

FINSURE PREMIUM FINANCE LIMITED

ANNUAL REPORT 2001

Registration No. 1670887



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COMPANIES HOUSE

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FINSURE PREMIUM FINANCE LIMITED

DIRECTORS' REPORT

The Directors submit their report and financial statements for the year to December 31, 2001.

Results and dividends

The profit on ordinary activities after taxation amounted to £3,275,000 (2000 - £1,874,000 profit).

The Company paid a dividend of £4,500,000 to the shareholder on December 14, 2001 (2000 - £999,900 on August 31).

Review of the business and future developments

The company's principal activity is the transaction of premium finance business for all classes of insurance other than life assurance. The Directors anticipate that this business will continue to grow strongly during 2002.

Directors and their interests

The Directors who served during the year were as follows:

P M Bunker	
J Carrier	(resigned January 31, 2001)
H S Hughes	(resigned March 31, 2002)
P Chaplain	(resigned March 31, 2002)
J G B Craig	

C W Roberts	(appointed March 31, 2002)
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No Director had, at any time during the year, any interest in the shares of this company or the parent company.

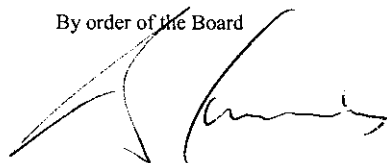
Payment of suppliers

It is the practice of the company to pay all suppliers within the terms of credit agreed with each supplier.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc. as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board



P B Cassidy
Company Secretary

April 11, 2002

FINSURE PREMIUM FINANCE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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 accounts, the Directors are required to :

- * select suitable accounting policies and then apply them consistently;
- * make judgments 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 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.

FINSURE PREMIUM FINANCE LIMITED

INDEPENDENT AUDITOR'S REPORT

to the members of Finsure Premium Finance Limited

We have audited the financial statements on pages 4 to 9.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, 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.

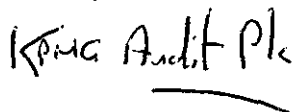
Basis of audit opinion

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 December 31, 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG Audit Plc
Chartered Accountants
Registered Auditor
8 Salisbury Square
London
EC4Y 8BB

April 11, 2002

FINSURE PREMIUM FINANCE LIMITED

PROFIT AND LOSS ACCOUNT

Year ended December 31, 2001

	<u>Notes</u>	2001 £'000	2000 £'000
Turnover	2	22,170	15,035
Administrative expenses		13,957	9,892
		<hr/>	<hr/>
Operating profit		8,213	5,143
Interest receivable		77	7
Interest payable to parent undertaking		<hr/> 3,686	<hr/> 2,395
Profit on ordinary activities before taxation	3	4,604	2,755
Taxation on profit on ordinary activities	5	<hr/> 1,329	<hr/> 881
Profit on ordinary activities after taxation		3,275	1,874
Dividend	10	4,500	1,000
Retained profit/(loss) for the year		<hr/> (1,225)	<hr/> 874
Retained profit brought forward	10	2,215	1,341
		<hr/>	<hr/>
Retained profit carried forward		<hr/> 990	<hr/> 2,215

All activities dealt with in the profit and loss account relate to continuing activities.

There are no recognised gains and losses other than the profit for the year.

FINSURE PREMIUM FINANCE LIMITED

BALANCE SHEET

As at December 31, 2001

	Notes	2001 £'000	2000 £'000
Fixed assets:			
Tangible fixed assets	6	27	41
Current assets:			
Premium finance loans		102,290	69,894
Other debtors due within one year	7	442	181
Other debtors due after one year	7	918	50
Cash at bank and in hand		2,871	2,544
		<hr/> 106,521	<hr/> 72,669
Creditors: amounts falling due within one year			
Amounts due to parent undertaking		89,086	55,905
Other creditors	8	15,472	13,590
		<hr/> 104,558	<hr/> 69,495
Net current assets		<hr/> 1,963	<hr/> 3,174
Net assets		<hr/> <u>1,990</u>	<hr/> <u>3,215</u>
Capital and reserves:			
Called up share capital	9	1,000	1,000
Profit and loss account		990	2,215
		<hr/>	<hr/>
Shareholder's funds (equity interests)	10	<hr/> <u>1,990</u>	<hr/> <u>3,215</u>

These financial statements were approved by the Board of Directors on April 11, 2002.

On behalf of the Board



P M Bunker

Director

FINSURE PREMIUM FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2001

1 Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with section 226 of and schedule 4 to the Companies Act 1985 and with applicable accounting standards.

Turnover

Credit interest is accounted for in the period in which loans are processed; a provision for unearned credit interest is made based on the reducing capital balances outstanding on loans.

Deferred taxation

Deferred taxation is provided on the liability method on all timing differences to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is estimated that tax will be payable.

Cash flow statements

As permitted by Financial Reporting Standard No. 1 (revised), a cash flow statement is not presented in these financial statements as the company is a wholly owned subsidiary of Credit Suisse Group, the consolidated financial statements of which are publicly available.

Depreciation

Data processing equipment is depreciated on a straight line basis over a period of 4 years and software is depreciated on a straight line basis over a period of 2 years.

