

IGI ADMINISTRATION SERVICES LIMITED

(formerly IGI INSURANCE SERVICES LIMITED)

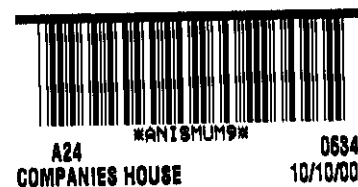
REPORT AND FINANCIAL STATEMENTS

for the year ended

31 MARCH 2000

Minerva House
Spaniel Row
Nottingham
NG1 6EP

Company Number: 3173997



IGI ADMINISTRATION SERVICES LIMITED
(formerly IGI INSURANCE SERVICES LIMITED)

REPORT OF THE DIRECTORS

The directors present their fourth report and financial statements for the year ended 31 March 2000.

PRINCIPAL ACTIVITIES

The company acts as a provider of administration and accountancy services and as an intermediary for insurance products.

REVIEW OF THE BUSINESS

During the year, the company changed its name to IGI Administration Services Limited in order to better reflect the future business activities of the company. The existing insurance intermediation activities of the Company are being scaled down, and the Company will now focus on its core activities of providing administration and accountancy services.

The company traded successfully during the year, and recorded a profit on ordinary activities of £3,618 (1999: £1,255) after taxation. The directors are confident that the company will remain profitable in the forthcoming year.

DIRECTORS

The directors, except where indicated below, have held office during from 1 April 1999 to the date of this report.

J A Levin	
K P Horn	
P R Nutting	(appointed 18 August 1999)
C B Saron	(appointed 18 August 1999)
K W Wardell	(appointed 18 August 1999)
A Kremeris	(appointed 18 August 1999)

No director has a direct interest in the shares of the company. Interests of directors in the shares of the parent undertakings are disclosed in those companies' accounts.

No director had any material interest during the year in any significant contract entered into by the company.

DIVIDENDS

No dividends were paid during the year under review (1999 - £nil).

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

IGI ADMINISTRATION SERVICES LIMITED
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REPORT OF THE DIRECTORS continued

The directors are responsible for maintaining 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.

YEAR 2000 COMPLIANCE

The costs incurred in ensuring that the Company was not adversely affected by the Year 2000 problem were not material. No significant problems resulting from the Year 2000 have been experienced, and no future problems are envisaged.

POLITICAL AND CHARITABLE DONATIONS

The company did not make any political or charitable donations during the year under review (1999: £nil).


AUDITORS

In accordance with the elective resolution passed at the meeting of the Board of Directors on 6 June 1996, Moore Stephens will be re-appointed as auditors of the company.

APPROVAL OF ACCOUNTS

This report was approved by the Board of Directors on 19 July 2000.

BY ORDER OF THE BOARD



K P Horn
Secretary

19 July 2000

AUDITORS' REPORT TO THE MEMBER OF

IGI ADMINISTRATION SERVICES LIMITED (formerly IGI INSURANCE SERVICES LIMITED)

We have audited the financial statements on pages 4 to 8 which have been prepared on the basis of the accounting policies set out on page 6.

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 company's state of affairs as at 31 March 2000 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Moore Stephens
Chartered Accountants and Registered Auditors

St. Paul's House
Warwick Lane
London
EC4P 4BN

19 July 2000

IGI ADMINISTRATION SERVICES LIMITED
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PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2000

	<u>Notes</u>	2000 £	1999 £
TURNOVER – continuing operations		7,164	86,095
OPERATING EXPENSES	2	(3,443)	(85,869)
OPERATING PROFIT		3,721	226
INTEREST RECEIVABLE		7	1,029
INTEREST PAYABLE		(2)	-
PROFIT ON ORDINARY ACTIVITIES before taxation		3,726	1,255
TAXATION	3	(108)	-
RETAINED PROFIT for the year	8	3,618	1,255

The company has no recognised gains and losses other than the losses above, and therefore no separate statement of total recognised gains and losses has been presented.

The accompanying notes form an integral part of these accounts.

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BALANCE SHEET

as at 31 March 2000

	<u>Notes</u>	2000 £	1999 £
CURRENT ASSETS			
Debtors	5	10,200	21,703
Cash at bank and in hand		442	568
		-----	-----
		10,642	22,271
		-----	-----
CREDITORS : amounts falling due within one year			
	6	(10,344)	(19,247)
		-----	-----
NET CURRENT ASSETS			
		298	3,024
CREDITORS : amounts falling due after one year			
	6	(17,522)	(23,866)
		-----	-----
		(17,224)	(20,842)
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	7	100	100
Profit and loss account	8	(17,324)	(20,942)
		-----	-----
Equity shareholder's funds		(17,224)	(20,842)
		=====	=====

The accompanying notes form an integral part of these accounts.

