditors KPMG Audit Plc and to authorise the directors to approve their remuneration, was approved by the shareholders. A resolution to reappoint KPMG Audit plc as auditors will be proposed at the forthcoming Annual General Meeting.

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 the 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

EMPLOYEE POLICIES

The Company considers that its employees are its most valuable resource, without whose commitment it would not achieve its objectives.

The ultimate parent company operates a number of savings-related Share Option Schemes, which were introduced from 1992, and also a share option scheme which seeks to provide incentives to senior employees by offering them the opportunity to share in the success of the Old Mutual Group. Appropriate performance targets have been set which must be achieved before options granted under the latter scheme may be exercised.

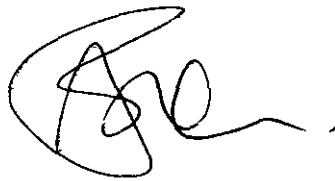
OMFS CENTRAL SERVICES LIMITED (FORMERLY KING & SHAXSON (DEALERS) LIMITED)

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2002 (CONTINUED)

EMPLOYEE POLICIES (CONTINUED)

The Company is committed to providing equal opportunities for all, irrespective of sex, ethnic origin, religious beliefs, disabilities, age or sexual orientation. The Board's aim is to encourage and assist in the employment, training, promotion and personal and career development of disabled people. The Company gives proper consideration to applications for employment when they are received from disabled people.

BY ORDER OF THE BOARD:

A handwritten signature in black ink, appearing to be 'M L Telfer', written over a large, faint circular mark.

**M L Telfer
Company Secretary
16 October 2003**

OMFS CENTRAL SERVICES LIMITED (FORMERLY KING & SHAXSON (DEALERS) LIMITED)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OMFS CENTRAL SERVICES LTD

We have audited the financial statements on pages 6 to 12.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 directors' report 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.

Basis of audit 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 December 2002 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

**KPMG Audit Plc
Chartered Accountants
Registered Auditor
16 October 2003**

**8 Salisbury Square
London
EC4Y 8BB**

OMFS CENTRAL SERVICES LIMITED (FORMERLY KING & SHAXSON (DEALERS) LIMITED)

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2002

	<u>Note</u>	<u>Year</u> <u>31 December</u> <u>2002</u> <u>£</u>	<u>Year</u> <u>31 December</u> <u>2001</u> <u>£</u>
Turnover	1	27,816,693	-
Administration expenses	2,3	<u>(27,816,693)</u>	<u>-</u>
Profit on ordinary activities before taxation	2	-	-
Tax on profit on ordinary activities	4	<u>-</u>	<u>-</u>
Loss on ordinary activities after taxation and retained profit for the year		<u>-</u>	<u>-</u>

The Company has no recognised gains or losses other than those included above. All profits and losses are generated from continuing operations.

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 equivalents.

The notes on pages 8 to 12 are an integral part of these financial statements.

OMFS CENTRAL SERVICES LIMITED (FORMERLY KING & SHAXSON (DEALERS) LIMITED)

BALANCE SHEET AS AT 31 DECEMBER 2002

	Note	<u>31 December</u> <u>2002</u> £	<u>31 December</u> <u>2001</u> £
FIXED ASSETS			
Tangible assets	5	767,280	-
CURRENT ASSETS			
Stock		136,177	-
Debtors: amounts falling due within one year	6	36,550,198	100
Cash at bank and in hand		4,630,147	-
		<u>41,316,522</u>	<u>100</u>
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	7	<u>(42,083,702)</u>	<u>-</u>
NET CURRENT (LIABILITIES) / ASSETS		<u>(767,180)</u>	<u>100</u>
NET (LIABILITIES) / ASSETS		<u>100</u>	<u>100</u>
CAPITAL AND RESERVES			
Called up share capital	8	100	100
Profit and loss account	9	<u>-</u>	<u>-</u>
EQUITY SHAREHOLDERS' FUNDS	10	<u>100</u>	<u>100</u>

These financial statements were approved by the Board of Directors on 16 October 2003 and signed on their behalf by:



M Satchel
Director

The notes on pages 8 to 12 are an integral part of these financial statements.

OMFS CENTRAL SERVICES LIMITED (FORMERLY KING & SHAXSON (DEALERS) LIMITED)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2002

1 PRINCIPAL ACCOUNTING POLICIES

Basis of preparation The accounts of the Company have been prepared under the historical cost convention, in accordance with applicable UK Accounting.

