



RMA (HOLDINGS) LIMITED
FINANCIAL STATEMENTS AND REPORTS
FOR THE YEAR ENDED 31ST DECEMBER, 2002

Company Number 2890236



RMA (HOLDINGS) LIMITED

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RMA (HOLDINGS) LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST DECEMBER, 2002

The directors present their report and the audited financial statements of the company and group for the year ended 31st December, 2002.

Principal Activity

The principal activity of the group remains that of life, pensions and general insurance broking.

Review of the Business

Details of the results for the year are set out in the attached statements and reports.

The directors consider the state of affairs of the company and group to be satisfactory.

Dividends

Ordinary dividends of £95,361 (2001 - £61,910) are proposed, leaving a retained profit of £127,166 (2001 - £59,653) to be taken to reserves.

Directors and their Interests

The following are the persons who have served as directors during the year together with their interests in the company:

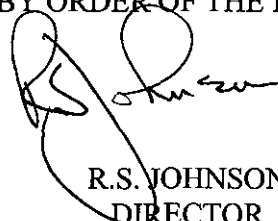
	£1 Ordinary Shares	
	31.12.2002	1.1.2002
R.S. Johnson (Chairman)	7,098	7,098
C.S. Beaumont	7,098	7,098
I.G. Logan	7,098	7,098
J.W. Marshall	7,098	7,098
J.D. Mutch	7,098	7,098

None of the directors had any interest in the share capital of other group companies.

Auditors

A resolution to re-appoint Messrs. Dutton Moore as auditors will be put to the members at the Annual General Meeting in accordance with Section 384 of the Companies Act 1985.

BY ORDER OF THE BOARD



R.S. JOHNSON
DIRECTOR

HULL
29th APRIL, 2003

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF

RMA (HOLDINGS) LIMITED

We have audited the financial statements on pages 4 to 19. The financial statements have been prepared under the historical cost convention and the accounting policies set out therein on page 7.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page 3 the company's and group'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 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 inconsistent with the financial statements, if the company and group have not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information required by law regarding directors' remuneration and transactions with the company and group 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.

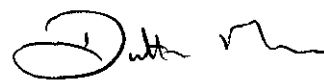
Basis of audit opinion

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 and group'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 and group's affairs as at 31st December, 2002 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**DUTTON MOORE
CHARTERED ACCOUNTANTS
AND REGISTERED AUDITORS**

**HULL
29th APRIL, 2003**

RMA (HOLDINGS) LIMITED

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 and group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d) 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 group 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 group and hence for taking reasonable steps for the prevention of fraud and other irregularities.

RMA (HOLDINGS) LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER, 2002

	Notes	2002	2001
Turnover	2	2,518,725	2,259,123
Administrative Expenses		(2,231,183)	(2,104,231)
Operating Profit	3	287,542	154,892
Interest Receivable and Similar Income	4a	49,726	39,877
Interest Payable and Similar Charges	4b	(29,890)	(14,223)
Profit on Ordinary Activities, before Taxation		307,378	180,546
Tax on Profit on Ordinary Activities	5	(84,851)	(58,983)
Profit on Ordinary Activities, after Taxation		222,527	121,563
Dividends	6	(95,361)	(61,910)
Retained Profit for the Financial Year		127,166	59,653
Retained Profits, brought forward		217,853	158,201
Retained Profits, carried forward		£ 345,019	£ 217,854

All of the activities undertaken by the group during 2002 and 2001 are continuing activities.

The group has no recognised gains or losses for 2002 and 2001 other than those included in the profit and loss account, therefore no separate statement of total recognised gains and losses is required.

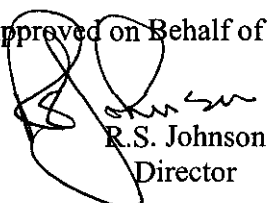
In accordance with the exemption allowed under S.230 of the Companies Act 1985, as amended, the holding company's profit and loss account is not separately presented.

