

Company Number 2310921

**IMAS CORPORATE ADVISORS
LIMITED**

**Financial Statements
30 June 2002**



IMAS CORPORATE ADVISORS LIMITED

Directors' report for the year ended 30 June 2002

The directors submit their report and the audited financial statements of the company for the year ended 30 June 2002.

Review of the period

The principal activity of the company is the provision of corporate finance and consultancy services focused on shareholder value to the insurance and the financial services industries.

The year has been an important one: key staff changes have been made that have significantly strengthened and extended the capabilities of the business. We have moved to larger premises and changed our name to reflect more closely what we do. Revenues have grown by over 20%.

The nature of our business makes it very hard to predict the result of the year ahead. The current levels of activity suggest our revenue will be significantly up on what was achieved in the year just ended.

IMAS' long term growth objectives will only be achieved by attracting and retaining quality individuals. Accordingly, it is the intention of the Board to put in place a mechanism by which, with the continued growth of the business, the ownership of the equity shares by Oliver-Laughton Scott will be reduced to 25%.

Change of name

On 14 May 2002 the Company changed its name from IMAS Consultants Limited to IMAS Corporate Advisors Limited.

Dividends

The company has paid dividends of £346,700 relating to the year (2001 : £315,000), and no further dividend is proposed.

Directors and their interests

The directors of the company who served during the year were as follows:

W L Henson
O E Laughton-Scott
R N P Simpson

On 6 February 2002 Mr R N P Simpson resigned from the Board.

Mr. O E Laughton-Scott is the beneficial owner of 2 ordinary shares and the A redeemable preference share capital. Mr R N P Simpson disposed of his 1 ordinary share to Mr O E Laughton-Scott on his resignation as a director and acquired 1 B redeemable preference share at the same time. The other director had no interest in the issued share capital of the company.

IMAS CORPORATE ADVISORS LIMITED

Directors' report for the year ended 30 June 2002

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 and of the profit or loss of the company 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;
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

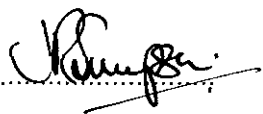
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution concerning the re-appointment of Chantrey Vellacott DFK as auditors of the company will be proposed at the Annual General Meeting.

ON BEHALF OF THE BOARD

J R SIMPSON



Secretary

Date: 26 September 2002

IMAS CORPORATE ADVISORS LIMITED

Independent Auditors' report to the shareholders of IMAS Corporate Advisors Limited

We have audited the financial statements of IMAS Consultants Limited for the year ended 30 June 2002 which are set out on pages 4 to 11. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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

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.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

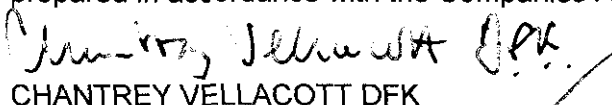
Basis of opinion

We conducted our audit in accordance with United Kingdom 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 30 June 2002 and of the results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


CHANTREY VELLACOTT DFK

Chartered Accountants
London

27 September 2002

IMAS CORPORATE ADVISORS LIMITED

Profit and loss account for the year ended 30 June 2002

	Note	2002 £	2001 £
Turnover	2	667,742	550,613
Operating charges		(223,411)	(135,737)
Operating profit		444,331	414,876
Interest receivable		3,277	3,245
Profit on ordinary activities before taxation	3	447,608	418,121
Tax on ordinary activities	4	(123,600)	(100,000)
Profit on ordinary activities after taxation		324,008	318,121
Dividends	5	(346,700)	(315,000)
Retained (loss)/profit for the period		(22,692)	3,121

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented. There is no difference between the results stated above and their historical cost equivalents.

The notes on pages 7 to 11 form part of these financial statements.

IMAS CORPORATE ADVISORS LIMITED

Balance sheet as at 30 June 2002

	Note	2002 £	2001 £
Fixed assets			
Tangible assets	6	<u>9,109</u>	<u>5,862</u>
Current assets			
Debtors	7	<u>86,855</u>	55,746
Cash		<u>120,803</u>	<u>131,826</u>
		207,658	187,572
Creditors: Amounts falling due within one year	8	<u>183,528</u>	<u>137,504</u>
Net current assets		<u>24,130</u>	<u>50,068</u>
Total assets less liabilities		<u>33,239</u>	<u>55,930</u>
Capital and reserves			
Called-up share capital	9	<u>10,003</u>	10,002
Profit and loss reserve		<u>23,236</u>	<u>45,928</u>
Shareholders' funds (including non- equity interests)	10	<u>33,239</u>	<u>55,930</u>

Approved by the Board on 26 September 2002 and signed on its behalf by:



O E LAUGHTON-SCOTT

Director

The notes on pages 7 to 11 form part of these financial statements.

