

Company Registration No. 1723284 (England and Wales)



CHASE DE VERE INVESTMENTS PLC

**DIRECTORS' REPORT
AND FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2002



CHASE DE VERE INVESTMENTS PLC

DIRECTORS AND ADVISERS

Directors	I D Kennedy	Chairman
	N Mitchell	Chief Executive
	R G R Bloor	Director
	D I Newman	Director
	N C Purchase	Director
	M P Scott	Director
	C J Shaw	Director
	M A Sims	Director
	T S Lloyd	Alternate Director

Secretary	T S Lloyd
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Company Number	1723284
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Registered Office	One Temple Back East Temple Quay Bristol BS1 6DX
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Registered Auditors	PricewaterhouseCoopers 31 Great George Street Bristol BS1 5QD
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Solicitors	Burges Salmon Narrow Quay House Narrow Quay Bristol BS1 4AH
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CHASE DE VERE INVESTMENTS PLC

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CHASE DE VERE INVESTMENTS PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2002

The Directors present their report and financial statements for the year ended 31 March 2002.

Directors

The following directors have held office since 1 April 2001:

I D Kennedy	
N Mitchell	
J Warren	(Resigned 11 October 2001)
M R Edge	(Resigned 11 October 2001)
A Berresford	(Appointed 21 August 2001, Resigned 11 October 2001)
R G R Bloor	(Appointed 5 November 2001)
D I Newman	(Appointed 5 November 2001)
N C Purchase	(Appointed 5 November 2001)
M P Scott	(Appointed 5 November 2001)
C J Shaw	(Appointed 5 November 2001)
M A Sims	(Appointed 5 November 2001)
T S Lloyd	(Appointed 15 November 2001)

Principal Activities and Review of the Business

The company's principal activities during the year continued to be that of independent financial and investment advisers.

The company continued to invest in the development of the business during the year. Significant investments included the relocation of our London offices to accommodate the continued growth in employee numbers and the development and implementation of an integrated system for client management and new business processing.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect growth in the foreseeable future.

Results and Dividends

The profit and loss for the year is set out on page 5.

The directors do not recommend payment of a dividend.

It is proposed that the retained profit of £3,533,602 be transferred to the company's reserves (2000/01 £8,544,610).

Future Developments

The directors aim to maintain the successful management policies which have resulted in the company's substantial growth over recent years. They believe that the company is extremely well placed to take full advantage of the opportunities presented by the rapidly growing demand for high quality financial advice.

CHASE DE VERE INVESTMENTS PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2002

Directors' Interests

None of the directors had any interest in the shares of the company at the period end.

The company is a wholly owned subsidiary of Bristol & West Plc.

Share Options

The company operates an Executive Share Option scheme. The number of £1 ordinary shares granted under the option scheme as at 31 March 2002 was 43,781, and at 31 March 2001 was 48,067. 4,286 options lapsed during the current financial period and no further options were issued.

The Holding Company was acquired by Bristol & West plc on 11 September 2000. As part of the sale agreement, option holders consented to the part-cancellation of their options, each option being cancelled in respect of 80 per cent of Chase de Vere shares under option, and received an amount equal to their interest in the purchase price had all the options been exercised.

All the options in issue at 31 March 2002 will be cancelled upon payment of additional purchase consideration to option holders in January 2003.

People

Partnership and teamwork are qualities valued by the company. These are encouraged through regular meetings and consultation with staff.

The Directors believe it is important that all employees are kept fully informed of any financial and economic factors that may impact the business. The company uses a variety of mechanisms to keep employees informed, including an annual whole company meeting where information on strategy, business plans and other relevant information is shared.

The company is committed to equal opportunities for all staff and job applicants. It gives full and fair consideration to applications for employment from disabled people and to the training, promotion and development of disabled employees. The company ensures full compliance with the Disability Discrimination Act. If serving employees become disabled, the company continues employment wherever possible and arranges retraining.