RMA (HOLDINGS) LIMITED

BALANCE SHEET AS AT 31ST DECEMBER, 2002

	Notes	Group 2002	Group 2001	Company 2002	Company 2001
FIXED ASSETS					
Intangible Assets	7	581,226	631,847	-	-
Tangible Assets	8	225,969	245,795	-	-
Investments	9	6,730	6,730	1,298,438	1,298,438
		<u>£813,925</u>	<u>£884,372</u>	<u>£1,298,438</u>	<u>£1,298,438</u>
CURRENT ASSETS					
Debtors	10	1,659,439	1,216,887	20,775	23,775
Cash at Bank and in Hand		1,273,591	1,312,045	-	-
		<u>2,933,030</u>	<u>2,528,932</u>	<u>20,775</u>	<u>23,775</u>
CREDITORS: amounts falling due within one year	11a	(2,834,985)	(2,638,745)	(938,513)	(941,513)
Net Current Assets/(Liabilities)		<u>£ 98,045</u>	<u>£(109,813)</u>	<u>£ (917,738)</u>	<u>£(917,738)</u>
Total Assets less Current Liabilities		911,970	774,559	380,700	380,700
CREDITORS: amounts falling due after more than one year	11b	(178,541)	(166,791)	-	-
Provisions for Liabilities and Charges	5c	(7,710)	(9,215)	-	-
		<u>£725,719</u>	<u>£598,553</u>	<u>£380,700</u>	<u>£380,700</u>
CAPITAL AND RESERVES					
Called Up Share Capital	14	50,700	50,700	50,700	50,700
Capital Redemption Reserve		330,000	330,000	330,000	330,000
Profit and Loss Account		345,019	217,853	-	-
Shareholders' Funds	15	<u>£725,719</u>	<u>£598,553</u>	<u>£380,700</u>	<u>£380,700</u>

Approved on Behalf of the Board


 R.S. Johnson
 Director

Dated: 29th April, 2003

The notes on pages 6 to 19 form part of these accounts.

RMA (HOLDINGS) LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31st DECEMBER, 2002

	Note	2002	2001
Net Cash Inflow from Operating Activities	18(a)	64,001	688,284
Return on Investments and Servicing of Finance	18(b)	19,836	25,654
Capital Expenditure and Financial Investment	18(c)	10,500	25,836
Equity Dividends Paid		(61,910)	(70,007)
Financing	18(d)	(21,112)	355
Taxation	18(e)	(49,769)	(23,826)
		<hr/>	<hr/>
(Decrease)/Increase in Cash in the Year	18(f)	£(38,454)	£646,296
		<hr/>	<hr/>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

(Decrease)/Increase in Cash in the Year	(38,454)	646,296
Cash Outflow/(Inflow) from Decrease in Debt and Hire Purchase Financing Agreement	21,112	(355)
	<hr/>	<hr/>
Change in Net Debt resulting from Cash Flow Hire Purchase Agreements	(17,342)	645,941
	(54,057)	(103,762)
	<hr/>	<hr/>
Movement in Net Debt in Year	(71,399)	542,179
Net Funds at 1 st January, 2002	1,072,648	530,469
	<hr/>	<hr/>
Net Funds at 31st December, 2002	18(f)	£1,001,249
		<hr/>
		<hr/>

RMA (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER, 2002

1. Principal Accounting Policies:

The 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

- a) **Accounts** have been prepared under the historical cost convention.
- b) **Turnover** represents brokerage and commissions receivable by the company during the year. Credit is taken for general brokerage when the debit note is raised.
- c) **Goodwill** arising from the acquisition of insurance broking businesses is treated as an intangible fixed asset and amortised over 20 years.
- d) **Fixed Assets** are included at cost. Depreciation is provided at rates calculated to write off all tangible fixed assets over their estimated useful lives. The rates applied are as follows:

Fixtures and Fittings	10% on cost
Motor Vehicles	25% reducing balance
Computer Equipment	25% on cost

- e) **Deferred Taxation**

In recognition of the advent of FRS19: Deferred Taxation, the group makes full provision for all taxation liabilities deferred as a result of the cumulative excesses of capital allowances over depreciation.

- f) **Hire Purchase Agreements**

Assets obtained under hire purchase agreements are capitalised in the balance sheet and are depreciated over their useful lives. The interest element is charged to the profit and loss account over the period of the agreement.

