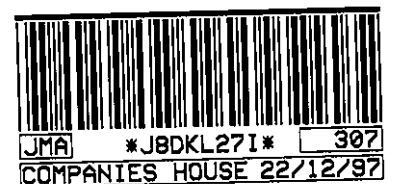


COMPANY NO. 1278058

PRIESTLEY & PARTNERS (INSURANCE) BROKERS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 1997



COMPANY NO. 1278058

PRIESTLEY & PARTNERS (INSURANCE) BROKERS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 1997

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PRIESTLEY & PARTNERS (INSURANCE) BROKERS LIMITED**REPORT OF THE DIRECTORS**

The directors present their annual report and the audited accounts for the year ended 30th September, 1997.

ACTIVITIES

The principal activity of the company is that of Insurance Brokers and the company is registered with the Insurance Brokers Registration Council.

DIRECTORS AND THEIR INTERESTS

The directors in office at the date of this report, all of whom served throughout the period, are listed on page 1. The directors interests in the share capital of the company are listed below.

	Interest in 1p ordinary shares	
	<u>1997</u>	<u>1996</u>
N.M.Priestley A.C.I.I.	95000	95000
J.P.Astbury A.C.I.I.	-	-
N.R.Swift	-	-
B.R.McGlaulin	-	-

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 judgments 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.

CLOSE COMPANY STATUS

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

POLITICAL AND CHARITABLE CONTRIBUTIONS

The company has not made gifts of more than £200 in each category.

AUDITORS

Edwards Veeder have not offered themselves for re-appointment and new auditors will be appointed at the Annual General Meeting.

This report has been prepared taking advantage of the exemptions conferred by Part 1 of Schedule 8 of the Companies Act 1985.

REGISTERED OFFICE

32 Market Street
Altrincham
Cheshire
WA14 1PF

COMPANY SECRETARY


B.R.McGlaulin

19/12/97

PRIESTLEY & PARTNERS (INSURANCE) BROKERS LIMITED**REPORT OF THE AUDITORS TO THE SHAREHOLDERS**

We have audited the financial statements on pages 3 to 7. Our audit was conducted in accordance with auditing standards.

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.

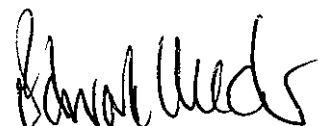
Basis of opinion

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 judgments 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 at 30th September, 1997 and its results for the year then ended and have been properly prepared in accordance with the requirements of the Companies Act 1985 applicable to small companies.



*Edwards Veeder
Chartered Accountants and
Registered Auditors
Bank House
266/8 Chapel Street
Salford
Manchester
M3 5JZ*

19/12/97

PRIESTLEY & PARTNERS (INSURANCE) BROKERS LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 30TH SEPTEMBER, 1997**

		<u>1997</u>	<u>1996</u>
	Note	£	£
TURNOVER	2	290,276	236,166
Administration Expenses		231,423	210,402
Other Operating Charges		<u>27,627</u>	<u>25,555</u>
		<u>259,050</u>	<u>235,957</u>
OPERATING PROFIT	3	31,226	209
Other Income	5	<u>3,156</u>	<u>2,404</u>
PROFIT ON ORDINARY ACTIVITIES		34,382	2,613
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	6	<u>(10,547)</u>	<u>(1,947)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		23,835	666
Dividends	7	<u>22,688</u>	<u>-</u>
RETAINED PROFIT FOR THE YEAR		1,147	666
RETAINED PROFIT BROUGHT FORWARD		<u>13,449</u>	<u>12,783</u>
RETAINED PROFIT CARRIED FORWARD		<u>14,596</u>	<u>13,449</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above two financial years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

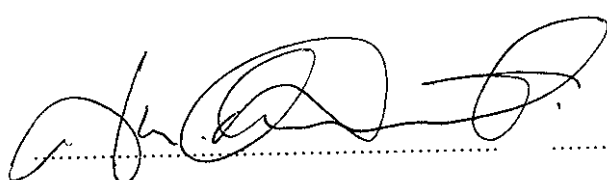
The notes on pages 5 to 7 form part of these financial statements.

