

FIRST ACTIVE IFA LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 1999



Company number: 2171236

FIRST ACTIVE IFA LIMITED

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FIRST ACTIVE IFA LIMITED

COMPANY INFORMATION

Directors

I D Giles
M D Seddon

Secretary

G M Wellman

Company Number

2171236

Registered Office

Sir William Atkins House
Ashley Avenue
Epsom
Surrey
KT18 5AS

Registered auditors

PricewaterhouseCoopers
Melrose House
42 Dingwall Road
Croydon
Surrey
CR0 2NE

Bankers

Barclays Bank PLC
Financial Services and Structured Finance Team
P O Box 544
54 Lombard Street
London
EC3P 3AH

FIRST ACTIVE IFA LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 1999

The directors present their report and the audited financial statements for the year ended 31 December 1999.

Principle activities and business review

The principal activities of the company throughout the year continued to be that of providing investment advice and effecting investment transactions.

In addition to these activities the company was also involved in assisting its parent undertaking with advice in connection with its employee benefit requirements. Substantial business was also generated throughout the year by way of direct marketing activities.

The profit and loss account is set out on page 5. The directors do not recommend payment of a dividend.

Directors and their interests

The directors who served during the year and up to the date of this report were as follows:

F C Eve (Resigned 4 February 1999)

I D Giles

M D Seddon

F C Eve was also a director of the parent undertaking, First Active Financial plc and resigned as a director of that company on 4 February 1999.

According to the Register of Directors' Interests the directors had no interests in the share capital of the company.

The company has relied on Statutory Instrument 85/802 The Companies (Disclosure of directors interest) (Exceptions) Regulations 1985 in disclosing directors' interests.

Statement of directors' responsibilities

The directors are required by UK Company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that year.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements have been made in the preparation of the financial statements for the year ended 31 December 1999. The directors also confirm that applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements and that the financial statements have been prepared on a going concern basis.

The directors are responsible for maintaining adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company 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.

FIRST ACTIVE IFA LIMITED

REPORT OF THE DIRECTORS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 1999

Year 2000

In 1998, our parent First Active Financial plc established a year 2000 project team to identify and assess key business processes which would be effected by year 2000. The team made significant progress throughout 1998 and 1999, ensuring all issues were resolved by 31 December 1999. The parent team also involved all critical external parties associated with us and obtained assurances from them that their business would not be affected by year 2000.

Since the balance sheet date, no problems have been encountered with respect to year 2000 and the board are confident no problems will arise in the foreseeable future.

Future developments

Looking ahead, the company intends to develop its existing relationships and to create new opportunities for the company.

Elective Resolution

At the Annual General Meeting of the company held on 16 April 1998 Elective Resolutions were passed in respect of the financial year ending 31 December 1998 and subsequent years, pursuant to Section 379A of the Companies Act 1985 (the "Act"), that:

- a) in accordance with the provisions of the Act the company dispenses with the laying of accounts and reports before the company in General Meetings;
- b) in accordance with the provisions of Section 366A of the Act, the company dispenses with the holding of Annual General Meetings; and
- c) in accordance with the provisions of Section 386 of the Act the company dispenses with the obligation to appoint auditors annually.

By order of the Board



I D Giles
Director

18 February 2000

FIRST ACTIVE IFA LIMITED

REPORT OF THE AUDITORS

TO THE MEMBERS OF FIRST ACTIVE IFA LIMITED

We have audited the financial statements on pages 5 to 9.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 2, this includes responsibility for preparing the financial statements in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and 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 United Kingdom Companies Act. We also report to you, if, in our opinion, the directors' report is not consistent with the financial statements, if the company had 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.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

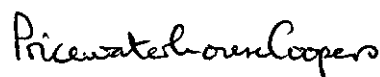
Basis of audit opinion

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 December 1999 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
Croydon
18 February 2000

FIRST ACTIVE IFA LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 1999**

		1999 £'000	1998 £'000
	Notes		
Continuing operations			
Turnover	2	484	294
Administrative expenses		<u>(287)</u>	<u>(52)</u>
Operating profit		197	242
Interest receivable		<u>28</u>	<u>20</u>
Profit on ordinary activities before taxation	3	225	262
Tax on profit on ordinary activities	5	<u>(68)</u>	<u>(81)</u>
Retained profit for the financial year	8	<u>157</u>	<u>181</u>

The company has no recognised gains or losses other than those above and therefore no separate statement of total recognised gains and losses has been presented.