Financial Reporting Standards

The company has adopted Financial Reporting Standard 18 "Accounting Policies", Financial Reporting Standard 19 "Deferred Tax" and the transitional provisions of Financial Reporting Standard 17 "Retirement Benefits" during the year. FRS 17 and FRS 18 had no effect on the financial statements; the effect of FRS 19 is set out in note 2.

Creditor Payment Policy

The company's policy is to agree terms & payments with suppliers and these normally provide for payment within thirty days after the invoice date, except where other arrangements have been negotiated. It is company policy to abide by the agreed terms of payment, provided the supplier performs according to the terms of the contract. At 31 March 2002, the company had an average of 2 days' purchases outstanding in trade creditors.

CHASE DE VERE INVESTMENTS PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2002

Directors' Responsibilities

The Directors are required by the Companies Act 1985 to prepare financial statements, which give a true and fair view of the state of affairs of the company at the end of each financial period and of its profit/loss for the period. With regard to the financial statements on pages 5 to 17, the Directors have determined that it is appropriate that they continue to be prepared on a going concern basis and 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;

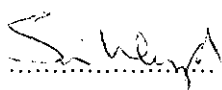
The Directors confirm that they have complied with the above requirement in preparing the financial statements.

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.

Auditors

In accordance with s.385 of the Companies Act, 1985, a resolution proposing that PricewaterhouseCoopers be reappointed as auditors will be put to the Annual General meeting.

Signed on behalf of the board



Secretary

1 May 2002

CHASE DE VERE INVESTMENTS PLC

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF CHASE DE VERE INVESTMENTS PLC

We have audited the financial statements on pages 5 to 17 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 to 8.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

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 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 at 31 March 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers

Chartered Accountants and Registered Auditors
Bristol

1 May 2002

CHASE DE VERE INVESTMENTS PLC
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2002

	Notes	12 Months to March 2002 £	15 Months to March 2001 (Restated) £
Turnover	3	29,612,944	37,062,072
Administrative expenses		(25,370,851)	(26,226,728)
Other operating income		<u>1,872</u>	<u>66,375</u>
Operating Profit	4	4,243,965	10,901,719
Investment income	5	-	97,268
Interest receivable and similar income	6	936,791	917,870
Interest payable & similar charges	7	<u>(1,744)</u>	<u>(7,384)</u>
Profit on Ordinary Activities Before Exceptional Items		5,179,012	11,909,473
Profit on Sale of London & Country Mortgages	8	-	2,997,500
Staff Bonus	9	<u>-</u>	<u>(3,015,775)</u>
Profit before Taxation		5,179,012	11,891,198
Taxation	10	<u>(1,645,410)</u>	<u>(3,316,588)</u>
Profit After Taxation		3,533,602	8,574,610
Dividends (including those in respect of non-equity shares)	11	<u>-</u>	<u>(30,000)</u>
Retained Profit for the Period	23	<u>3,533,602</u>	<u>8,544,610</u>

All turnover and results are derived from continuing operations.

Statement of Total Recognised Gains and Losses

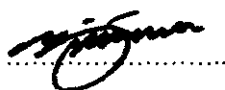
	12 Months to March 2002 £	15 Months to March 2001 (Restated) £
Profit for the financial year	<u>3,533,602</u>	<u>8,574,610</u>
Total recognised gains and losses relating to the financial year	3,533,602	8,574,610
Prior year adjustment – deferred tax	<u>245,419</u>	<u>-</u>
Total gains recognised since the last annual report	<u>3,779,021</u>	<u>8,574,610</u>

The notes on pages 7 to 17 form part of these financial statements.