Turnover Turnover comprises rental income and service recharges, which are recognised in the profit and loss account on an accruals basis, exclusive of Value Added Tax.

Cash Flow Statement The cash flows of the Company are included in the group cash flow statement of Old Mutual plc. Consequently, the Company is exempt under the terms of Financial Reporting Standard 1 (Revised) from the requirement to publish a cash flow statement.

Segmental reporting In the opinion of the directors the profits and losses of the Company are derived substantially from UK operations, the assets and liabilities of the Company reside substantially within the UK. No other geographical or business categories are material in terms of disclosure in these accounts.

Tangible fixed assets Assets held for continuing use in the Company's business are capitalised and depreciated on a straight line basis over a three year period, considered to be their expected useful lives. Software development costs, including purchased software, licences, directly attributable internal costs and external consultants costs are also capitalised and amortised over a period of up to three years.

Pensions and other post-retirement benefits The Company has contributed to defined contribution schemes in respect of the majority of its employees. The pension costs for these funds are charged directly to the profit and loss account in the accounting period in which they are incurred. The defined contribution schemes have assets which are held separately from those of the companies involved, and are independently administered. The Company has also contributed to defined benefit schemes for certain employees of the Company and certain former employees of King & Shaxson Limited, Allied Provincial Securities Limited and Gerrard & King Limited. For the defined benefit schemes actuarial valuations are undertaken on a regular basis. Note 3 of the accounts provides further information in relation to the defined benefit arrangements.

Deferred taxation Deferred tax is recognised in full on timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred at the balance sheet date. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

This is a change in accounting policy, however it has had no material effect on the reported results for the current or prior year.

OMFS CENTRAL SERVICES LIMITED (FORMERLY KING & SHAXSON (DEALERS) LIMITED)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2002 (CONTINUED)

Deferred tax is measured at the rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted at the balance sheet date.

Foreign currency translation Foreign currency assets and liabilities are translated into sterling at the rates ruling at the year end. Income and expenditure in foreign currency is translated at an annual average rate and differences on exchange arising from such translation are included in the profit and loss account.

2 PROFIT ON ORDINARY ACTIVITIES

Profit on ordinary activities before tax is stated after charging:

	<u>Year ended</u> <u>31 December</u> <u>2002</u> <u>£</u>	<u>Year ended</u> <u>31 December</u> <u>2001</u> <u>£</u>
Auditor's Remuneration	10,000	-
Depreciation	155,452	-
Rent paid to parent undertaking	11,760,000	-
	<hr/>	<hr/>

3 DIRECTORS EMOLUMENTS AND EMPLOYEE INFORMATION

a. Directors emoluments

The directors of the Company received no emoluments for their services during the year by this Company. Their remuneration has been paid for by Gerrard Group plc and the costs have been fully recognised in the director's emoluments disclosure of that Company. No amounts have been recharged to OMFS Central Services Limited.

b. Employees and staff costs

The average number of persons employed by the company during the period is analysed below:

	<u>Year ended</u> <u>31 December</u> <u>2002</u>	<u>Year ended</u> <u>31 December</u> <u>2001</u>
Information Technology	92	-
Facilities and Hospitality	63	-
	<hr/> 155	<hr/> -

There were 144 persons employed by the company at 31 December 2002 (31 December 2001: Nil).

Costs for the period in respect of those employees were:

	<u>£</u>	<u>£</u>
Wages and salaries	6,031,089	-
Social security costs	536,735	-
Pension costs	183,697	-
	<hr/> 6,751,521	<hr/> -

OMFS CENTRAL SERVICES LIMITED (FORMERLY KING & SHAXSON (DEALERS) LIMITED)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2002(CONTINUED)

c. Pension scheme information

The employees of OMFS Central Services Limited are members of a number of different pension schemes operated across the Old Mutual Group in the UK. These schemes have been designed and administered in accordance with UK practices and include both defined contribution and defined benefit schemes. The assets of these schemes are held in separate trustee administered funds. Not all employees are members of a pension scheme.

The details of the pension schemes, including the costs borne by Group and the latest actuarial valuations, are disclosed in the accounts of Old Mutual Financial Services (UK) plc.