- g) **Pensions**

The group operated a pension scheme providing benefits based on final pensionable pay until 30th June, 2000. On 1st July, 2000 eligible employees commenced membership of a new defined contribution Group Personal Pension scheme.

Contributions to the scheme are charged to the accounts in the year they fall due in accordance with FRS17.

- h) **Foreign Currencies**

Monetary asset denominated in foreign currency are translated into sterling at the rate of exchange prevailing at the Balance Sheet date. Transactions denominated in foreign currency are translated into sterling at the average rate of exchange over the period of trading. Gains and losses arising on settlement are written off as incurred.

2. Turnover

Turnover as defined in note 1(b) and pre-tax profit are attributable to the principal activity as detailed in the Directors' Report, and consist entirely of income within the United Kingdom.

RMA (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

3. Operating Profit 2002 2001

a) This is stated after charging:

Depreciation, including Losses on Disposals	£63,383	£73,842
Amortisation	£50,622	£51,623
Auditors' Remuneration	£12,500	£12,500
Directors' Remuneration (see below)	£517,184	£458,336
Operating Leases	£77,450	£77,450
Pension Review Provision	£(34,689)	£69,205

b) Directors' Emoluments

Salaries	338,770	293,979
Fees	39,250	54,750
Benefits in Kind	64,447	42,605
Employer's National Insurance	47,615	43,484
Pension Scheme Contributions	27,102	23,518
	<u>£517,184</u>	<u>£458,336</u>

Five directors (2001 - five) had retirement benefits accruing under defined benefit pension schemes until 30th June, 2000, whereafter benefits accrued under defined contribution Group Personal Pension schemes.

The highest paid director received emoluments of £97,689 (2001 - £95,969).

c) Staff Costs 2002 2001

Wages and Salaries	791,269	750,414
Employer's NIC	75,648	66,131
	<u>£866,917</u>	<u>£816,545</u>

The average number of people employed during the year, excluding directors was:

	2002 No.	2001 No.
Insurance Broking	47	46
Administration	10	10
	<u>57</u>	<u>56</u>

RMA (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

4. Interest Receivable and Payable	2002	2001
a) Interest Receivable and Similar Income		
Bank Interest	£49,726	£39,877
	<u> </u>	<u> </u>
b) Interest Payable and Similar Charges		
Bank Interest	9,364	11,395
Hire Purchase Interest	20,526	2,828
	<u> </u>	<u> </u>
	£29,890	£14,223
	<u> </u>	<u> </u>
5. Tax on Profit on Ordinary Activities		
a) Corporation Tax on the adjusted profits for the		
Year at 22.3% (2001-21.8%) (Note 5b)	86,356	49,768
Deferred Tax charge (Note 5c)	(1,505)	9,215
	<u> </u>	<u> </u>
Current Tax Charge	£84,851	£58,983
	<u> </u>	<u> </u>
b) Factors affecting tax charge for the period:		
The tax assessed for the period is different to the small companies rate of corporation tax in the UK (20%). The differences are explained below:		
Profit on Ordinary Activities, before Tax	£307,378	£180,546
	<u> </u>	<u> </u>
Profit on Ordinary Activities multiplied by small		
Companies rate of corporation tax in the UK at		
19% (2001-20%)	58,402	36,109
Effects of:		
Amortisation of Consolidated Goodwill	9,048	9,524
Expenses not deductible for tax purposes	3,857	4,077
Depreciation for period in excess of capital allowances	2,326	58
Pension Review Provision	12,723	-
	<u> </u>	<u> </u>
Current tax charge for the period	£86,356	£49,768
	<u> </u>	<u> </u>
c) Provision for Deferred Tax Charge relating to		
Accelerated capital allowances	(1,505)	9,215
Provision, brought forward	9,215	-
	<u> </u>	<u> </u>
Provision, carried forward	£7,710	£9,215
	<u> </u>	<u> </u>

