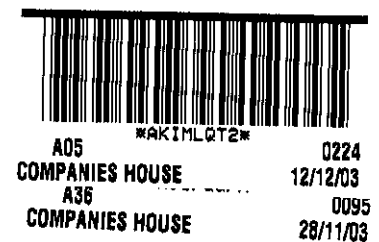


Company Registration No: 3447312 (England and Wales)

**WOOLJON LIMITED**  
**REPORT AND GROUP FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2003**



# WOOLJON LIMITED

## COMPANY INFORMATION

---

|                          |  |
|--------------------------|--|
| <b>Directors</b>         | N D J Woolven<br>D Jones   |
| <b>Secretary</b>         | J Rutter   |
| <b>Company number</b>    | 3447312  |
| <b>Registered office</b> | Grenville Court<br>Britwell Road<br>Burnham<br>SL1 8DF                                 |
| <b>Auditors</b>          | Eacotts Ltd<br>Grenville Court, Britwell Road<br>Burnham<br>Buckinghamshire<br>SL1 8DF |
| <b>Business address</b>  | Grenville Court<br>Britwell Road<br>Burnham<br>SL1 8DF                                 |

# WOOLJON LIMITED

## CONTENTS

---

|                                      | <b>Page</b> |
|--------------------------------------|-------------|
| Directors' report                    | 1 - 2       |
| Independent auditors' report         | 3           |
| Consolidated profit and loss account | 4           |
| Consolidated balance sheet           | 5           |
| Company balance sheet                | 6           |
| Consolidated cash flow statement     | 7           |
| Notes to the cash flow statement     | 8           |
| Notes to the financial statements    | 9 - 17      |

# WOOLJON LIMITED

## DIRECTORS ' REPORT FOR THE YEAR ENDED 30 JUNE 2003

The directors present their report and financial statements of the group for the year ended 30 June 2003.

### Principal activities and review of the business

The principal activities of the group in the year under review were the provision of financial advice and related services.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

### Results and dividends

The results for the year are set out on page 4.

The directors have paid interim dividends amounting to £207,100 (2002: £171,361) during the year and paid a final dividend £75,700 (2002: none).

### Post balance sheet events

No matters or circumstances have arisen since the end of the financial year that would significantly affect the operations of the group.

### Future developments

The group continues to provide financial advice and related services.

### Directors

The following directors have held office since 1 July 2002:

D A Jones  
N D J Woolven

### Directors' interests

The directors' interests in the shares of the company were as stated below:

|  |                              | Ordinary shares of £ 1 each |             |
|--|------------------------------|-----------------------------|-------------|
|  |                              | 30 June 2003                | 1 July 2002 |
| D A Jones  | Ordinary A shares of £1 each | 66,749                      | 66,749      |
|  | Ordinary C shares of £1 each | 1                           | 1           |
| N D J Woolven  | Ordinary B shares of £1 each | 66,749                      | 66,749      |
|  | Ordinary D shares of £1 each | 1                           | 1           |
| Charitable donations                                     |                              | 2003<br>£                   | 2002<br>£   |
| During the year the company made the following payments: |                              |                             |             |
| Charitable donations                                     |                              | 988                         | 1,395       |

# WOOLJON LIMITED

## DIRECTORS ' REPORT FOR THE YEAR ENDED 30 JUNE 2003

---

### **Creditor payment policy**

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

On average, trade creditors at the year end represented 49 (2002 - 60) days' purchases.

### **Auditors**

Eacotts Ltd were appointed auditors to the group and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

### **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.

On behalf of the board



.....  
N D J Woolven

**Director**  
.....

# WOOLJON LIMITED

## DIRECTORS ' REPORT FOR THE YEAR ENDED 30 JUNE 2003

---

### **Creditor payment policy**

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

On average, trade creditors at the year end represented 49 (2002 - 60) days' purchases.

### **Auditors**

Eacotts Ltd were appointed auditors to the group and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

### **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.

On behalf of the board



N D J Woolven

Director

.....

# WOOLJON LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE GROUP AND WOOLJON LTD

---

We have audited the financial statements of the group and Wooljon Ltd on pages 4 to 17 for the year ended 30 June 2003. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

### Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2 the 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 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 with the company 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 both the company and the group's circumstances, consistently applied and adequately disclosed.

