

**PRIESTLEY & PARTNERS (INSURANCE)
BROKERS LIMITED**

FINANCIAL STATEMENTS

FOR

30TH SEPTEMBER 2001



Company Registration Number 1278058

EDWARDS VEEDER
Chartered Accountants & Registered Auditors
Bank House
260/8 Chapel Street
Salford
MANCHESTER M3 5JZ

PRIESTLEY & PARTNERS (INSURANCE) BROKERS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30TH SEPTEMBER 2001

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PRIESTLEY & PARTNERS (INSURANCE) BROKERS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30TH SEPTEMBER 2001

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30th September 2001.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of Insurance Brokers.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £0.01 each	
	At 30 September 2001	At 1 October 2000
MR N R SWIFT	65,000	65,000
MR B R McGLAULIN	<u>35,000</u>	<u>35,000</u>

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 6, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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. The directors 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

A resolution to re-appoint Edwards Veeder as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

PRIESTLEY & PARTNERS (INSURANCE) BROKERS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30TH SEPTEMBER 2001

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
Whitehead House
Pacific Road
Altrincham
Cheshire
WA14 5BJ

Signed by order of the directors



MR B R McGLAULIN
Company Secretary

Approved by the directors on 31/10/01

PRIESTLEY & PARTNERS (INSURANCE) BROKERS LIMITED**AUDITORS' REPORT TO THE SHAREHOLDERS****YEAR ENDED 30TH SEPTEMBER 2001**

We have audited the financial statements on pages 4 to 8 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on page 1, the company's directors are responsible for the preparation of the 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 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 30th September 2001 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Bank House
260/8 Chapel Street
Salford
MANCHESTER

M3 5JZ

8/11/2001
.....

Edwards Veeder
EDWARDS VEEDER
Chartered Accountants
& Registered Auditors

PRIESTLEY & PARTNERS (INSURANCE) BROKERS LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30TH SEPTEMBER 2001

	Note	2001 £	2000 £
TURNOVER		412,899	371,221
Administrative expenses		303,106	311,361
OPERATING PROFIT	2	109,793	59,860
Interest receivable		11,493	10,143
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		121,286	70,003
Tax on profit on ordinary activities	3	(24,743)	(15,734)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		96,543	54,269
Equity dividends paid		48,000	35,000
RETAINED PROFIT FOR THE FINANCIAL YEAR		48,543	19,269
Balance brought forward		83,727	64,458
Balance carried forward		132,270	83,727

The notes on pages 6 to 8 form part of these financial statements.

PRIESTLEY & PARTNERS (INSURANCE) BROKERS LIMITED

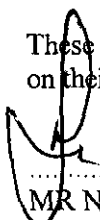
BALANCE SHEET

30TH SEPTEMBER 2001

	Note	2001 £	2000 £
FIXED ASSETS			
Tangible assets	4	13,932	18,576
CURRENT ASSETS			
Debtors	5	363,300	317,385
Cash at bank and in hand		318,966	189,307
		<u>682,266</u>	<u>506,692</u>
CREDITORS: Amounts falling due within one year	6	<u>(562,928)</u>	<u>(440,541)</u>
NET CURRENT ASSETS		<u>119,338</u>	<u>66,151</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>133,270</u>	<u>84,727</u>
CAPITAL AND RESERVES			
Called-up equity share capital	8	1,000	1,000
Profit and Loss Account		132,270	83,727
SHAREHOLDERS' FUNDS		<u>133,270</u>	<u>84,727</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

These financial statements were approved by the directors on the 31/10/01, and are signed on their behalf by:


MR N R SWIFT


MR B R McGLAULIN

PRIESTLEY & PARTNERS (INSURANCE) BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH SEPTEMBER 2001

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Computer Costs - 25%

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss Account.

2. OPERATING PROFIT

Operating profit is stated after charging:

	2001	2000
	£	£
Directors' emoluments	71,056	114,408
Staff pension contributions	33,149	33,386
Depreciation	4,644	5,615
Loss on disposal of fixed assets	-	2,894
Auditors' fees	3,886	3,886

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2001	2000
	£	£
In respect of the year:		
Corporation Tax based on the results for the year at 20% (2000 - 20%)	25,400	15,734
Adjustment in respect of previous years:		
Corporation Tax	(657)	-
	<u>24,743</u>	<u>15,734</u>

PRIESTLEY & PARTNERS (INSURANCE) BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH SEPTEMBER 2001

4. TANGIBLE FIXED ASSETS

	Computer Equipment £
COST	
At 1st October 2000 and 30th September 2001	<u>24,437</u>
DEPRECIATION	
At 1st October 2000	5,861
Charge for the year	<u>4,644</u>
At 30th September 2001	<u>10,505</u>
NET BOOK VALUE	
At 30th September 2001	<u>13,932</u>
At 30th September 2000	<u>18,576</u>

5. DEBTORS

	2001 £	2000 £
Trade debtors	363,130	316,791
Prepayments and accrued income	<u>170</u>	<u>594</u>
	<u>363,300</u>	<u>317,385</u>

6. CREDITORS: Amounts falling due within one year

	2001 £	2000 £
Trade creditors	479,707	374,929
Other creditors including taxation:		
Corporation Tax	25,400	15,744
PAYE and social security	4,668	3,953
Other creditors	<u>48,000</u>	<u>35,000</u>
	78,068	54,697
Accruals and deferred income	<u>5,153</u>	<u>10,915</u>
	<u>562,928</u>	<u>440,541</u>

7. RELATED PARTY TRANSACTIONS

The company was under the control of Mr Swift throughout the current and previous year. Mr Swift is the managing director and majority shareholder.

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

PRIESTLEY & PARTNERS (INSURANCE) BROKERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30TH SEPTEMBER 2001****8. SHARE CAPITAL****Authorised share capital:**

	2001	2000
	£	£
100,000 Ordinary shares of £0.01 each	<u>1,000.00</u>	<u>1,000.00</u>

Allotted, called up and fully paid:

	2001	2000
	£	£
Ordinary share capital	<u>1,000.00</u>	<u>1,000.00</u>