The financial statements on pages 4 to 8 were approved by the Board of Directors on 19 July 2000 and are signed on its behalf by:-



K W Wardell
Director

IGI ADMINISTRATION SERVICES LIMITED
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NOTES ON THE FINANCIAL STATEMENTS

for the year ended 31 March 2000

1. 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 is set out below.

(a) Basis of accounting

The financial statements have been prepared in accordance with the historical cost convention.

(b) Going concern

The accounts have been prepared on the going concern basis which the directors consider appropriate in the view of the undertaking by HCI (UK) Holdings Limited to provide financial support to enable the company to meet its obligations as they fall due.

(c) Revenue recognition

Turnover represents insurance commissions and fees earned. Credit is taken for fees on the inception date of the policy and on premium adjustments as and when such adjustments are made.

(d) Taxation

The charge for taxation is based on the taxable profit for the year at current rates of taxation. There is no potential liability for deferred taxation.

(e) Insurance debtors and creditors

The company acts as agent in handling the insurable risks of its clients and is not liable as principal for premiums due to underwriters or for claims payable to clients. Notwithstanding the legal relationships with clients and underwriters and since, in practice, premium and claim monies are usually accounted for by insurance intermediaries, the company has followed generally accepted accounting practice by showing cash, debtors and creditors relating to the insurance business as assets and liabilities of the company itself.

2. OPERATING EXPENSES

	2000	1999
	£	£
Operating expenses include:		
Auditors' remuneration	350	250
	<u> </u>	<u> </u>

3. TAXATION

Current tax on income for the year	-	-
Adjustments in respect of prior years	108	-
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	108	-
	<u> </u>	<u> </u>

4. DIRECTORS' REMUNERATION

The remuneration of the directors during the year is £nil (1999 - £nil).

IGI ADMINISTRATION SERVICES LIMITED
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NOTES ON THE FINANCIAL STATEMENTS

for the year ended 31 March 2000

5. DEBTORS

	2000	1999
	£	£
Insurance debtors	10,200	21,703
	<u>10,200</u>	<u>21,703</u>

6. CREDITORS

	£	£
Amounts falling due within one year:		
Insurance creditors	10,234	19,247
Corporation tax	110	-
	<u>10,344</u>	<u>19,247</u>
Amounts falling due after one year:		
Payable to fellow subsidiary	17,522	23,866
	<u>27,866</u>	<u>43,113</u>

7. SHARE CAPITAL

	£	£
Authorised ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, issued and fully paid ordinary shares of £1 each	<u>100</u>	<u>100</u>

8. PROFIT AND LOSS ACCOUNT

	£	£
Brought forward at 1 April 1999	(20,942)	(22,197)
Retained profit for the year	3,618	1,255
	<u>(17,324)</u>	<u>(20,942)</u>

9. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	£	£
Opening shareholder's funds at 1 April 1999	(20,842)	(22,097)
Retained profit for the year	3,618	1,255
	<u>(17,224)</u>	<u>(20,842)</u>

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NOTES ON THE FINANCIAL STATEMENTS

for the year ended 31 March 2000

10. HOLDING COMPANY

The immediate holding company is HCI (UK) Holdings Limited, which owned 100% of the issued share capital at 31 March 2000. HCI (UK) Holdings Limited, a company registered in England, is the parent company of the group for which consolidated accounts are produced which include IGI Administration Services Limited.

The entire share capital of HCI (UK) Holdings Limited is owned by Amity International S.A., a company registered in Luxembourg. Copies of both sets of accounts may be obtained from IGI Administration Services Limited's registered office.

Watkins Holdings Limited, a company incorporated in the British Virgin Islands, owns 78.5% of the issued share capital of Amity International S.A. The Directors consider Watkins Holdings Limited to be the ultimate holding company.

11. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in contained in FRS8, Related Party Disclosures, from disclosing transactions with entities that are part of the same group.

12. CASH FLOW STATEMENT

No cash flow statement has been prepared as the company is a wholly owned subsidiary of a company incorporated in England.