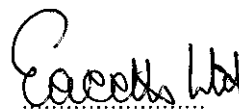
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 and group's affairs as at 30 June 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Eacotts Ltd

Chartered Accountants  
Registered Auditor



Grenville Court, Britwell Road  
Burnham  
Buckinghamshire  
SL1 8DF

20 November 2003

# WOOLJON LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2003

|  | Notes | 2003<br>£              | 2002<br>£            |
|--|-------|------------------------|----------------------|
| Turnover   | 2     | 1,978,481              | 2,203,817            |
| Cost of sales  |       | <u>(97,726)</u>        | <u>(235,886)</u>     |
| <b>Gross profit</b>                                  |       | 1,880,755              | 1,967,931            |
| Administrative expenses                              |       | <u>(1,635,003)</u>     | <u>(1,706,650)</u>   |
| <b>Operating profit</b>                              | 3     | 245,752                | 261,281              |
| Other interest receivable and similar income         |       | 8,464                  | 6,545                |
| Interest payable and similar charges                 | 4     | <u>(10,387)</u>        | <u>(14,948)</u>      |
| <b>Profit on ordinary activities before taxation</b> |       | 243,829                | 252,878              |
| Tax on profit on ordinary activities                 | 5     | <u>(46,484)</u>        | <u>(61,052)</u>      |
|  |       | 197,345                | 191,826              |
| Dividends  | 6     | <u>(282,800)</u>       | <u>(171,361)</u>     |
| <b>Retained (loss)/profit for the year</b>           | 16    | <u><u>(85,455)</u></u> | <u><u>20,465</u></u> |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

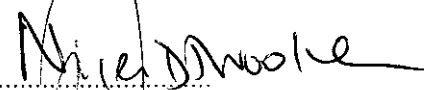


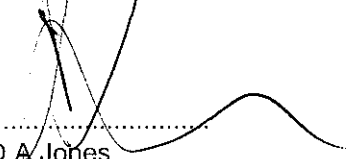
# WOOLJON LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2003

|  | Notes | £              | 2003<br>£      | £              | 2002<br>£      |
|--|-------|----------------|----------------|----------------|----------------|
| <b>Fixed assets</b>  |       |                |                |                |                |
| Intangible assets  | 8     |                | 289,559        |                | 311,696        |
| Tangible assets  | 7     |                | 54,642         |                | 76,685         |
|  |       |                | <u>344,201</u> |                | <u>388,381</u> |
| <b>Current assets</b>  |       |                |                |                |                |
| Debtors  | 10    | 191,912        |                | 378,337        |                |
| Cash at bank and in hand                                       |       | 290,045        |                | 243,501        |                |
|  |       | <u>481,957</u> |                | <u>621,838</u> |                |
| <b>Creditors: amounts falling due within one year</b>          | 11    | (246,763)      |                | (388,257)      |                |
| <b>Net current assets</b>                                      |       |                | <u>235,194</u> |                | <u>233,581</u> |
| <b>Total assets less current liabilities</b>                   |       |                | 579,395        |                | 621,962        |
| <b>Creditors: amounts falling due after more than one year</b> | 12    |                | (247,484)      |                | (138,046)      |
| <b>Provisions for liabilities and charges</b>                  | 13    |                | (142,449)      |                | (208,999)      |
|  |       |                | <u>189,462</u> |                | <u>274,917</u> |
| <b>Capital and reserves</b>                                    |       |                |                |                |                |
| Called up share capital  | 15    |                | 150,000        |                | 150,000        |
| Profit and loss account  | 16    |                | 39,462         |                | 124,917        |
| <b>Shareholders' funds - equity interests</b>                  | 17    |                | <u>189,462</u> |                | <u>274,917</u> |

The financial statements were approved by the Board on 20 November 2003  
and sign on its behalf by:

  
N D J Woolven  
Director

  
D A Jones  
Director

# WOOLJON LIMITED

## COMPANY PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2003

|  | 2003<br>£ | 2002<br>£ |
|--|-----------|-----------|
| Administrative expenses                              | -         | -         |
| <b>Operating loss</b>                                | -         | -         |
| Investment income                                    | 282,800   | 171,361   |
| <b>Profit on ordinary activities before taxation</b> | 282,800   | 171,361   |
| Tax on profit on ordinary activities                 | -         | -         |
|  | 282,800   | 171,361   |
| Dividends  | (282,800) | (171,361) |
|  | -         | -         |

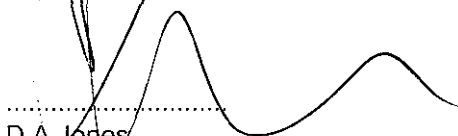
The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