CHASE DE VERE INVESTMENTS PLC
BALANCE SHEET
AS AT 31 MARCH 2002

	Notes	2002	2001 (Restated)
Fixed Assets			
Tangible assets	14	<u>6,239,012</u>	<u>1,955,528</u>
		6,239,012	1,955,528
Current Assets			
Debtors	15	4,443,158	3,986,620
Investments	17	-	2,131,798
Cash at bank & in hand		<u>11,459,057</u>	<u>11,568,556</u>
		15,902,215	17,686,974
Creditors: Amounts Falling Due Within One Year	18	<u>(2,611,383)</u>	<u>(3,358,182)</u>
Net current assets		<u>13,290,832</u>	<u>14,328,792</u>
Total assets less current liabilities		19,529,844	16,284,320
Provisions for liabilities & charges	19	<u>(728,556)</u>	<u>(1,016,634)</u>
		<u>18,801,288</u>	<u>15,267,686</u>
Capital & Reserves			
Called up share capital	21	57,000	64,000
Share premium account	22	7,000	-
Other reserves	22	36,000	36,000
Profit & loss account	22	<u>18,701,288</u>	<u>15,167,686</u>
Total Shareholders' funds	23	<u>18,801,288</u>	<u>15,267,686</u>
Equity interests		18,801,288	15,253,686
Non-equity interests		-	14,000
		<u>18,801,288</u>	<u>15,267,686</u>

Approved by the Board on 1 May 2002 and agreed on its behalf by



Director

The notes on pages 7 to 17 form part of these financial statements.

CHASE DE VERE INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

1 Accounting Policies

1 Accounting Convention

These financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

During this year, the company has adopted FRS 17: Retirement Benefits, FRS 18: Accounting Policies and FRS 19: Deferred Tax. FRS 17 and FRS 18 had no effect on the financial statements; the effect of FRS 19 is set out in note 2.

The principal accounting policies of the company are set out below.

a) Turnover

Turnover represents gross commissions on brokerage earned. Commission income is recognised when the service is performed or over the period of the product as appropriate.

b) Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land & Buildings (Leasehold) are depreciated in equal instalments over 10 Years (or remaining life of lease, if shorter)

Computer Equipment is depreciated in equal instalments over the expected useful life, subject to a maximum of 10 years.

Fixtures & Fittings are depreciated in equal instalments over the expected useful life, subject to a maximum of 10 years.

Software development costs are capitalised as part of the tangible asset to which the software relates where the development can reasonably be assessed as providing future quantifiable benefits to the company. The amount capitalised is depreciated in equal annual instalments over its estimated useful life subject generally to a maximum period of five years.

c) Leasing

Rentals payable under operating leases are charged against income on a straight-line basis over the lease term.

d) Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Current asset investments are stated at the lower of cost and net realisable value.

e) Pensions

The company operates two defined contribution pension schemes. The assets of the schemes are held separately from those of the Company in independently administered funds.

In addition the Company makes contributions to the Bristol & West plc defined contribution and defined benefit schemes.

All pension contributions are expensed as incurred.

The contributions for the Bristol & West defined benefit scheme are paid to Bristol & West plc whose Group contributions are determined by independent qualified actuaries using the projected unit method. The most recent actuarial valuation of the defined benefit scheme was made as at 1 April 1999. At that date the market value of the scheme's assets was £76,829,000. The actuarial value of these assets represented 87% of the benefits that had accrued to members, after allowing for expected future increases in earnings. The assumptions that have the most significant effect on the results of the valuation are those relating to the rate of return on investments and rates of increase of salaries. It was assumed that the investment return would average 6.5% per annum up to retirement and 5.5% thereafter. It was assumed that increases in salary levels would average 4.5% per annum and that future pension

CHASE DE VERE INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

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increases would average 2.5% per annum.

The pension charge represents contributions paid by the Company to all of the above schemes and amounted to £254,156 (2001:£175,310).