From 1 January 2003, new employees qualify to join the Old Mutual UK Pension Plan (DC03), a defined contribution scheme. No pension charge has been borne by the Company for the period in respect of the defined benefit arrangements. A fellow group company has recognised the amortisation charge in respect of the scheme surplus over the working lifetime of the members. If FRS 17 had been fully adopted, pension costs for defined benefit schemes would have been borne by a fellow group company and not OMFS Central Services Limited.

4 TAX CREDIT ON PROFIT ON ORDINARY ACTIVITIES

	<u>Year ended</u> <u>31 December</u> <u>2002</u>	<u>Year ended</u> <u>31 December</u> <u>2001</u>
	<u>£</u>	<u>£</u>
a) Analysis of charge in the year		
UK Corporation tax on profits of the period	-	-
b) factors affecting tax charge for the year		
Profit on ordinary activities before tax	-	-
Profit on ordinary multiplied by standard rate of corporation tax in the UK 30%	-	-
Effects of:		
Capital allowances in excess of depreciation	(22,569)	-
Entertaining	195,024	-
Group relief for no payment	(200,775)	-
Other	28,320	-
	-	-

c) Factors that may affect future tax charges

No deferred tax has been recognised as it has been assumed that the company will be unable to utilise the assets in the foreseeable future.

OMFS CENTRAL SERVICES LIMITED (FORMERLY KING & SHAXSON (DEALERS) LIMITED)
NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2002 (CONTINUED)

5 FIXED ASSETS

	Motor Vehicles	Equipment fixtures & fittings	Disaster recovery assets	Total
	£	£	£	£
Cost				
At 1 January 2002	-	-	-	-
Transfers in from a fellow group company	-	14,451	-	14,451
Additions	7,524	-	900,757	908,281
At 31 December 2002	7,524	14,451	900,757	922,732
Depreciation				
At 1 January 2002	-	-	-	-
Charge for period	1,254	4,072	150,126	155,452
At 31 December 2002	1,254	4,072	150,126	155,452
Net book value at 31 December 2002	6,270	10,379	750,631	767,280
Net book value at 31 December 2001	-	-	-	-

6 DEBTORS FALLING DUE WITHING ONE YEAR

	<u>31 December 2002</u>	<u>31 December 2001</u>
	£	£
Amounts due from group undertakings	11,682,030	100
Trade debtors	977,140	-
Prepayment of rent to parent undertaking	23,520,000	-
Prepayments and accrued income	100,024	-
Other debtors	271,004	-
	<u>36,550,198</u>	<u>100</u>

Prepayments of rent to parent undertaking includes £11.8 million relating to the period after more than one year (2004).

7 CREDITORS FALLING DUE WITHIN ONE YEAR

	<u>31 December 2002</u>	<u>31 December 2001</u>
	£	£
Amounts due to group undertakings	38,910,089	-
Trade creditors	158,770	-
Other creditors	205,040	-
Accruals and deferred income	2,809,803	-
	<u>42,083,702</u>	<u>-</u>

OMFS CENTRAL SERVICES LIMITED (FORMERLY KING & SHAXSON (DEALERS) LIMITED)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2002(CONTINUED)

8 CALLED UP SHARE CAPITAL

	Authorised		Allotted and fully paid	
	31 December 2002	31 December 2001	31 December 2002	31 December 2001
Ordinary shares of £1 each	100	100	100	100
	=====	=====	=====	=====

9 PROFIT AND LOSS ACCOUNT

	£
At 1 January 2002 and 31 December 2002	-
	=====

10 RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	<u>31 December 2002</u>	<u>31 December 2001</u>
	£	£
Opening shareholders' funds	100	100
Profit for the financial year	-	-
Closing shareholders' funds	100	100
	=====	=====

11 ULTIMATE PARENT UNDERTAKING AND RELATED PARTY TRANSACTIONS

The ultimate parent company at 31 December 2002 was Old Mutual plc, a Company incorporated in England & Wales.

The largest and smallest groups in which the results of the Company are consolidated are Old Mutual plc and Old Mutual Financial Services (UK) plc, the immediate parent undertaking. Copies of the ultimate parent company's accounts may be obtained from: The Company Secretary, 3rd Floor, Lansdowne House, 57 Berkeley Square, London W1X 5DH. Copies of the accounts of Old Mutual Financial Services (UK) plc may be obtained from: The Company Secretary, Old Mutual Place, 2 Lambeth Hill, London, EC4V 4GG.

Advantage is taken in these financial statements of the exemptions available in FRS8 for disclosure of transactions with related parties that are at least 90% owned within the same group.