FIRST ACTIVE IFA LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 1999

	Notes	1999 £'000	1998 £'000
ASSETS			
Current assets			
Debtors	6	2	-
Cash at bank and in hand		<u>633</u>	<u>476</u>
Total assets		<u>635</u>	<u>476</u>
LIABILITIES AND CAPITAL			
Capital and reserves			
Called up share capital	7	1	1
Profit and loss account	8	<u>434</u>	<u>277</u>
Equity shareholders' funds	9	<u>435</u>	<u>278</u>
Creditors			
Amounts falling due within one year	10	<u>200</u>	<u>198</u>
Total liabilities and capital		<u>635</u>	<u>476</u>

The financial statements on pages 5 to 9 were approved by the Board of Directors on 18 February 2000 and were signed on its behalf by:



I D Giles
Director

FIRST ACTIVE IFA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1999

1. Principal accounting policies

These financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below:

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Turnover

Turnover represents income earned by way of insurance commission and other financial services related transactions.

Taxation

Corporation tax is provided on taxable profits at the current tax rate. Tax charges and benefits arising from group relief are recognised in the financial statements of the surrendering and recipient companies.

Cashflow statement

The company is a wholly owned subsidiary of First Active plc and the cashflows of the company are included in the consolidated group cashflow statement of First Active plc. Consequently the company is exempt under the terms of Financial Reporting Standard No. 1 ("FRS1") (Revised) from publishing a cashflow statement.

Related party disclosures

Under the provisions of Financial Reporting Standard No. 8 ("FRS8"), the company has taken advantage of the exemption provided (for subsidiary undertakings whose voting rights are more than 90% controlled within the group) from disclosing group related party transactions. The consolidated financial statements of First Active plc, in which these results are included, are publicly available.

2. Turnover

Contributions to turnover and profit on ordinary activities before taxation were derived from the company's principal activity, which was carried out in England and Wales.

3. Profit on ordinary activities before taxation

	1999 £'000	1998 £'000
The profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration	<u>3</u>	<u>3</u>

FIRST ACTIVE IFA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1999

4. Directors and employees

The company employed no staff during the year. The company incurred the following recharge from First Active Financial plc in respect of expenditure incurred on behalf of the company:

	1999 £'000	1998 £'000
Wages and salaries	155	43
Social security costs	<u>16</u>	<u>5</u>
	<u>171</u>	<u>48</u>

Emoluments were paid to one director who served during the year, for services to the company, as follows:

	1999 £'000	1998 £'000
Aggregate emoluments	<u>50</u>	<u>8</u>

The other directors received no remuneration from the company for their services.

5. Tax on profit on ordinary activities

	1999 £'000	1998 £'000
The tax charge is based on the profit for the year and comprises:		
U K Corporation tax at 30.25% (1998: 31%)	<u>68</u>	<u>81</u>

6. Debtors

	1999 £'000	1998 £'000
Amounts falling due within one year:		
Prepayments and accrued income	<u>2</u>	<u>-</u>

7. Called up share capital

	1999 £'000	1998 £'000
Authorised		
1,000 Ordinary shares of £1 each	<u>1</u>	<u>1</u>
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	<u>1</u>	<u>1</u>

FIRST ACTIVE IFA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1999

8. Profit and loss account

	1999 £'000	1998 £'000
At 1 January	277	96
Profit for the year	<u>157</u>	<u>181</u>
At 31 December	<u>434</u>	<u>277</u>

9. Reconciliation of movements in equity shareholders' funds

	1999 £'000	1998 £'000
Opening equity shareholders' funds	278	97
Retained profit for the year	<u>157</u>	<u>181</u>
Closing equity shareholders' funds	<u>435</u>	<u>278</u>

10. Creditors: amounts falling due within one year

	1999 £'000	1998 £'000
Amounts owed to group undertakings	34	105
Corporation tax	-	81
Group relief payable	158	8
Accruals and deferred income	<u>8</u>	<u>4</u>
	<u>200</u>	<u>198</u>

11. Ultimate parent undertaking

The company is a 100% subsidiary of First Active Financial plc, a company registered in England and Wales, which is itself a wholly owned subsidiary of First Active plc.

First Active plc is registered in the Republic of Ireland and is the ultimate parent undertaking.

Copies of the accounts of First Active Financial plc and First Active plc may be obtained from:

First Active Financial plc: The Secretary, Sir William Atkins House, Ashley Avenue, Epsom, Surrey, KT18 5AS

First Active plc: The Secretary, Skehan House, Booterstown, County Dublin, Republic of Ireland