FRS17 requires disclosure of information on the surplus or deficit in the defined benefit scheme and its implications for the Company. As the Company's share of the underlying assets and liabilities of the scheme cannot be identified, it is treated for reporting purposes as a defined contribution scheme. For the purposes of FRS17, an interim valuation of the scheme was performed as at 31 March 2002. This valuation, which was carried out using the projected unit method, gave a deficit of £13.5m. The value of future contributions by the Company to the scheme will be affected by the level of funding determined by the scheme's actuary in order that the scheme's obligations can be met.

f) Deferred Taxation

Deferred tax is provided using the full provision method following the company's adoption of FRS 19: Deferred tax (Note 2). Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Previously, deferred tax was provided on the liability method to the extent that it was probable that an asset or liability will crystallise in the foreseeable future. Deferred tax is calculated at rates expected to be applicable when the liability or asset crystallises on a non-discounted basis

g) Foreign Currency Translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

h) Pension Transfer and Opt-out Provisions

In October 1994, the Securities and Investment Board (now replaced by the Financial Services Authority) announced details of a programme directed to all pension providers and investment advisers to secure redress for individuals who, between 1998 and 1994, had been mis-sold pension products or had been wrongly advised to transfer or opt-out of an occupational pension scheme and have thereby suffered actual or potential financial loss.

In May 2000, the Financial Services Authority issued the Free Standing Additional Voluntary Contributions (FSAVCs) review model which indicated a proposed structure for and methodology to be used in performing an industry wide review of FSAVCs. The company has made full provision in its accounts for the anticipated costs of investigation and redress payable as a result of the review.

As a Regulated Investment Adviser, the company regularly updates its internal review of pension mis-selling in accordance with the FSA guidelines and actual experience of claims. The company has made an additional provision for the year of £194,000 (2000/01 charge nil) following the latest review.

2 Prior Year Adjustment

a) Deferred Tax

The company has adopted FRS 19: Deferred Tax, which was issued in December 2000. Previously, deferred tax was provided only on assets and liabilities where it was expected that the tax would crystallise in the foreseeable future. Now, under FRS 19, deferred tax is provided on all timing differences which have not reversed by the balance sheet date, except in certain circumstances as detailed in FRS 19. Deferred tax assets are recognised only to the extent that it is more likely than not they will be recovered.

As a consequence of adopting FRS 19, the previous year's financial statements have been restated leading to an increase in debtors of £245,419 at 31 March 2001. Tax on profit on ordinary activities for the year ended 31 March 2001 has decreased by £125,179 to £3,316,588, resulting in an increase in profit after tax and profit attributable to shareholders of the same amount. The balance of the prior year adjustment of £120,240 related to periods prior to 1 January 2000.

The result of the change in policy for the year ended 31 March 2002 is to increase the tax on profit on ordinary activities by £242,125, resulting in a decrease in profit after tax and profit attributable to shareholders of the same amount.

CHASE DE VERE INVESTMENTS PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002

3 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

4 Operating Profit

	12 Months to March 2002	15 Months to March 2001
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	1,241,837	983,694
Operating lease rentals	1,159,473	590,676
Auditors' remuneration	29,375	30,000
Remuneration of auditors for non-audit work	<u>7,050</u>	<u>6,000</u>

5 Investment Income

	12 Months to March 2002	15 Months to March 2001
	£	£
Income from listed investments	-	4,675
Profit on disposal of listed investments	-	25,583
Profit on disposal of unlisted investments	-	<u>67,010</u>
	<u>-</u>	<u>97,268</u>

6 Interest Receivable and Similar Income

	12 Months to March 2002	15 Months to March 2001
	£	£
Bank interest	<u>936,791</u>	<u>917,870</u>
	<u>936,791</u>	<u>917,870</u>

7 Interest Payable

	12 Months to March 2002	15 Months to March 2001
	£	£
On bank loans and overdrafts	<u>1,744</u>	<u>7,384</u>
	<u>1,744</u>	<u>7,384</u>

8 Sale of London & Country Mortgages

During the 15 month period ended 31 March 2001, the company sold its shares in London & Country Mortgages Limited for a cash consideration of £3,000,000.

CHASE DE VERE INVESTMENTS PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002

9 Staff Bonus

A staff bonus was paid in the 15 month period ending 31 March 2001. This amount included national insurance contributions on the bonus, and on payments made to share option holders by Bristol & West plc on their acquisition of the holding company.

