

LEAD GENERATOR LIMITED
(formerly LEAD GENERATER LIMITED)

REPORT AND FINANCIAL STATEMENTS

FOR THE 11 MONTHS ENDED 31ST DECEMBER, 1994

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LATHAM CROSSLEY & DAVIS
CHARTERED ACCOUNTANTS
CHORLEY

LF384



LEAD GENERATOR LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the period ended 31st December, 1994.

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company was incorporated on 10th February, 1994 when 2 ordinary £1 shares were issued to form the company.

The authorised share capital of the company was increased from £100 to £100000 on 5th May, 1994.

The company commenced trading on 17th May, 1994 and on the same day 998 ordinary £1 shares were issued at par for cash to increase the capital base of the company. On 17th May, 1994 the company changed its name from Lead Generater Limited to Lead Generator Limited.

The principal activity of the company is the provision of leads for independent financial advisors.

The directors plan to continue with the management policies which have led to the satisfactory result achieved in the period.

RESULTS AND DIVIDENDS

The profit for the period after taxation was £Nil. The directors do not recommend the payment of a dividend.

LEAD GENERATOR LIMITED

REPORT OF THE DIRECTORS

DIRECTORS AND THEIR INTERESTS

The directors of the company during the period were:

K J Budge (appointed 11th February, 1994)

R R Leith (appointed 11th February, 1994)

The directors had no interest in the shares of the company. R H Oldberg was appointed director of the company on 10th February, 1994 and resigned on 11th February, 1994.

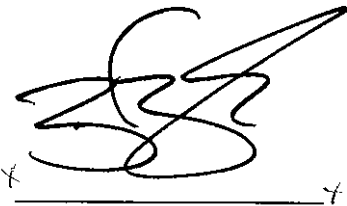
K J Budge and R R Leith, retire at the annual general meeting and, being eligible, offers themselves and are recommended for re-election.

The company is a wholly-owned subsidiary of Financial Options Group Limited and the interests in shares of K J Budge and R R Leith who are directors of that company are disclosed in its directors' report.

AUDITORS

Latham Crossley & Davis, who were appointed during the period, offer themselves, and are recommended, for re-appointment under the provisions of Section 385 of the Companies Act 1985.

By order of the Board,

A handwritten signature in black ink, appearing to be 'S. B.', written over a horizontal line. The signature is stylized with loops and a long horizontal stroke.

Secretary

Date:

27th February 1995

REPORT OF THE AUDITORS

TO THE SHAREHOLDERS OF LEAD GENERATOR LIMITED

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 4.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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 31st December, 1994 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Latham Crossley & Davis

Latham Crossley & Davis
Registered Auditors,
Chartered Accountants,
Chorley.

Date: *27 February 1995*

LEAD GENERATOR LIMITED

STATEMENT OF ACCOUNTING POLICIES

ACCOUNTING CONVENTION

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

TURNOVER

Turnover represents fees earned from provisions of services which fell within the company's ordinary activities exclusive of value added tax.

LEAD GENERATOR LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31ST DECEMBER, 1994

	Note	11 months ended 31st December, 1994 £
TURNOVER		8158
Cost of sales		(7205)
GROSS PROFIT		953
Administrative expenses		(953)
OPERATING PROFIT	1	-

All operations are new and continuing and all gains and losses for the period are dealt within the profit and loss account.

LEAD GENERATOR LIMITED

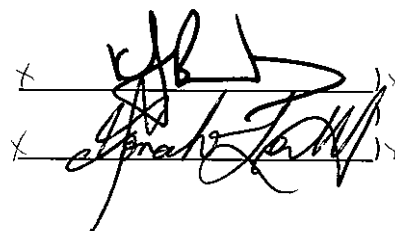
BALANCE SHEET

AS AT 31ST DECEMBER, 1994

	Note	1994
		£ £
CURRENT ASSETS		
Debtors	2	<u>2710</u>
CREDITORS: Amounts falling due within one year	3	<u>(1710)</u>
NET CURRENT ASSETS		<u>1000</u>
CAPITAL AND RESERVES		
Called up share capital	4	1000
Profit and loss account		<u>-</u>
Equity shareholders' funds	5	<u>1000</u>

Approved by the Board on

27.02.95

 Directors

LEAD GENERATOR LIMITED

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31ST DECEMBER, 1994

	Note	£	1994 £
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	A		(1000)
FINANCING			
Issue of share capital		<u>1000</u>	
Net cash inflow from financing	B		<u>1000</u>
INCREASE IN CASH AND CASH EQUIVALENTS			<u><u>-</u></u>

LEAD GENERATOR LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31ST DECEMBER, 1994

A. RECONCILIATION OF OPERATING PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES	1994 £
Operating profit	-
Increase in debtors	(2710)
Increase in creditors	<u>1710</u>
	(1000)
	<u><u> </u></u>
B. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR	
Share capital	
At incorporation	-
Issue of share capital	<u>1000</u>
At 31st December, 1994	<u><u>1000</u></u>

LEAD GENERATOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31ST DECEMBER, 1994

1. OPERATING PROFIT

a. Staff costs

The staff costs of the company were borne by Financial Options Group Limited, the ultimate holding company.

b. Other items

11 months
ended
31st December,
1994
£

Auditors' remuneration
- audit services

545

2. DEBTORS

1994
£

Trade debtors
Amounts owed by group undertakings

1175

1535

2710

3. CREDITORS

Amounts falling due within one year

Other taxation and social security
Accruals

165

1545

1710

4. SHARE CAPITAL

Authorised
100000 ordinary shares of £1 each

100000

Allotted, called up and fully paid
1000 ordinary shares of £1 each

1000

The company was incorporated on 10th February, 1994 with an authorised share capital of £100. Two ordinary shares of £1 each were issued at par for cash on incorporation.

The company increased its authorised share capital from £100 to £100000 on 5th May, 1994. On 17th May, 1994 the company issued 998 ordinary £1 shares at par for cash in order to strengthen its capital base.

LEAD GENERATOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31ST DECEMBER, 1994

**5. RECONCILIATIONS OF MOVEMENTS
IN SHAREHOLDERS' FUNDS**

£

Profit on ordinary activities
after taxation

-

New share capital subscribed

1000

Shareholders' funds at 31st December, 1994

1000

6. PARENT UNDERTAKING

The directors consider the ultimate parent company to be Financial Options Group Limited, a company registered in England and Wales. Financial Options Group Limited is the only undertaking which prepares group accounts including the financial statements of the company.