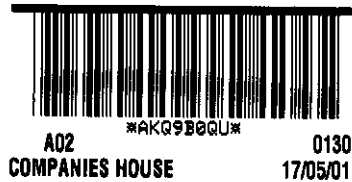


Registration Number: 1916098

INVESTMENT DISCOUNTS LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2000**



INVESTMENT DISCOUNTS LIMITED

COMPANY INFORMATION

DIRECTORS :
E.J. Hudson
R.J. Patterson
Mrs. B.L. Selby

SECRETARY : Mrs. B.L. Selby

COMPANY NUMBER : 1916098

REGISTERED OFFICE :
Miller House
2, Church Road
Bebington
Wirral
Merseyside
L63 7PH

REPORTING ACCOUNTANTS :
Simon Hall & Associates
Cartrefle
Waen
Flint
Flintshire
CH6 5QR

BANKERS :
HSBC Bank plc
58, Bromborough Road
Bromborough
Wirral
Merseyside
L62 7ET

INVESTMENT DISCOUNTS LIMITED

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INVESTMENT DISCOUNTS LIMITED

ACCOUNTANTS REPORT TO THE SHAREHOLDERS ON THE UNAUDITED ACCOUNTS OF INVESTMENT DISCOUNTS LIMITED

We report on the accounts for the year ended 30th September 2000 set out on pages 3 to 8.

Respective Responsibilities of Directors and Reporting Accountants

As described on page 2 the Company's Directors are responsible for the preparation of financial statements, and they consider that the Company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of Opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the Company, and making such enquiries of the officers of the Company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion

- (a) the accounts are in agreement with the accounting records kept by the Company under section 221 of the Companies Act 1985, as amended.
- (b) having regard only to, and on the basis of, the information contained in those accounting records:-
 - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - (ii) the Company satisfied the conditions for exemption from an audit of the accounts for the year specified in sections 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to exemption specified in section 249B(1).

Simon Hall & Associates

Reporting Accountants

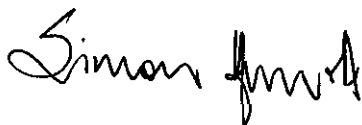
Cartrefle

Waen

Flint

Flintshire

CH6 5QR



Date 14/12/00

INVESTMENT DISCOUNTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2000

The Directors present their report and the financial statements for the year ended 30th September 2000.

Principal Activity

The Company's principal activity is that of insurance consultants.

Directors and their Interests

The Directors who served during the year and their interests in the Company are as stated below:-

	Number of Shares			
	Ordinary		Preference	
	2000	1999	2000	1999
E.J. Hudson	400	400	20,000	20,000
R.J. Patterson	150	150	-	-
Mrs. B.L. Selby	50	50	-	-

Directors Responsibilities

Company law requires the Directors to prepare financial statements for each financial year which gives a true and fair view of the state of the affairs of the Company and of the profit or loss of the Company for that year. In preparing these the Directors are required to:-

- select suitable accounting policies and apply them consistently ;
- make judgements and estimates that are reasonable and prudent ;
- prepare the financial statements based on the going concern basis on the understanding 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 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report which has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, was approved by the Board and signed on its behalf by:


E.J. Hudson
Director


Date

INVESTMENT DISCOUNTS LIMITED

Balance Sheet as at 30th September 2000

		2000		1999	
	NOTE	£	£	£	£
Fixed Assets					
Tangible Assets	7		31,004		34,361
Current Assets					
Stock			500		450
Debtors	8		71,297		52,940
Cash at Bank and in Hand			<u>125,158</u>		<u>43,467</u>
			196,955		96,857
Creditors: Amounts falling due within one year	9		(<u>177,559</u>)		(<u>90,604</u>)
Net Current Assets (Liabilities)			<u>19,396</u>		<u>6,253</u>
Total Assets (less Current Liabilities)			50,400		40,614
Creditors: Amounts falling due after more than one year	10		(<u>2,627</u>)		(<u>7,946</u>)
Net Assets			47,773		32,668
			=====		=====
Capital and Reserves					
Called up Share Capital	11		21,000		21,000
Profit and Loss Account	12		<u>26,773</u>		<u>11,668</u>
Shareholders' Funds			47,773		32,668
			=====		=====

The Director's Statements required by the Companies Acts are shown on the following page which forms part of this Balance Sheet.

The notes on page 5 to 8 form an integral part of these financial statements.

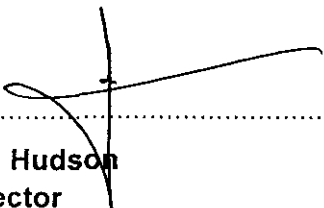
INVESTMENT DISCOUNTS LIMITED

**DIRECTORS' STATEMENTS REQUIRED BY THE COMPANIES ACT 1985
FOR THE YEAR ENDED 30TH SEPTEMBER 2000**

In approving the financial statements as Directors of the Company we hereby confirm:-

- (a) that for the year stated above the Company was entitled to the exemption conferred by Section 249A(2) of the Companies Act 1985 ;
- (b) that no notice has been deposited at the registered office of the Company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 30th September 2000 and
- (c) that we acknowledge our responsibilities for :
 - (1) ensuring that the Company keeps accounting records which comply with Section 221, and
 - (2) preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss for the year then ended and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the Company.

The financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, were approved by the Board and signed on its behalf.


.....
E.J. Hudson
Director


.....
Date

The notes on page 6 to 8 form an integral part of these financial statements.

