

BRITANNIC MONEY INVESTMENT SERVICES LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2001



Company number: 2171236

BRITANNIC MONEY INVESTMENT SERVICES LIMITED

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BRITANNIC MONEY INVESTMENT SERVICES LIMITED

COMPANY INFORMATION

Directors	P R Rogers M D Seddon
Secretary	G M Wellman
Company Number	2171236
Registered Office	Sir William Atkins House Ashley Avenue Epsom Surrey KT18 5AS
Registered auditors	KPMG Audit Plc 1 Canada Square Canary Wharf London E14 5AG
Bankers	Barclays Bank PLC Financial Services and Structured Finance Team P O Box 544 54 Lombard Street London EC3P 3AH

BRITANNIC MONEY INVESTMENT SERVICES LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2001

The directors present their report and the audited financial statements for the year ended 31 December 2001.

Principal 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.

On 16 February 2001, the company changed its name to Britannic Money Investment Services Limited from First Active IFA Limited as part of the rebranding of the Britannic Group.

In addition to these activities the company continued to be 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 recommend payment of a dividend of £150k (2000: £400k). Looking ahead, the Company intends to develop its existing relationships and create new opportunities.

Directors and their interests

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

P R Rogers (Appointed 1 June 2001)

M D Seddon

According to the Register of Directors' Interests the directors had no interests in the share capital of the company. P R Rogers is a director of the immediate parent company, Britannic Money plc, and his interests are disclosed in those financial statements.

Statement of directors' responsibilities

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 as at the end of the financial year and of the profit or loss for that period. 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;
- prepare 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

BRITANNIC MONEY INVESTMENT SERVICES LIMITED

REPORT OF THE DIRECTORS (Continued)

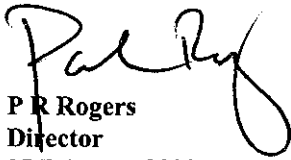
FOR THE YEAR ENDED 31 DECEMBER 2001

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



P R Rogers
Director

27 February 2002

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRITANNIC MONEY INVESTMENT SERVICES LIMITED

We have audited the financial statements on pages 5 to 10.

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 31 December 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 Auditors
1 Canada Square
Canary Wharf
London E14 5AG

27 February 2002

BRITANNIC MONEY INVESTMENT SERVICES LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2001**

		2001 £'000	2000 £'000
	Notes		
Continuing operations			
Turnover	2	393	508
Administrative expenses		<u>(298)</u>	<u>(423)</u>
Operating profit		95	85
Interest receivable		<u>11</u>	<u>22</u>
Profit on ordinary activities before taxation	3	106	107
Tax on profit on ordinary activities	5	<u>(3)</u>	<u>(33)</u>
Profit on ordinary activities after taxation		103	74
Dividends	6	<u>(150)</u>	<u>(400)</u>
Accumulated deficit for the financial year	9	<u><u>(47)</u></u>	<u><u>(326)</u></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.

BRITANNIC MONEY INVESTMENT SERVICES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2001

		2001 £'000	2000 £'000
	Notes		
ASSETS			
Current assets			
Debtors	7	2	-
Cash at bank and in hand		<u>283</u>	<u>216</u>
Total assets		<u>285</u>	<u>216</u>
LIABILITIES AND CAPITAL			
Capital and reserves			
Called up share capital	8	1	1
Profit and loss account	9	<u>61</u>	<u>108</u>
Equity shareholders' funds	10	<u>62</u>	<u>109</u>
Creditors			
Amounts falling due within one year	11	<u>223</u>	<u>107</u>
Total liabilities and capital		<u>285</u>	<u>216</u>

The financial statements on pages 5 to 10 were approved by the Board of Directors on 27 February 2002 and were signed on its behalf by:


P R Rogers
Director

BRITANNIC MONEY INVESTMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001

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 Britannic Money plc ("BM") and the cashflows of the company are included in the consolidated group cashflow statement of BM. 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 BM 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

	2001 £'000	2000 £'000
The profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration	<u>5</u>	<u>2</u>

BRITANNIC MONEY INVESTMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001

4. Directors and employees

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

	2001 £'000	2000 £'000
Wages and salaries	183	159
Social security costs	20	18
	<u>203</u>	<u>177</u>

Emoluments were paid to one (2000: two) director who served during the year, for services to the company, as follows:

	2001 £'000	2000 £'000
Aggregate emoluments	<u>62</u>	<u>129</u>

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

5. Tax on profit on ordinary activities

	2001 £'000	2000 £'000
The tax charge is based on the profit for the year and comprises:		
U K Corporation tax at 30% (2000: 30%)	-	33
Under provision in respect of prior years	<u>3</u>	<u>-</u>
	<u>3</u>	<u>33</u>

No tax charge has been made for the current year as the tax is covered by group relief which is surrendered for nil consideration.

6. Dividends

	2001 £'000	2000 £'000
Dividend paid	-	400
Dividend proposed	<u>150</u>	<u>-</u>
	<u>150</u>	<u>400</u>

7. Debtors

	2001 £'000	2000 £'000
Amounts falling due within one year:		
Other debtors	<u>2</u>	<u>-</u>

BRITANNIC MONEY INVESTMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001

8. Called up share capital

	2001 £	2000 £
Authorised		
1 'A' share of £1 each	1	-
1 'B' share of £1 each	1	-
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	<u>1,002</u>	<u>1,000</u>
	2001 £	2000 £
Allotted, called up and fully paid		
1 'A' share of £1 each	1	-
1 'B' share of £1 each	1	-
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	<u>1,002</u>	<u>1,000</u>

On 5 June 2001 the company increased its authorised share capital by the creation of 1 £1 'A' share and 1 £1 'B' share. On the same date the 'A' share and 'B' share were issued. The Ordinary shares, the 'A' share and 'B' share entitle the shareholders to receive notice of and attend any general meeting. The 'A' share and 'B' share do not entitle the shareholder to vote on any resolutions except in the case of the removal of a director that that shareholder appointed.

The Ordinary shares are entitled to dividend distributions. In the event of a winding up of the company or a reduction or return of capital, the remaining assets of the company after settlement of all debts and liabilities shall be shared between the Ordinary shareholders.

9. Profit and loss account

	2001 £'000	2000 £'000
At 1 January	108	434
Accumulated loss for the year	<u>(47)</u>	<u>(326)</u>
At 31 December	<u>61</u>	<u>108</u>

10. Reconciliation of movements in equity shareholders' funds

	2001 £'000	2000 £'000
Opening equity shareholders' funds	109	435
Accumulated loss for the year	<u>(47)</u>	<u>(326)</u>
Closing equity shareholders' funds	<u>62</u>	<u>109</u>

BRITANNIC MONEY INVESTMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001

11. Creditors: amounts falling due within one year

	2001	2000
	£'000	£'000
Amounts owed to group undertakings	17	67
Group relief payable	44	33
Accruals and deferred income	11	5
Other creditors	1	2
Proposed dividends	150	-
	<u>223</u>	<u>107</u>

12. Ultimate parent undertaking

The company is a subsidiary of Britannic Money plc ("BM"), a company registered in England and Wales.

Copies of the financial statements of BM may be obtained from The Secretary, Sir William Atkins House, Ashley Avenue, Epsom, Surrey, KT18 5AS.

The ultimate parent undertaking and controlling party is Britannic plc.

Copies of the financial statements of Britannic plc may be obtained from The Secretary, Britannic plc, 1 Wythall Green Way, Wythall, Birmingham, B47 6WG.