10 Taxation

	12 Months to March 2002	15 Months to March 2001 (Restated)
	£	£
UK current year taxation		
UK corporation tax	1,416,409	3,441,767
Deferred Taxation (Note 16)	<u>242,125</u>	<u>(125,179)</u>
	1,658,534	3,316,588
Prior Years		
UK corporation tax	<u>(13,124)</u>	<u>-</u>
	<u>1,645,410</u>	<u>3,316,588</u>

The charge for tax on the profit for the year is based on a UK corporation tax rate of 30% (2001:30%).
The reconciliation of statutory corporation tax rate to the effective tax rate on ordinary activities is shown below:

	12 Months to March 2002	15 Months to March 2001 (Restated)
	%	%
Statutory corporation tax rate	30.0	30.0
Adjustments in respect of prior periods	(0.3)	-
Capital allowances in excess of depreciation	(4.5)	-
Depreciation in excess of capital allowances	-	1.0
Restatement of prior year income	-	(2.1)
Other items	<u>1.9</u>	<u>-</u>
Effective tax rate	<u>27.1</u>	<u>28.9</u>

11 Dividends

	12 Months to March 2002	15 Months to March 2001
	£	£
Dividends on Non-Equity Shares:		
Interim Dividend on Preference Shares Paid	-	15,000
Final Dividend on Preference Shares Proposed	<u>-</u>	<u>15,000</u>
	<u>-</u>	<u>30,000</u>

CHASE DE VERE INVESTMENTS PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002

12 Staff Costs

	12 Months to March 2002	15 Months to March 2001
	£	£
Wages and salaries	11,991,033	15,297,963
Social security costs	1,187,672	1,932,132
Other pension costs	<u>254,156</u>	<u>175,310</u>
	<u>13,432,861</u>	<u>17,405,405</u>

Number of Employees

The average weekly number of employees (including Directors) during the period was:

	12 Months to March 2002	15 Months to March 2001
	No.	No.
Advisers	137	115
Administration	<u>266</u>	<u>194</u>
	<u>403</u>	<u>309</u>

13 Directors' Emoluments

	12 Months to March 2002	15 Months to March 2001
	£	£
Emoluments for qualifying services	330,795	1,341,465
Company pension contributions to money purchase schemes	42,959	2,376
Company pension contributions to Final Salary schemes	<u>12,121</u>	<u>-</u>
	<u>385,875</u>	<u>1,343,841</u>

The number of Directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2000/01– 2).

The number of Directors for whom retirement benefits are accruing under Final Salary pension schemes amounted to 2 (2000/01– nil).

Emoluments disclosed above include the following amounts paid to the highest paid Director:

	12 Months to March 2002	15 Months to March 2001
	£	£
Emoluments for qualifying services	<u>145,102</u>	<u>294,601</u>

The highest paid director held 2,500 share options at 31 March 2001 and 2,500 at 31 March 2002. Each option was cancelled in respect of 80% of the shares under option following the acquisition of the holding company by Bristol & West plc on 11 September 2000 (see Note 21).

The company made no contribution to any pension for the highest paid director.

CHASE DE VERE INVESTMENTS PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002

14 Tangible fixed assets

	Land and buildings short leasehold	Computer equipment	Fixtures & fittings	Total
	£	£	£	£
Cost				
At 1 April 2001	262,658	3,537,525	1,056,702	4,856,885
Additions	267,597	4,978,419	282,475	5,528,491
Disposals	-	(2,918,470)	(121,355)	(3,039,825)
As 31 March 2002	530,255	5,597,474	1,217,822	7,345,551
Depreciation				
At 1 April 2001	70,973	2,341,271	489,113	2,901,357
On disposals	-	(2,918,470)	(118,185)	(3,036,655)
Charge for the period	116,746	782,152	342,939	1,241,837
At 31 March 2002	187,719	204,953	713,867	1,106,539
Net Book Amount				
At 31 March 2002	342,536	5,392,521	503,955	6,239,012
At 31 March 2001	191,685	1,196,254	567,589	1,955,528

