

GOLDFISH FINANCIAL SERVICES LIMITED**ACCOUNTS - 31 DECEMBER 2000**

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Registered number: 3226387

GOLDFISH FINANCIAL SERVICES LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2000

- 1 The directors present the audited financial statements for the year ended 31 December 2000.

2 REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS

The profit and loss account for the year is set out on page 5. The company commenced trading on 23 February 2000.

During the period the company began to establish its financial services business and to act as an introducer of financial products. The company also provides management services to Goldfish branded financial service providers.

3 DIVIDENDS

The directors do not recommend the payment of a dividend in respect of the year (1999, £nil).

4 DIRECTORS

The directors of the company were as follows:

Peter Barrett	- appointed 31 January 2000, resigned 3 September 2001
Doug Richards	- appointed 31 January 2000
Simon Waugh	- appointed 31 January 2000
Lucy Caldwell	- resigned 31 January 2000
Grant Dawson	- resigned 31 January 2000
Anne Garrihy	- resigned 31 January 2000

5 DIRECTORS' INTERESTS IN SHARES OF THE COMPANY AND CONTRACTS

At no time did any director holding office at 31 December 2000 have any interest in the shares of the company, or any other company within the Centrica group, except for interests in and options over the ordinary shares of the ultimate parent company, Centrica plc.

In relation to the interests of the directors at 31 December 2000, details were as follows:

Beneficial interests in and options over Centrica plc shares:

Number of shares	As at 31 December 2000			As at 31 January 2000		
	Peter Barrett	Doug Richards	Simon Waugh	Peter Barrett	Doug Richards	Simon Waugh
Ordinary shares	-	249	-	-	249	-
Long term incentive scheme (a)	134,453	138,730	943,146	65,015	86,770	798,484
Savings related share option scheme (b)	-	37,176	-	-	37,176	-
Employee profit sharing scheme (c)	230	951	951	-	721	721
	<u>134,683</u>	<u>177,106</u>	<u>944,097</u>	<u>65,015</u>	<u>124,916</u>	<u>799,205</u>

GOLDFISH FINANCIAL SERVICES LIMITED**REPORT OF THE DIRECTORS****FOR THE YEAR ENDED 31 DECEMBER 2000 - continued****5 DIRECTORS' INTERESTS IN SHARES OF THE COMPANY AND CONTRACTS – cont.**

- (a) Notional allocations of shares were made on 2 October 2000 under the Centrica long term incentive scheme at a base price of 208.68 pence. Total allocations as at 31 December 2000 shown above are in respect of notional allocations of shares that are subject to performance conditions and for Doug Richards and Simon Waugh include awards of shares that have reached the conclusion of the performance period but will not be transferred until expiry of the retention period (a further two years).
- (b) Options over shares in Centrica plc granted in April 1997 at 46.4 pence per share under the terms of Centrica's savings related share option scheme.
- (c) Shares appropriated under the terms of the Centrica Profit Sharing Scheme.

Options granted under the terms of the ultimate parent company's Savings Related Share Option Scheme and allocations made under Long Term Incentive Scheme, details of which are disclosed in the 2000 Annual Report and Accounts of Centrica plc.

The closing price of a Centrica plc ordinary share on the last day of trading in 2000 (29 December) was 259.25 pence. The range during the year ended 31 December 2000 was 262.75 pence (high) and 173.25 pence (low).

There were no contracts of significance subsisting during or at the end of the financial period to which the company is a party and in which any director is or was materially interested.

The ultimate parent company has maintained insurance cover for all of the directors and officers against liabilities in relation to the company.

BY ORDER OF THE BOARD


DOUG RICHARDS
DIRECTOR

22 OCTOBER 2001

GOLDFISH FINANCIAL SERVICES LIMITED**DIRECTORS' STATEMENT OF RESPONSIBILITY****IN RELATION TO FINANCIAL STATEMENTS**

The directors are required by the Companies Act 1985 to prepare financial statements for each year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss for the financial year.

The directors consider that in preparing the financial statements on pages 5 to 11, the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and all applicable accounting standards have been followed. The financial statements have been prepared on a going concern basis.

The directors have responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**REPORT OF THE AUDITORS TO THE MEMBERS OF
GOLDFISH FINANCIAL SERVICES LIMITED**

We have audited the financial statements on pages 5 to 11, which have been prepared under the historical cost convention and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the annual report. As described on page 3, this includes responsibility for preparing the financial statements in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatement or material inconsistencies with the financial statements.

