

REPORT OF THE DIRECTORS

The directors present their report and the financial statements for the year ended 31 December 1998.

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; and
- 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

The company did not trade during the year.

Directors and their interests

The directors, none of whom is beneficially interested in the shares of the company, who served during the year were:-

R R Leith
K J Budge

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.



THE I.F.A. TRAINING SCHOOL LIMITED

REPORT OF THE DIRECTORS

Auditors

Lathams (previously Latham Crossley & Davis) offer themselves, and are recommended, for re-appointment under the provisions of Section 385 of the Companies Act 1985.

By order of the Board  Secretary

THE I F A TRAINING SCHOOL LIMITED

REPORT OF THE AUDITORS

TO THE SHAREHOLDERS OF THE I.F.A.TRAINING SCHOOL LIMITED

We have audited the financial statements on pages 4 & 5 which have been prepared under the historical cost convention.

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.

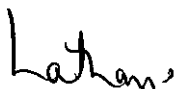
Basis of opinion

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 31 December 1998 and have been properly prepared in accordance with the Companies Act 1985.



Lathams
Registered Auditors
Chartered Accountants
Chorley

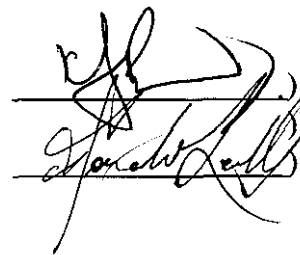
Date: 17 May 1999

THE I.F.A. TRAINING SCHOOL LIMITED

BALANCE SHEET AT 31 DECEMBER 1998

	Note	1998 £	1997 £
CURRENT ASSETS			
Debtors	3	<u>1,000</u>	<u>1,000</u>
CAPITAL AND RESERVES			
Called up share capital	4	<u>1,000</u>	<u>1,000</u>
Equity shareholders' funds		<u>1,000</u>	<u>1,000</u>

Approved by the Board on 17.05.99



Directors

THE I.F.A. TRAINING SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1998

1. ACCOUNTING CONVENTION

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

2. PROFIT AND LOSS ACCOUNT

The company did not trade during the year, therefore there are no transactions on the profit and loss account.

3. DEBTORS

	1998	1997
	£	£
Amounts owed by group undertakings	1,000	1,000

4. SHARE CAPITAL

Authorised		
100,000 ordinary shares of £1 each	100,000	100,000
Allotted, called up and fully paid		
1,000 ordinary shares of £1 each	1,000	1,000

5. PARENT UNDERTAKING

The company is a wholly owned subsidiary undertaking of Financial Options Group Limited who the directors consider to be the ultimate parent company. Financial Options Group Limited is the only undertaking which prepares group accounts including the financial statements of the company.

6. CONTROL

The company is a wholly owned subsidiary of Financial Options Services Limited (formerly Financial Options Group Limited) and is controlled by it. During 1997 and until 4th September 1998 the company was ultimately controlled by the directors of Financial Options Services Limited, R R Leith and KJ Budge, who are also directors of this company, MD Blake and MS Blake who controlled, with members of their close families, the whole of the issued share capital.

On 4th September 1998 the company became a subsidiary of Financial Options Group Limited which is under the control of R R Leith and KJ Budge, who are also directors of this company, MD Blake and MS Blake, who control 60% of its issued share capital.