Group Relief

Provision is made for payments or receipts arising from the acceptance or surrender of tax losses under the group and consortium relief provisions of the Taxes Acts to the extent that it is believed, based on the latest projections for the tax profile of the overall group, that capacity for group relief exists. Provision is normally made at the applicable rate of corporation tax for the year in question.

2 Turnover

	<u>2001</u>	<u>2000</u>
	£'000	£'000
Net earnings from premium finance loans	<u>22,170</u>	<u>15,035</u>

All the above income arises in the UK.

3 Profit on ordinary activities before taxation

There is no charge in the financial statements for auditor's remuneration as these costs are borne by the parent undertaking, The National Insurance and Guarantee Corporation Ltd.

The company has no employees. All staff are employed by the parent company and salaries and related costs are recharged by way of management fee and included in administrative expenses.

FINSURE PREMIUM FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2001

4 Directors' Emoluments

No director, other than P Chaplain (resigned March 31, 2002), received any remuneration in respect of services rendered as a director of the company. P M Bunker and H S Hughes were directors of The National Insurance and Guarantee Corporation Ltd. throughout the year, and their remuneration in respect of group services is disclosed in the financial statements of The National Insurance and Guarantee Corporation Ltd. No disclosure of J G B Craig's remuneration is disclosed in any group company financial statements on the basis that he was not at any time during the year a director of The National Insurance and Guarantee Corporation Ltd., in whose service he is principally employed and remunerated. The remuneration of P Chaplain is set out below:

	<u>2001</u>	<u>2000</u>
	<u>£'000</u>	<u>£'000</u>
Aggregate and Highest Paid Director:		
Emoluments (excluding pension contributions)	142	94
Pension contributions	10	8
	<u>152</u>	<u>102</u>

5 Taxation

	<u>2001</u>	<u>2000</u>
	<u>£'000</u>	<u>£'000</u>
Current year @ 30% (2000 - 30%)	1,329	877
Prior year adjustment	-	4
	<u>1,329</u>	<u>881</u>

6 Tangible fixed assets

	<u>Office Equipment £'000</u>
At 1 January 2001	
Cost or valuation	56
Additions	-
At 31 December 2001	<u>56</u>
At 1 January 2001	
Depreciation	15
Charge in the year	14
At 31 December 2001	<u>29</u>
Net book value at 31 December 2001	<u>27</u>
Net book value at 31 December 2000	<u>41</u>

FINSURE PREMIUM FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2001

7 Other debtors

	<u>2001</u>	<u>2000</u>
	<u>£'000</u>	<u>£'000</u>
Loans to brokers		
Amounts falling due in:		
Less than one year	204	25
Greater than one year	918	50
	<u>1,122</u>	<u>75</u>
Sundry Debtors	60	-
Prepayments & accrued income	178	156
	<u>1,360</u>	<u>231</u>

8 Other creditors

	<u>2001</u>	<u>2000</u>
	<u>£'000</u>	<u>£'000</u>
Due to insurance brokers and agents	5,723	8,315
Accruals and deferred income	8,366	4,344
Corporation tax	1,383	931
	<u>15,472</u>	<u>13,590</u>

9 Share capital

	<u>2001</u>	<u>2000</u>
	<u>£'000</u>	<u>£'000</u>
<u>Authorised</u>		
1,000,000 ordinary shares of £1 each (2000 - 1,000,000)	<u>1,000</u>	<u>1,000</u>
<u>Allotted, called up and fully paid</u>		
1,000,000 ordinary shares of £1 each (2000 - 1,000,000)	<u>1,000</u>	<u>1,000</u>

10 Reconciliation of movement in shareholder's funds

	Share capital	Profit and loss account	Total
	£'000	£'000	£'000
At January 1, 2000	-	1,341	1,341
Share Issue	1,000	-	1,000
Profit for the year	-	1,874	1,874
Dividend	-	(1,000)	(1,000)
At December 31, 2000	<u>1,000</u>	<u>2,215</u>	<u>3,215</u>
At January 1, 2001	1,000	2,215	3,215
Profit for the year	-	3,275	3,275
Dividend	-	(4,500)	(4,500)
At December 31, 2001	<u>1,000</u>	<u>990</u>	<u>1,990</u>

FINSURE PREMIUM FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2001

11 Related party transactions

Exemption

The company has taken advantage of the exemption under paragraph 17 of FRS8 "Related Party Disclosures" as at least 90% of its voting rights are controlled within the group of companies, of which it is a member.

12 Capital commitments

The company had no contracted capital commitments at December 31, 2001 (2000 - £Nil).

13 Contingent liabilities

There were no contingent liabilities at December 31, 2001 (2000 - £Nil).

14 Ultimate and intermediate parent undertakings

At the end of the financial year the ultimate parent undertaking was Credit Suisse Group, a company incorporated in Switzerland.

The parent undertaking of the largest group of undertakings for which group accounts are drawn up which include the results of the company is Credit Suisse Group. Copies of these accounts are available from Paradeplatz 8, Postfach 1, 8070 Zurich, Switzerland.

The parent undertaking of the smallest such group is The National Insurance and Guarantee Corporation Ltd. which is registered in England and Wales. Copies of the financial statements of The National Insurance and Guarantee Corporation Ltd. are available from Crown House, 145 City Road, London, EC1V 1LP.