BASIS OF AUDIT 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 at 31 December 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers

PricewaterhouseCoopers

CHARTERED ACCOUNTANTS AND REGISTERED AUDITORS

SOUTHAMPTON, 22 October 2001

GOLDFISH FINANCIAL SERVICES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2000

	Note	2000 £'000	1999 £'000
TURNOVER	2	158	-
Operating expenditure		(20,788)	-
(LOSS) BEFORE TAXATION	3	<u>(20,630)</u>	<u>-</u>
TAXATION ON LOSS ON ORDINARY ACTIVITIES	6	-	-
RETAINED (LOSS) FOR THE FINANCIAL YEAR		<u>(20,630)</u>	<u>-</u>
RETAINED RESERVES AT 1 JANUARY 2000		-	-
RETAINED (LOSS) AT 31 DECEMBER 2000		<u><u>(20,630)</u></u>	<u><u>-</u></u>

All items dealt with in arriving at the results before taxation for both 2000 and 1999 relate to continuing operations.

As the financial statements have been drawn up under the historical cost convention, there is no difference between the profit and loss account, reported above, and its historical cost equivalent.

The company has no recognised gains or losses in 2000 and 1999, other than those included in the profits for the financial years reported above and, therefore, no separate statement of total recognised gains and losses is presented.

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

GOLDFISH FINANCIAL SERVICES LIMITED

BALANCE SHEET - 31 DECEMBER 2000

	Note	2000 £'000	1999 £'000
FIXED ASSETS			
Tangible assets	7	256	-
CURRENT ASSETS			
Debtors	8	574	-
Cash at bank and in hand		454	-
		<u>1,028</u>	<u>-</u>
CREDITORS: amounts falling due within one year	9	<u>(21,552)</u>	<u>-</u>
NET CURRENT LIABILITIES		<u>(20,524)</u>	<u>-</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(20,268)</u>	<u>-</u>
PROVISIONS FOR LIABILITIES AND CHARGES	10	(362)	-
		<u>(20,630)</u>	<u>-</u>
NET LIABILITIES		<u>(20,630)</u>	<u>-</u>
CAPITAL AND RESERVES			
Called up share capital	12	-	-
Profit and loss account		<u>(20,630)</u>	<u>-</u>
DEFICIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS	13	<u>(20,630)</u>	<u>-</u>

The financial statements on pages 5 to 11 were approved by the Board of directors on 22 October 2001 and were signed on its behalf by:


DOUG RICHARDS
DIRECTOR

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

GOLDFISH FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2000

1 ACCOUNTING POLICIES

The financial statements have been prepared on a consistent basis under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom.

A summary of accounting policies is set out below.

Turnover

Turnover, which excludes value added tax, insurance premium tax and other interest receivable and similar income, is principally commission receivable from the provision of financial products. Commission income is accounted for in the period when receivable.

Fixed assets

Depreciation is calculated so as to write off the cost of fixed assets on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Equipment	20% - 33.33%
Motor vehicles	16% - 22%

Retirement benefits

The cost of providing retirement benefits is charged to the profit and loss account over the periods benefiting from the employees' services. The difference between the charge to the profit and loss account and the contributions and premiums paid is included as an asset or liability in the balance sheet.

Deferred taxation

Provision is made for all material timing differences to the extent that it is probable that a liability or asset will crystallise, at the rate which is then expected to apply.

Advertising, promotion and mailing campaign costs

Advertising, promotion and mailing campaign costs are written off as incurred.

Cash flow statement

The company is a wholly owned subsidiary of Centrica plc, whose consolidated financial statements are publicly available. The company is, therefore, exempt from the requirement to prepare a cash flow statement under Financial Reporting Standard 1 (Revised).

Basis of preparation – going concern

Centrica plc has confirmed that it will provide such financial support as and when necessary to enable the company to meet its liabilities as they fall due and to continue its business without a significant curtailment of operations for the foreseeable future. Accordingly the financial statements have been prepared on a going concern basis.

GOLDFISH FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2000 - continued

2 TURNOVER

All of the turnover arises from one class of business within the United Kingdom.