The company profit and loss account was approved by the Board on .....  
and sign on its behalf by:



N D J Woolven  
Director



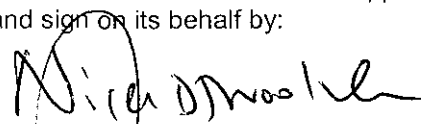
D A Jones  
Director

# WOOLJON LIMITED

## COMPANY BALANCE SHEET AS AT 30 JUNE 2003

|   | Notes | £         | 2003<br>£ | £         | 2002<br>£ |
|---|-------|-----------|-----------|-----------|-----------|
| <b>Fixed assets</b>                                   |       |           |           |           |           |
| Investments   | 9     |           | 505,523   |           | 505,523   |
| <b>Creditors: amounts falling due within one year</b> | 11    | (204,814) |           | (204,814) |           |
| <b>Net current liabilities</b>                        |       |           | (204,814) |           | (204,814) |
| <b>Total assets less current liabilities</b>          |       |           | 300,709   |           | 300,709   |
|   |       |           | 300,709   |           | 300,709   |
| <b>Capital and reserves</b>                           |       |           |           |           |           |
| Called up share capital                               | 15    |           | 150,000   |           | 150,000   |
| Profit and loss account                               | 16    |           | 150,709   |           | 150,709   |
| <b>Shareholders' funds - equity interests</b>         | 17    |           | 300,709   |           | 300,709   |

The financial statements were approved by the Board on .....  
and sign on its behalf by:

  
.....  
N D J Woolven  
Director

  
.....  
D A Jones  
Director

# WOOLJON LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2003

|  | 2003     |           | 2002     |           |
|--|----------|-----------|----------|-----------|
|  | £        | £         | £        | £         |
| <b>Net cash inflow from operating activities</b>                                     |          | 340,054   |          | 310,392   |
| <b>Returns on investments and servicing of finance</b>                               |          |           |          |           |
| Interest received  | 8,464    |           | 6,545    |           |
| Interest paid  | (10,387) |           | (14,738) |           |
| <b>Net cash outflow for returns on investments and servicing of finance</b>          |          | (1,923)   |          | (8,193)   |
| <b>Taxation</b>  |          | (52,946)  |          | (30,039)  |
| <b>Capital expenditure</b>   |          |           |          |           |
| Payments to acquire tangible assets  | (23,658) |           | (24,996) |           |
| Receipts from sales of tangible assets   | 7,175    |           | 40,310   |           |
| <b>Net cash inflow/(outflow) for capital expenditure</b>                             |          | (16,483)  |          | 15,314    |
| <b>Equity dividends paid</b>   |          | (282,800) |          | (171,361) |
| <b>Net cash inflow/(outflow) before management of liquid resources and financing</b> |          | (14,098)  |          | 116,113   |
| <b>Financing</b>   |          |           |          |           |
| Other new long term loans  | 109,438  |           | 14,346   |           |
| Other new short term loans   | 6,863    |           | 1,898    |           |
| Repayment of other long term loans   | (58,148) |           | -        |           |
| Capital element of hire purchase contracts   | (9,327)  |           | (44,445) |           |
| <b>Net cash outflow from financing</b>   |          | 48,826    |          | (28,201)  |
| <b>Increase/(decrease) in cash in the year</b>                                       |          | 34,728    |          | 87,912    |

# WOOLJON LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2003

| 1 | Reconciliation of operating profit to net cash inflow from operating activities | 2003           | 2002           |
|---|---|----------------|----------------|
|   |   | £              | £              |
|   | Operating profit  | 245,753        | 261,282        |
|   | Depreciation of tangible assets   | 35,825         | 39,811         |
|   | Amortisation of intangible assets   | 22,136         | 22,136         |
|   | Profit on disposal of tangible assets   | 2,701          | (7,136)        |
|   | Decrease/(increase) in debtors  | 186,425        | (83,578)       |
|   | (Decrease)/Increase in creditors within one year                                | (91,878)       | 56,222         |
|   | Increase in clawback provision  | (26,059)       | 51,147         |
|   | Payment against pension misselling provision                                    | (34,849)       | (29,492)       |
|   | <b>Net cash inflow from operating activities</b>                                | <b>340,054</b> | <b>310,392</b> |