15 Debtors

	2002 £	2001 (Restated) £
Trade debtors	3,339,943	1,816,229
Amounts owed by group undertakings	71,459	1,503,900
Deferred Tax	3,294	245,419
Other debtors	112,690	68,236
Prepayments & accrued income	915,772	352,836
	<u>4,443,158</u>	<u>3,986,620</u>

Amounts falling due after more than one year and included in the debtors above are:

	2002 £	2001 £
Other debtors	<u>7,892</u>	<u>13,712</u>

CHASE DE VERE INVESTMENTS PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002

16 Deferred Taxation

(a)	2002	2001
	£	Restated £
Excess of depreciation over capital allowances	3,294	245,419
	<u>3,294</u>	<u>245,419</u>

(b)
Movements on the deferred taxation account

	2002	2001
	£	Restated £
At 1 April (1 Jan 2000 for 2001)	245,419	120,240
Charge for year	<u>(242,125)</u>	<u>125,179</u>
At 31 March	<u>3,294</u>	<u>245,419</u>

17 Current Asset Investments

	2002	2001
	£	£
Other unlisted investments	-	2,131,798
	<u>-</u>	<u>2,131,798</u>
Directors' valuation of unlisted investments	-	2,131,798

18 Creditors : Amount Falling Due Within One Year

	2002	2001
	£	£
Trade creditors	83,522	4,239
Corporation tax	57,821	1,997,644
Taxes and social security costs	465,782	463,252
Other creditors	1,136,959	213
Accruals & deferred income	867,299	877,834
Proposed dividend	-	15,000
	<u>2,611,383</u>	<u>3,358,182</u>

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19 Provisions for Liabilities and Charges

	Commissions on indemnity terms £	Pension transfer & opt- out £	Office Exit Costs £	Total £
Balance at 1 April 2001	51,681	788,173	176,780	1,016,634
Profit and loss account	(26,681)	194,000	54,000	221,319
Provision Utilisation	-	(481,694)	(27,703)	(509,397)
Balance at 31 March 2002	<u>25,000</u>	<u>500,479</u>	<u>203,077</u>	<u>728,556</u>

Pension Transfer and Opt-out

Provision is made for any potential liabilities arising on the mis-selling of pension products, as stated in note 1(h).

Commissions on Indemnity Terms

A provision is made for potential refunds of commission earned during the year, where the option to cancel exists.

Office Exit Costs

A provision has been made as required by FRS 12 for the expected exit costs from those offices which the company is committed to exit.

20 Pension Costs

The company operates two funded defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. In addition, certain employees are members of the defined contribution scheme and defined benefit schemes of the parent company, Bristol & West plc. The pension cost charge represents contributions payable by the company to the funds and amounted to £254,156 (2000/01 - £175,310).

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21 Share Capital

	2002	2001
	£	£
Authorised		
111,000 ordinary shares of £1 each	111,000	111,000
14,000 cumulative convertible preference shares of £1 each	<u>14,000</u>	<u>14,000</u>
	<u>125,000</u>	<u>125,000</u>
Allotted, Called Up and Fully Paid		
57,000 ordinary share of £1 each (2000/01 50,000)	57,000	50,000
0 cumulative convertible preference shares of £1 each (2000/01 14,000)	<u>-</u>	<u>14,000</u>
	<u>57,000</u>	<u>64,000</u>

The company operates an Executive Share Option scheme. The number of £1 ordinary shares granted under such option scheme as at 31 March 2002 was 43,781.

The holding company was acquired by Bristol & West plc on 11 September 2000. As part of the sale agreement, option holders consented to the part-cancellation of their options, each option being cancelled in respect of 80 per cent of Chase de Vere shares under option, and received an amount equal to their interest in the purchase price had all the options been exercised. All the options in issue at 31 March 2002 will be cancelled upon payment of additional purchase consideration to option holders in January 2003.