IMAS CORPORATE ADVISORS LIMITED

Cash flow statement for the year ended 30 June 2002

	2002 £	2001 £
Reconciliation of operating profit to net cash inflow from operating activities		
Operating profit	444,331	414,876
Depreciation charges	6,619	4,809
Increase in debtors	(31,109)	(34,529)
Increase in creditors	21,127	978
Net cash inflow from operating activities	440,968	386,134

Cash Flow Statement

Operating activities		
Net cash inflow from operating activities	440,968	386,134
Returns on investments and servicing of finance		
Bank interest received	3,277	3,245
Dividends paid	(346,700)	(315,000)
Net cash outflow from returns on investments and servicing of finance	(343,423)	(311,755)
Taxation		
Corporation tax paid	(98,603)	(56,789)
Investing activities		
Issue of 'B' preference share	1	-
Payments to acquire tangible fixed assets	(13,251)	(10,034)
Payments received on sale of tangible fixed assets	3,385	-
	(9,865)	(10,034)
(Decrease)/increase in cash	(11,023)	7,556

IMAS CORPORATE ADVISORS LIMITED

Notes to the financial statements For the year ended 30 June 2002

1. Accounting policies

(a) Accounting convention

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

(b) Depreciation

Depreciation is charged on tangible fixed assets so as to write off their full cost over their expected useful lives at the following rates:

Computer equipment	50% of cost per annum
Fixtures and fittings	33 $\frac{1}{3}$ % of cost per annum

(c) Deferred taxation

Deferred taxation is provided for all material elements of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

2. Turnover

Turnover represents amounts receivable in the period in respect of consultancy fees and is stated net of VAT.

3. Profit on ordinary activities before tax

Profit on ordinary activities is stated after charging:

	2002 £	2001 £
Depreciation	6,619	4,809
Auditors' remuneration	2,600	2,500
Directors' emoluments	32,000	48,000
Other staff costs (including national insurance)	83,866	29,572

W L Henson, a director of the company, charged the company consultancy fees of £18,527 during the year (2001: £15,000).

The average number of employees, including directors, was 4 (2001 : 3).

IMAS CORPORATE ADVISORS LIMITED

Notes to the financial statements For the year ended 30 June 2002

4. Taxation	2002	2001
	£	£
Taxation on profit for the year at 28.3% (2001 – 23.9%)	123,600	100,000
Factors affecting tax charge for year		
Profit on ordinary activities multiplied by the standard rate of UK corporate tax of 30%	134,282	125,436
Effects of:		
Expenses not deductible for tax purposes	2,121	1,334
Marginal relief	(7,755)	(26,977)
Deferred tax not provided	(2,174)	(400)
Other	68	607
Adjustments in respect of earlier years	(2,942)	-
	123,600	100,000
5. Dividends	2002	2001
	£	£
On equity shares:		
£126,692.50 per ordinary share (2001 : £157,500)	253,385	315,000
On non-equity shares:		
£93,315.00 per B preference share (2001 : £nil)	93,315	-
	346,700	315,000

IMAS CORPORATE ADVISORS LIMITED

Notes to the financial statements For the year ended 30 June 2002

6.	Tangible assets	Computer equipment £	Fixtures and fittings £	Total £
	Cost			
	At 1 July 2001	14,348	5,162	19,510
	Additions	9,981	3,270	13,251
	Disposals	(9,392)	(5,162)	(14,554)
	At 30 June 2002	<u>14,937</u>	<u>3,270</u>	<u>18,207</u>
	Accumulated depreciation			
	At 1 July 2001	11,871	1,777	13,648
	Charge for the year	6,189	430	6,619
	Disposals	(9,392)	(1,777)	(11,169)
	At 30 June 2002	<u>8,668</u>	<u>430</u>	<u>9,098</u>
	Net book value			
	At 30 June 2001	<u>6,269</u>	<u>2,840</u>	<u>9,109</u>
	At 30 June 2001	<u>2,477</u>	<u>3,385</u>	<u>5,862</u>
7.	Debtors		2002	2001
			£	£
	Trade debtors		<u>86,855</u>	<u>55,746</u>
8.	Creditors		2002	2001
			£	£
	Trade creditors		12,023	2,578
	Corporation tax		126,542	101,645
	Accruals and deferred income		17,000	8,900
	Other taxes and social security		27,963	24,381
			<u>183,528</u>	<u>137,504</u>

IMAS CORPORATE ADVISORS LIMITED

Notes to the financial statements For the year ended 30 June 2002

9.	Share capital	2002 £	2001 £
	Authorised		
	- Equity		
	100 Ordinary shares of £1 each	100	100
	- Non-Equity		
	10,000 'A' Redeemable preference shares of £1 each	10,000	10,000
	1 'B' redeemable preference share of £1	1	-
		<u>10,101</u>	<u>10,100</u>
	Issued		
	- Equity		
	2 Ordinary shares of £1 each	2	2
	- Non-Equity		
	10,000 'A' Redeemable preference shares of £1 each	10,000	10,000
	- 1 'B' Redeemable preference share of £1	1	-
		<u>10,003</u>	<u>10,002</u>

The 'A' redeemable preference shares of £1 each have no fixed redemption date and are redeemable at par at the option of the shareholders. The 'B' redeemable preference share was authorised and issued on 6 February 2002.

'A' preference shareholders do not having voting rights or rights to dividend payments.

IMAS CORPORATE ADVISORS LIMITED

Notes to the financial statements For the year ended 30 June 2002

10. Reconciliation of movement in Shareholders' funds

	2002 £	2001 £
Profit for the financial period	324,008	318,121
Dividends	(346,700)	(315,000)
Net addition to shareholders' funds	(22,692)	3,121
Share capital issued	1	-
Opening shareholders' funds	55,930	52,809
Closing shareholders' funds	33,239	55,930

Shareholders' funds may be analysed as follows:

Attributable to equity interests	23,238	45,930
Attributable to non-equity interests	10,001	10,000
	33,239	55,930