INVESTMENT DISCOUNTS LIMITED

Profit and Loss Account for the year ended 30th September 2000

	NOTE	2000 £	1999 £
Turnover	2	243,083	213,479
Administrative expenses		(226,400)	(197,738)
Operating Profit	3	16,683	15,741
Interest Receivable and similar income		2,505	771
Interest Payable and similar charges	4	—	(197)
Profit on ordinary activities before taxation		19,188	16,315
Tax on ordinary activities	6	(4,083)	(3,592)
Retained Profit for the year		15,105	12,723
Retained Profit (Loss) brought forward		11,668	(1,055)
Retained Profit carried forward		26,773	11,668
		=====	=====

The notes on page 6 to 8 form an integral part of these financial statements.

INVESTMENT DISCOUNTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2000

1. ACCOUNTING POLICIES

1.1 Accounting Convention

The financial statements are prepared under the historical cost convention and include the results of the Company's operations which are described in the Directors' Report and all of which are continuing. The Company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover comprises the invoiced value of services supplied by the Company and includes income accrued in respect of commissions receivable on business transacted.

1.3 Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:-

Computer equipment and software	-	25% Reducing balance
Fixtures, fittings and equipment	-	10% Reducing balance
Motor Vehicles	-	25% Reducing balance

1.4 Operating Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

1.6 Deferred Taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the Directors consider that a liability is unlikely to materialize.

2 **TURNOVER**

The total turnover of the Company for the year has been derived from its activities wholly undertaken in the UK.

3	OPERATING PROFIT	2000	1999
		£	£
	Operating profit is stated after charging		
	Depreciation of tangible fixed assets		
	- owned by the Company	9,797	8,840
	Operating lease rentals		
	- hire of plant and machinery	1,982	2,684
	- other	-	-
	Auditors' remuneration	-	-
		=====	=====

4	INTEREST PAYABLE AND SIMILAR CHARGES	2000	1999
		£	£
	Bank Interest	-	-
	Hire Purchase Interest	-	197
		-	197
		===	===

5	DIRECTORS' EMOLUMENTS	2000	1999
		£	£
	Directors' Remuneration	46,800	40,200
	Directors' Benefits	-	1,500
	Pension Scheme Contributions	<u>2,026</u>	<u>2,146</u>
		48,826	43,846
		=====	=====

6	TAXATION	2000	1999
		£	£
	UK Corporation Tax at 20% (1999 - 20.5%)	3,468	3,623
	Taxation from earlier years at 20.5%	(9)	-
	Transfer to deferred taxation	<u>624</u>	<u>(31)</u>
		4,083	3,592
		=====	=====

7	TANGIBLE ASSETS	Motor Vehicles £	Office Equipment £	Computers & Software £	Total £
	Cost				
	At 1st October 1999	17,394	24,341	44,630	86,365
	Additions (Sales)	(6,443)	1,139	11,744	6,440
	At 30th September 2000	10,951	25,480	56,374	92,805
		=====	=====	=====	=====
	Depreciation				
	At 1st October 1999	8,909	12,579	30,516	52,004
	Charge for the year	2,042	1,290	6,465	9,797
	At 30th September 2000	10,951	13,869	36,981	61,801
		=====	=====	=====	=====
	Net Book Values				
	At 30th September 2000	-	11,611	19,393	31,004
		=====	=====	=====	=====
	At 30th September 1999	8,485	11,762	14,114	34,361
		=====	=====	=====	=====

8	DEBTORS	2000 £	1999 £
	Trade Debtors	55,354	36,495
	Other Debtors (see note 13)	4,304	3,428
	Prepayments and Accrued Income	11,639	13,017
		71,297	52,940
		=====	=====

9	CREDITORS: Amounts falling due within one year	2000 £	1999 £
	Trade Creditors	161,578	76,471
	Other Creditors	11,213	7,082
	Accruals and Deferred Income	1,300	1,257
	Directors Loan Account	-	2,171
	Corporation Tax	3,468	3,623
		177,559	90,604
		=====	=====

Included in other creditors is an amount of £7,304 (1999/£2,471) relating to other taxes and Social Security.

10	CREDITORS:	2000	1999
	Amounts falling due after more than one year	£	£
	Net obligations under finance leases and hire purchase contracts	-	5,943
	Deferred Taxation	2,627	2,003
		=====	=====

11	SHARE CAPITAL	2000	1999
		£	£
	Authorised Capital		
	1,000 Ordinary Shares of £1 each	1,000	1,000
	20,000 8% Redeemable Preference Shares of £1 each	20,000	20,000
		=====	=====
	Allotted, Called up and fully paid		
	1,000 Ordinary Shares of £1 each	1,000	1,000
	20,000 8% Redeemable Preference Shares of £1 each	20,000	20,000
		=====	=====

12	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2000	1999
		£	£
	Profit for the year	15,105	12,723
	Opening Shareholders' Funds	<u>12,668</u>	<u>(55)</u>
		27,773	12,668
		=====	=====

13	TRANSACTIONS WITH DIRECTORS	Amount Outstanding	Maximum
		2000	in year
		£	£
	R.J. Patterson	3,428	3,428
		=====	=====

14 **OTHER COMMITMENTS**

At 30th September 2000 the Company had annual commitments under enforceable operating leases as follows:-

	Land and Buildings		Other	
	2000	1999	2000	1999
	£	£	£	£
Expiry date:				
Within one year	-	-	-	-
Between two and five years	9,400	8,225	1,982	2,669
	=====	=====	=====	=====