The convertible cumulative preference shares, which were created at par on 23 December 1994, were convertible at the option of the shareholder into ordinary shares upon written notice to the company on the basis that the number of ordinary shares created at conversion date would be equal to 14% of the entire share capital of the company. The shareholder, Bristol & West plc, exercised this right on 5 September 2001 and a further 7,000 ordinary shares were issued on conversion of the convertible cumulative preference shares. The conversion of the convertible cumulative preference shares also resulted in the creation of a share premium account of £7,000.

22 Statement of Movements on Reserves

	Share Premium Account	Other Reserves	Profit & Loss Account
	£	£	£
At 1 April 2001 as previously stated	-	36,000	14,922,267
Prior year adjustment re deferred tax	<u>-</u>	<u>-</u>	<u>245,419</u>
At 1 April 2001 restated	-	36,000	15,167,686
Net premium on share issues	7,000	-	-
Retained profit for the period	<u>-</u>	<u>-</u>	<u>3,533,602</u>
Balance at 31 March 2002	<u>7,000</u>	<u>36,000</u>	<u>18,701,288</u>

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23 Reconciliation of Movements in Shareholders' Funds

	2002 £	2001 (Restated) £
Profit for the financial year	3,533,602	8,574,610
Dividends	-	(30,000)
Net addition to shareholders' funds	3,533,602	8,544,610
Opening shareholders' funds (originally £15,022,267 before adding prior year adjustment of £245,419)	15,267,686	6,723,076
Closing shareholders' funds	18,801,288	15,267,686

24 Contingent Liabilities

Pension Mis-selling

As a result of the pension mis-selling programme faced by the financial services industry (see note 1(h)) the Financial Services Authority (FSA) will complete the review of transfer and opt-out cases of members who are unable to see their reviews through to conclusion. Funding for this process may have to be met by the members of the FSA in the form of increased subscription and a levy, the amount of which would have to be quantified. The company has not been required to provide any security for this.

Telegraph Group Partnership

During the year, the company entered into a 5 year partnership agreement with the Telegraph Group under which the company will pay the Telegraph a share of commissions generated from guides inserted in the Daily and Sunday Telegraph newspapers or as a result of other introductions by the Telegraph Group. The agreement requires certain minimum payments to the Telegraph Group in the event that the commission share falls short of agreed targets. The Directors believe that the guides and other activities will generate a commission share to the Telegraph Group in excess of the minimum guarantees. The size of the minimum payment is a commercially sensitive figure and has therefore not been disclosed.

25 Financial Commitments

At 31 March 2001 the company had annual commitments under non-cancellable operating leases as follows:

Land and Buildings

	2002 £	2001 Restated £
Expiry Date		
Within one year	1,351,864	1,388,456
Between two and five years	2,194,939	1,267,063
In over five years	2,165,787	1,242,237
	<u>5,712,590</u>	<u>3,897,756</u>

26 Capital Commitments

The directors have authorised, but not contracted for, approximately £6,660,000 of capital expenditure over the next twelve months, of which £2,398,000 is for IT hardware and software, £2,487,000 for leasehold improvements and £1,775,000 for office furniture.

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27 Client Monies

Monies held on behalf of clients, amounting to £8,056,641 (2001 £9,677,954) have been excluded from the company's assets and liabilities at March 2002.

28 Ultimate Parent Company

The company is a wholly owned subsidiary of Bristol and West Plc, One Temple Back East, Temple Quay, Bristol BS1 6DX. The company's ultimate parent company is The Governor and Company of Bank of Ireland, a charter company incorporated in the Republic of Ireland. A copy of Bank of Ireland Group accounts may be obtained from Bank of Ireland, Lower Baggott Street, Dublin 2.

29 Cash Flow Statement and Related Party Disclosure

The company is a wholly owned subsidiary of Bristol and West Plc and is included in the financial statements of Bristol and West Plc, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing the cash flow statement under the terms of FRS 1 (Revised 1996) and also the exemption under the terms of FRS 8 from disclosing Related Party Transactions with other Group companies on the grounds that those subsidiaries are also wholly owned and controlled within the Group.