

FINSURE PREMIUM FINANCE LIMITED

ANNUAL REPORT 2000

Registration No. 1670887



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COMPANIES HOUSE 29/06/01

FINSURE PREMIUM FINANCE LIMITED

DIRECTORS' REPORT

The Directors submit their report and financial statements for the year to December 31, 2000.

Results and dividends

The profit on ordinary activities after taxation amounted to £1,874,000 (1999 - £995,000).

The Directors paid an interim dividend of £999,900 (1999 - nil) on August 31, 2000, but do not recommend the payment of a final dividend (1999 - nil).

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 2001.

On March 31, 2000, the entire issued share capital of The National Insurance & Guarantee Corporation PLC, the company's intermediate holding company, was sold by Skandia (UK) Holdings Limited to Churchill Insurance Group Limited, a subsidiary of the Credit Suisse Group.

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	
P Chaplain	
J Craig	(appointed May 2, 2000)

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

Following the acquisition of the company's parent company's shares by the Churchill Insurance Group Limited, a resolution was passed to appoint KPMG Audit Plc as auditors in place of Ernst & Young.

By order of the Board



P B Cassidy
Secretary

21 May 2001

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; and
- * 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

REPORT OF THE AUDITORS

to the members of Finsure Premium Finance Limited

We have audited the financial statements on pages 4 to 8.

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. 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 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, 2000 and of its profit 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
London

21 May 2001

FINSURE PREMIUM FINANCE LIMITED

PROFIT AND LOSS ACCOUNT

Year ended December 31, 2000

	<u>Notes</u>	2000 £'000	1999 £'000
Turnover	2	15,035	7,813
Administrative expenses		9,892	5,254
		<hr/>	<hr/>
Operating profit		5,143	2,559
Interest receivable		7	3
Interest payable to parent undertaking		<hr/> 2,395	<hr/> 1,136
Profit on ordinary activities before taxation	3	2,755	1,426
Taxation charge	4	<hr/> 881	<hr/> 431
Retained profit for the financial year		1,874	995
Dividend		1,000	-
Retained profit brought forward		1,341	346
		<hr/>	<hr/>
Retained profit carried forward		<hr/> <hr/> 2,215	<hr/> <hr/> 1,341

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, 2000

	Notes	2000 £'000	1999 £'000
Fixed assets:			
Tangible fixed assets	5	41	28
Current assets:			
Premium finance loans		69,894	39,731
Other debtors due within one year	6	181	220
Other debtors due after one year	6	50	17
Cash at bank and in hand		2,544	2,286
		<hr/> 72,669	<hr/> 42,254
Creditors: amounts falling due within one year			
Amounts due to parent undertaking		55,905	30,357
Other creditors	7	13,590	10,584
		<hr/> 69,495	<hr/> 40,941
Net current assets		<hr/> 3,174	<hr/> 1,313
Net assets		<hr/> <u>3,215</u>	<hr/> <u>1,341</u>
Capital and reserves:			
Called up share capital	8	1,000	-
Profit and loss account		2,215	1,341
		<hr/> 3,215	<hr/> 1,341
Shareholder's funds (equity interests)	9	<hr/> <u>3,215</u>	<hr/> <u>1,341</u>

These financial statements were approved by the Board of Directors on 21 May 2001.

On behalf of the Board

P Chaplain

Director

FINSURE PREMIUM FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2000

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 and software are depreciated on a straight line basis over a period of up to four 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>2000</u>	<u>1999</u>
	<u>£'000</u>	<u>£'000</u>
Net earnings from premium finance loans	<u>15,035</u>	<u>7,813</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 auditors' remuneration as these costs are borne by the parent undertaking, The National Insurance and Guarantee Corporation PLC.

All the Directors who served throughout the year, with the exception of P Chaplain and J Craig, were also Directors of The National Insurance and Guarantee Corporation PLC and were remunerated by that company for their services to the group as a whole. Details of their remuneration are included within the aggregate remuneration of that company and can be found in the financial statements of The National Insurance and Guarantee Corporation PLC.

The company has no employees. All staff are employed by the parent company and salaries and related costs are recharged via administrative expenses.

FINSURE PREMIUM FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2000

4 Taxation

	<u>2000</u>	<u>1999</u>
	<u>£'000</u>	<u>£'000</u>
Current year @ 30% (1999: 30.25%)	877	431
Prior year adjustment	4	-
	<u>881</u>	<u>431</u>

5 Tangible fixed assets

	Office Equipment £'000
At 1 January 2000	
Cost or valuation	31
Additions	25
At 31 December 2000	<u>56</u>
At 1 January 2000	
Depreciation	3
Charge in the year	12
At 31 December 2000	<u>15</u>
Net book value at 31 December 2000	<u>41</u>
Net book value at 31 December 1999	<u>28</u>

6 Other debtors

	<u>2000</u>	<u>1999</u>
	<u>£'000</u>	<u>£'000</u>
Loans to brokers		
Amounts falling due in:		
Less than one year	25	11
One to two years	17	11
Two to five years	33	6
	<u>75</u>	<u>28</u>
Prepayments & accrued income	156	209
	<u>231</u>	<u>237</u>

7 Other creditors

	<u>2000</u>	<u>1999</u>
	<u>£'000</u>	<u>£'000</u>
Due to insurance brokers and agents	8,315	7,394
Accruals and deferred income	4,344	2,626
Corporation tax	931	564
	<u>13,590</u>	<u>10,584</u>

FINSURE PREMIUM FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2000

8 Share capital

	<u>2000</u>	<u>1999</u>
	£'000	£'000
<u>Authorised</u>		
1,000,000 ordinary shares of £1 each (1999-100)	<u>1,000</u>	<u>-</u>
 Allotted, called up and fully paid		
1,000,000 ordinary shares of £1 each (1999-100)	<u>1,000</u>	<u>-</u>

9 Reconciliation of movement in shareholder's funds

	Share capital £'000	Profit and loss account £'000	Total £'000
At January 1, 1999	-	346	346
Profit for the year	-	995	995
 At December 31, 1999	<u>-</u>	<u>1,341</u>	<u>1,341</u>
 At January 1, 2000	-	1,341	1,341
Share Issue	1,000	-	1,000
Profit for the year	-	874	874
 At December 31, 2000	<u>1,000</u>	<u>2,215</u>	<u>3,215</u>

10 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.

11 Capital commitments

The company had no contracted capital commitments at December 31, 2000 (1999 - £Nil).

12 Contingent liabilities

There were no contingent liabilities at December 31, 2000 (1999 - £Nil).

13 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 financial statements are drawn up of which the company is a member is the Credit Suisse Group and the parent undertaking of the smallest such group is The National Insurance and Guarantee Corporation PLC which is registered in England and Wales. Copies of the financial statements of Credit Suisse Group are available from Paradeplatz 8, Postfach 1, 8070 Zurich, Switzerland.