PRIESTLEY & PARTNERS (INSURANCE) BROKERS LIMITED**BALANCE SHEET AT 30TH SEPTEMBER, 1997**

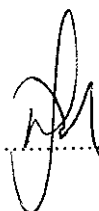
		<u>1997</u>		<u>1996</u>	
	Note	£	£	£	£
FIXED ASSETS					
Tangible Assets	8		6,054		7,671
CURRENT ASSETS					
Debtors	9	170,818		182,339	
Cash at Bank					
-Insurance Broking Accounts		59,250		120,780	
-Office Account		6,875		4,943	
Cash at bank and in hand		<u>600</u>		<u>600</u>	
		237,543		308,662	
CREDITORS					
Amounts falling due					
within one year	10	<u>228,001</u>		<u>301,884</u>	
NET CURRENT ASSETS			<u>9,542</u>		<u>6,778</u>
NET ASSETS			<u>15,596</u>		<u>14,449</u>
CAPITAL & RESERVES					
Called up share capital	11		1,000		1,000
Reserves	12		<u>14,596</u>		<u>13,449</u>
			<u>15,596</u>		<u>14,449</u>

The directors have taken advantage of special exemptions conferred by Schedule 8 to the Companies Act 1985 applicable to small companies in the preparation of the accounts and have done so on the grounds that, in their opinion, the company is entitled to those exemptions.

The notes on pages 5 to 7 form part of these financial statements.



Signed on behalf of the Board of Directors.



19/12/97

PRIESTLEY & PARTNERS (INSURANCE) BROKERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30TH SEPTEMBER, 1997****1 ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year.

Basis of accounting

The accounts have been prepared in accordance with the historical cost convention.

Depreciation

Depreciation has been calculated on a reducing basis using the following rates:-

Office Equipment	25%
Furniture & Fittings	15%

These rates are calculated to write off the cost of the assets over their effective lives and are consistent with those used in previous accounting periods.

2 TURNOVER

Commission in respect of non-life business is accounted for when the the insured is charged with the premium.

3 PROFIT OR LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging or (crediting) the following:

	<u>1997</u>	<u>1996</u>
	£	£
Depreciation of tangible fixed assets	1,617	2,086
Directors emoluments (see note 4)	76,457	85,320
Auditors' remuneration	<u>3,525</u>	<u>2,610</u>

4 DIRECTORS' REMUNERATION

	<u>1997</u>	<u>1996</u>
	£	£
Directors' Remuneration	<u>76,457</u>	<u>85,320</u>
Total Emoluments	<u>76,457</u>	<u>85,320</u>

PRIESTLEY & PARTNERS (INSURANCE) BROKERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30TH SEPTEMBER, 1997****5 OTHER INCOME**

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Bank Interest	<u>3,156</u>	<u>2,404</u>
	<u>3,156</u>	<u>2,404</u>

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Corporation tax at 21 % (1996 24%)	10,562	1,947
In respect of prior years:-		
Corporation Tax Under/(Over) Provided	<u>(15)</u>	<u>-</u>
	<u>10,547</u>	<u>1,947</u>

7 DIVIDENDS

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Dividends on Ordinary Shares	<u>22,688</u>	<u>-</u>

8 TANGIBLE FIXED ASSETS

	<u>Office Equipment</u>	<u>Furniture & Fittings</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>
<u>Cost</u>			
At 1 October 1996	<u>38,691</u>	<u>17,087</u>	<u>55,778</u>
At 30 September 1997	<u>38,691</u>	<u>17,087</u>	<u>55,778</u>
<u>Depreciation</u>			
At 1 October 1996	34,023	14,084	48,107
Charge for the year	<u>1,167</u>	<u>450</u>	<u>1,617</u>
At 30 September 1997	<u>35,190</u>	<u>14,534</u>	<u>49,724</u>
<u>Net Book Amount</u>			
At 30 September 1997	<u>3,501</u>	<u>2,553</u>	<u>6,054</u>
At 1 October 1996	<u>4,668</u>	<u>3,003</u>	<u>7,671</u>

PRIESTLEY & PARTNERS (INSURANCE) BROKERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30TH SEPTEMBER, 1997****9 DEBTORS**

	<u>1997</u>	<u>1996</u>
	£	£
<u>Amounts Falling Due Within One Year</u>		
Trade debtors-Insurance Transactions	166,443	177,177
Prepayments and accrued income	<u>4,375</u>	<u>5,162</u>
	<u>170,818</u>	<u>182,339</u>

10 CREDITORS: Amounts falling due within one year

	<u>1997</u>	<u>1996</u>
	£	£
Trade creditors-Insurance Transactions	198,099	269,802
Corporation tax	4,890	1,950
Other taxation and social security	3,916	3,643
Directors' Loans	-	11,650
Accruals and deferred income	<u>21,096</u>	<u>14,839</u>
	<u>228,001</u>	<u>301,884</u>

11 SHARE CAPITAL

	<u>1997</u>	<u>1996</u>
	£	£
Authorised:		
Ordinary Shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted and fully paid:		
Ordinary shares of £1 per share	<u>1,000</u>	<u>1,000</u>

12 RESERVES

	<u>1997</u>	<u>1996</u>
	£	£
Revenue Reserves brought forward	13,449	12,783
Profit Retained	<u>1,147</u>	<u>666</u>
	<u>14,596</u>	<u>13,449</u>