RMA (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

6. Dividends	2002	2001
Ordinary-Paid @ £1.88 per share (2001-£1.22 per share)	28,640	43,337
'A' Ordinary-Paid @ £1.88 per share (2001-£1.22 per share)	66,721	18,573
	<hr/>	<hr/>
	£95,361	£61,910
	<hr/>	<hr/>
7. Intangible Fixed Assets		Goodwill
Cost		
At 1 st January, 2002 and at 31st December 2002		£1,013,429
		<hr/>
Amortisation		
At 1 st January, 2002		381,581
Charge for the Year		50,622
		<hr/>
At 31 st December, 2002		£432,203
		<hr/>
Net Book Value		
At 31 st December, 2002		£581,226
		<hr/>
At 31 st December, 2001		£631,847
		<hr/>

RMA (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

8. Tangible Fixed Assets

	Office Furniture and Equipment	Motor Vehicles	Total
Cost			
At 1 st January, 2002	229,881	236,749	466,630
Additions during the Year	8,600	54,057	62,657
Disposals at Cost	-	(51,539)	(51,539)
	<hr/>	<hr/>	<hr/>
As at 31 st December, 2002	£238,481	£239,267	£477,748
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 st January, 2002	153,681	67,154	220,835
Added this Year	14,563	44,812	59,375
Eliminated in respect of disposals	-	(28,431)	(28,431)
	<hr/>	<hr/>	<hr/>
As at 31 st December, 2002	£168,244	£83,535	£251,779
	<hr/>	<hr/>	<hr/>
Net Book Value			
At 31 st December, 2002	£70,237	£155,732	£225,969
	<hr/>	<hr/>	<hr/>
At 31 st December, 2001	£76,200	£169,595	£245,795
	<hr/>	<hr/>	<hr/>

Included in the total net book value of motor vehicles is £149,629 (2001 - £161,452) and of computer equipment is £18,589 (2001 - £27,645) in respect of assets acquired under hire purchase agreements. Depreciation charged on such assets is £38,460 (2001 - £36,431) and £6,192 (2000 - £9,215) respectively.

RMA (HOLDINGS) LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)

9 Investments

			Group	Company
	Listed on recognised Stock Exchange	Other Investments	Total	Shares in Subsidiary Undertakings
Cost				
At 31 st December, 2001 and at 31 st December, 2002	£1,035	£5,695	£6,730	£1,298,438
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The market value of listed investments at 31st December, 2002 was £1,560 (2001 - £2,108).

Subsidiary Undertakings	Country of Registration and Incorporation	Nature of Business	Holding of Ordinary Shares
Penmarch Limited	England	Holding of Investment	100%
J. Rixon Matthews & Appleyard Limited	England	Insurance Broking	100%

J. Rixon Matthews & Appleyard Limited is held by a subsidiary undertaking.

Penmarch Limited made a profit for the year of £Nil (2001 - £Nil) and at the year end had capital and reserves of £2,141,878 (2001 - £2,141,878).

J. Rixon Matthews & Appleyard Limited had a retained profit for the year of £174,788 after taxation and dividends (2001-£107,274) and at the year end had capital and reserves of £996,170 (2001 - £821.382).

RMA (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

10. Debtors

	Group		Company	
	2002	2001	2002	2001
Trade Debtors	1,592,209	1,139,053	-	-
Amounts due from Group Undertakings	-	-	20,775	23,775
Prepayments and Accrued Income	63,930	77,834	-	-
Other Debtors	3,300	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	£1,659,439	£1,216,887	£20,775	£23,775
	<hr/>	<hr/>	<hr/>	<hr/>

11a. Creditors: amounts falling due within one year

Trade Creditors	2,371,334	2,259,670	-	-
Amounts due to Subsidiary Undertaking	-	-	825,516	855,946
Corporation Tax	86,356	49,768	-	-
Other Creditors	24,636	30,658	17,636	23,657
Other Taxes	62,062	50,330	-	-
Dividends	95,361	61,910	95,361	61,910
Accruals and Deferred Income	101,435	113,803	-	-
Hire Purchase Agreements (Note 13)	58,635	50,783	-	-
Other Loans (Note 12)	35,166	21,823	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	£2,834,985	£2,638,745	£938,513	£941,513
	<hr/>	<hr/>	<hr/>	<hr/>