3 LOSS BEFORE TAXATION

The loss before taxation is stated after charging:

	2000	1999
	£'000	£'000
Depreciation of tangible fixed assets	11	-
Fees payable to the auditors:		
Audit	29	-
Other	5,609	-

4 DIRECTORS' EMOLUMENTS

	2000	1999
	£'000	£'000
Aggregate emoluments	<u>208</u>	<u>-</u>

All of the directors were directors of a number of companies within the Centrica Group and the emoluments shown relate only to those directors whose remuneration was wholly in respect of their services to the company.

Retirement benefits are accruing to all of the directors under defined benefit schemes.

The emoluments of the highest paid director were £208,394 (1999, £nil). The accrued annual pension of the highest paid director was £4,030 (1999, £nil).

5 EMPLOYEES

The average number of persons employed by the company during the year was 27 (1999 nil).

Staff costs during the year amounted to:

	2000	1999
	£'000	£'000
Wages and salaries	837	-
Social security costs	61	-
Other pension costs	44	-
	<u>942</u>	<u>-</u>

GOLDFISH FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2000 - continued

6 TAXATION ON LOSS ON ORDINARY ACTIVITIES

There is no corporation tax charge for the year as the company has made losses for tax purposes. These losses may be surrendered to group companies for nil consideration.

7 TANGIBLE FIXED ASSETS

	Equipment & motor vehicles £'000
Cost	
At 1 January 2000	-
Additions	267
At 31 December 2000	267
Depreciation	
At 1 January 2000	-
Charge for the year	11
At 31 December 2000	11
Net book value	
At 31 December 2000	256
At 31 December 1999	-

8 DEBTORS

Amounts falling due within one year

	2000 £'000	1999 £'000
Amounts owed by Group undertakings	290	-
Other debtors	266	-
VAT recoverable	18	-
	574	-

GOLDFISH FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2000 - continued

9 CREDITORS

Amounts falling due within one year

	2000	1999
	£'000	£'000
Amounts owed to group undertakings	12,461	-
Other creditors	7,821	-
Accruals and deferred income	1,270	-
	<u>21,552</u>	<u>-</u>

10 PROVISIONS FOR LIABILITIES AND CHARGES

	Pension costs	
	2000	1999
	£'000	£'000
At start of period	-	-
Transfer from group undertakings	350	-
Charged to profit and loss account	12	-
Pension costs	<u>362</u>	<u>-</u>

The pension provision represents the difference between the charge to the profit and loss account and the contributions paid to the pension schemes in respect of retirement pensions and other related benefits.

11 PENSIONS AND SIMILAR OBLIGATIONS

Substantially all of the company's employees as at 31 December 2000 were members of either the Centrica Staff Pension Scheme, the AA Management Pension Scheme or the AA Staff Pension Scheme. These defined benefit schemes are funded to cover future liabilities in respect of service up to the balance sheet date. They are subject to independent valuations at least every three years, on the basis of which the qualified actuary certifies the rate of employers' contributions which, together with the specified contributions payable by the employees and proceeds from the Schemes' assets, are expected to be sufficient to fund the benefits payable under the Schemes.

The company has a commitment to provide post-retirement private medical insurance cover for certain current and past employees.

Details relating to the latest actuarial valuations of these arrangements are contained in the financial statements of Centrica plc. Provisions for pensions and similar obligations are held centrally by The Automobile Association Limited.

12 CALLED UP SHARE CAPITAL

	2000	1999
	£	£
Ordinary shares of £1 each		
Authorised	100	100
Issued, called up and fully paid	<u>2</u>	<u>2</u>

GOLDFISH FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2000 - continued

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £'000	1999 £'000
Loss for the financial year	(20,630)	-
Shareholders' funds at 1 January	-	-
Shareholders' funds at 31 December	(20,630)	-

14 RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary of the Centrica Group, the company is exempt from the requirement to disclose related party transactions with other group undertakings under Financial Reporting Standard 8 which cancel on consolidation. There are no other related party transactions that require disclosure.

15 ULTIMATE OWNERSHIP

The company is a wholly owned subsidiary of Automobile Association Insurance Services Holdings Limited, a company registered in England and Wales.

The ultimate parent undertaking is Centrica plc, whose principal place of business is situated at Millstream, Maidenhead Road, Windsor, Berkshire, SL4 5GD. Copies of the Annual Report and Accounts of Centrica plc are available from the Company Secretary at this address. Centrica plc is the smallest and largest group to consolidate these financial statements.