11b. Creditors: amounts falling due after more than one year

	Group		Company	
	2002	2001	2002	2001
Hire Purchase Agreements (Note 13)	39,559	61,239	-	-
Other Loans (Note 12)	138,982	105,552	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	£178,541	£166,791	£ -	£ -
	<hr/>	<hr/>	<hr/>	<hr/>

RMA (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

12. Other Loans

	2001		2000	
	Group	Company	Group	Company
Amounts payable:				
Within one year	35,166	21,823	21,823	-
Within one to two years	37,276	23,255	23,255	-
Within three to five years	101,706	78,475	78,475	-
Over five years	-	3,822	3,822	-
	<hr/>	<hr/>	<hr/>	<hr/>
	£174,148	£127,375	£127,375	£ -
	<hr/>	<hr/>	<hr/>	<hr/>
Shown as:				
Current Obligations	35,166	-	21,823	-
Non-Current Obligations	138,982	-	105,552	-
	<hr/>	<hr/>	<hr/>	<hr/>
	£174,148	£ -	£127,375	£ -
	<hr/>	<hr/>	<hr/>	<hr/>

The group has previously entered into an agreement with the Royal Bank of Scotland plc to provide a loan of up to £250,000 under the scheme operated with PASS Loans Limited company number 3530780 to meet compensation payments following the review of certain customers pensions.

The repayments, standing at £3,691 per month at the year end, are over a remaining 52 monthly instalments and interest is charged quarterly at 2% per annum above the Bank's Base Rate subject to a minimum rate of 6% per annum.

13. Obligations under Hire Purchase Agreements

The maturity of these amounts is as follows:

	2002		2001	
	Group	Company	Group	Company
Amounts payable:				
Within One Year	65,145	-	66,481	-
Within Two to Five Years	46,069	-	76,937	-
	<hr/>	<hr/>	<hr/>	<hr/>
	111,214	-	143,418	-
Less Interest charges allocated to Future periods	(13,020)	-	(31,396)	-
	<hr/>	<hr/>	<hr/>	<hr/>
	£98,194	£ -	£112,022	£ -
	<hr/>	<hr/>	<hr/>	<hr/>
Shown as:				
Current Obligations	58,635	-	50,783	-
Non-Current Obligations	39,559	-	61,239	-
	<hr/>	<hr/>	<hr/>	<hr/>
	£98,194	£ -	£112,022	£ -
	<hr/>	<hr/>	<hr/>	<hr/>

RMA (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

13. Obligations under Hire Purchase Agreements (continued)

Major Non-Cash Transactions

During the year the company entered into hire purchase arrangements in respect of assets with a capital value at the inception of the agreements of £54,057 (2001 - £103,762).

14. Called Up Share Capital	2002	2001
Authorised:		
Equity Shares		
Ordinary Shares of £1 each	35,490	35,490
'A' Ordinary Shares of £1 each	15,210	15,210
	<hr/>	<hr/>
Non Equity Shares	50,700	50,700
Redeemable Preference Shares of £1 each	350,000	350,000
	<hr/>	<hr/>
	<u>£400,700</u>	<u>£400,700</u>
Allotted, Issued and Fully Paid:		
Equity Shares		
Ordinary Shares of £1 each	35,490	35,490
'A' Ordinary Shares of £1 each	15,210	15,210
	<hr/>	<hr/>
	<u>£50,700</u>	<u>£50,700</u>

RMA (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

14. Called Up Share Capital (continued)

The rights to the equity and non equity shares are as follows:

	Ordinary Shares	'A' Ordinary Shares	Preference Shares
Dividend			
Cumulative Preferential		'Participating' dividend being 8% of net profit and 'Additional' dividend should directors' emoluments exceed pre-set limits.	'Preference' dividend being 10p per share net per annum.
Ordinary	'Initial' dividend per share being equal to the 'Participating' dividend paid per share.		
Voting	One vote per share	One vote per share	No voting rights
Capital			
Winding up priority	Third	Second	First
Receivable upon winding-up	£4.86 per share plus any accrued dividend and the balance remaining shared pari passu.	£4.54 per share plus any accrued dividend and the balance remaining shared pari passu.	£1 per share plus any accrued dividend.

The 'A' ordinary shares carry the right to be converted at any time into ordinary shares on a one to one basis.

15. Reconciliation of Movements in Shareholders' Funds

	Group		Company	
	2002	2001	2002	2001
Opening Shareholders' Funds	598,553	538,901	380,700	380,700
Profit on Ordinary Activities, after Taxation	222,527	121,562	95,361	61,910
Dividends	(95,361)	(61,910)	(95,361)	(61,910)
Redemption of Preference Shares	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Closing Shareholders' Funds	£725,719	£598,553	£380,700	£380,700
	<hr/>	<hr/>	<hr/>	<hr/>

RMA (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

16. Contingent Liabilities and Commitments

The company's borrowings are guaranteed by its subsidiary undertakings.

The company has undertaken to provide financial support to J. Rixon Matthews & Appleyard Limited, a subsidiary undertaking, so as to enable that company to meet its liabilities as they fall due.

At 31st December, 2002 the group had commitments to make the following payments in the year to 31st December, 2003 in respect of non-cancellable operating leases.

	<-----2002----->		<-----2001----->	
	Land and Buildings	Other	Land and Buildings	Other
Expiring between one and five years	£15,450	£42,000	£15,450	£42,000
six and ten years	£20,000	-	£20,000	-
	=====	=====	=====	=====

Neither the group nor the company had any contracted capital commitments at 31st December, 2001 (2000-£Nil).

17. Pensions

The group operated a pension scheme providing benefits on final pensionable pay up to 30th June, 2000. On 1st July, 2000 eligible employees commenced membership of a new defined contribution Group Personal Pension scheme. The pension charge for the period was £109,198 (2001 - £109,847), and this has been recognised within the operating profit in the profit and loss account in accordance with FRS17.

RMA (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

18. Notes to the Cash Flow Statement

	2001	2000
(a) Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities		
Operating Profit	287,542	154,891
Depreciation	63,383	73,842
Amortisation of Goodwill	50,622	51,623
(Increase) in Debtors	(442,552)	(220,542)
Increase/(Decrease) in Creditors	105,006	628,470
	<hr/>	<hr/>
Net Cash Inflow from Operating Activities	£64,001	£688,284
	<hr/>	<hr/>
(b) Returns of Investments and Servicing of Finance		
Interest Receivable	49,726	39,877
Interest Payable	(9,364)	(11,395)
Interest Element of Hire Purchase Agreement Payments	(20,526)	(2,828)
	<hr/>	<hr/>
	£19,836	£25,654
	<hr/>	<hr/>
(c) Capital Expenditure and Financial Investment		
Purchase of Investment	-	(1,000)
Purchase of Tangible Fixed Assets	(8,600)	(3,709)
Proceeds from Sales of Tangible Fixed Assets	19,100	30,545
	<hr/>	<hr/>
	£10,500	£25,836
	<hr/>	<hr/>
(d) Financing		
Capital Element of Hire Purchase Agreement Payments	(67,885)	(81,354)
Other Loan - Capital Advance	70,337	94,586
- Repayments	(23,564)	(12,877)
	<hr/>	<hr/>
	£(21,112)	£ 355
	<hr/>	<hr/>
(e) Taxation		
Corporation Tax Paid	£(49,769)	£(23,826)
	<hr/>	<hr/>

RMA (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

18. Notes to the Cash Flow Statement (continued)

(f) Analysis of Net Funds

	2001	Cashflows	Other Non-Cash Changes	2002
Cash at Bank and in Hand	1,312,045	(38,454)	-	1,273,591
Loans falling due after more than one year	(105,552)	-	(33,430)	(138,982)
Loans falling due in less than one year	(21,823)	23,564	(36,907)	(35,166)
Hire Purchase Agreements	(112,022)	67,885	(54,057)	(98,194)
	<hr/>	<hr/>	<hr/>	<hr/>
Total	£1,072,648	£52,995	£(124,394)	£1,001,249
	<hr/>	<hr/>	<hr/>	<hr/>

19. Related Party Transactions

The company has taken advantage of the exemption provided by Financial Reporting Standard No.8 "Related Party Transactions" not to disclose transactions with members of the group.