| 2 | Analysis of net funds/(debt)      | 1 July 2002 | Cash flow | Other non-cash changes | 30 June 2003 |
|---|-----------------------------------|-------------|-----------|------------------------|--------------|
|   |                                   | £           | £         | £                      | £            |
|   | Net cash:                         |             |           |                        |              |
|   | Cash at bank and in hand          | 243,501     | 46,544    | -                      | 290,045      |
|   | Bank overdrafts                   | (20,814)    | (11,816)  | -                      | (32,630)     |
|   |                                   | 222,687     | 34,728    | -                      | 257,415      |
|   | Debt:                             |             |           |                        |              |
|   | Finance leases                    | (9,327)     | 9,327     | -                      | -            |
|   | Debts falling due within one year | (58,148)    | 51,285    | -                      | (6,863)      |
|   | Debts falling due after one year  | (138,046)   | (109,438) | -                      | (247,484)    |
|   |                                   | (205,521)   | (48,826)  | -                      | (254,347)    |
|   | Net (debt)/funds                  | 17,166      | (14,098)  | -                      | 3,068        |

| 3 | Reconciliation of net cash flow to movement in net funds/(debt) | 2003            | 2002           |
|---|---|-----------------|----------------|
|   |   | £               | £              |
|   | Increase in cash in the year                                    | 34,728          | 87,912         |
|   | Net cash outflow/(inflow) from debt financing                   | (48,826)        | 28,201         |
|   | <b>Movement in net funds/(debt) in the year</b>                 | <b>(14,098)</b> | <b>116,113</b> |
|   | Opening net debt  | 17,166          | (98,947)       |
|   | Closing net funds/(debt)  | 3,068           | 17,166         |

# WOOLJON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

---

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

#### 1.3 Turnover

Turnover represents commissions receivable during the year stated net of a provision for clawback of commissions received on indemnity terms.

#### 1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over directors' estimate of its useful economic life of 20 years.

#### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

|                                |                       |
|--------------------------------|-----------------------|
| Computer equipment             | 33% per annum on cost |
| Fixtures, fittings & equipment | 15% reducing balance  |
| Motor vehicles                 | 25% reducing balance  |

#### 1.6 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.7 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

#### 1.8 Pensions

The company contributes to a defined contribution pension scheme for the benefit of the directors and eligible employees. The company's liability is limited to the premiums actually paid which are charged to the profit and loss account in the period of payment.

#### 1.9 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

---

# WOOLJON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

---

### 1.10 Basis of consolidation

The group financial statements consolidate the financial statements of the company and all its subsidiary undertakings made up to 30 June 2003; the group profit and loss account includes the results of all subsidiary undertakings for the year.

Turnover and profits arising on trading between group companies are excluded.

No profit and loss account is presented for Wooljon Limited as provided by s.230 of the Companies Act 1985.

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

### 3 Operating profit

Operating profit is stated after charging:

|   | 2003<br>£ | 2002<br>£ |
|---|-----------|-----------|
| Amortisation of intangible assets           | 22,136    | 22,136    |
| Depreciation of tangible assets             | 33,529    | 36,138    |
| Depreciation of leased assets               | 2,296     | 3,673     |
| Loss on disposal of tangibles               | 2,701     | -         |
| Land and building operating lease rentals   | 78,211    | 79,505    |
| Plant and machinery operating lease rentals | 5,077     | 1,269     |
| Auditors' remuneration                      | 9,801     | 8,294     |
| Remuneration of auditors for non-audit work | 7,854     | 11,167    |
| Profit on disposal of tangible assets       | -         | (7,136)   |

### 4 Interest payable

|                                  | 2003<br>£ | 2002<br>£ |
|----------------------------------|-----------|-----------|
| On loans repayable after 5 years | 9,299     | 12,802    |
| Hire purchase interest           | 1,088     | 2,146     |
| On overdue tax                   | -         | -         |
|                                  | 10,387    | 14,948    |

# WOOLJON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

| 5 | Taxation  | 2003<br>£         | 2002<br>£         |
|---|---|-------------------|-------------------|
|   | <b>Domestic current year tax</b>  |                   |                   |
|   | U.K. corporation tax  | 52,088            | 52,908            |
|   | Adjustment for prior years  | 38                | (37)              |
|   | <b>Current tax charge</b>   | <u>52,126</u>     | <u>52,871</u>     |
|   | <b>Deferred tax</b>   |                   |                   |
|   | Deferred tax charge/credit current year   | (5,642)           | 5,174             |
|   | Deferred tax adjust re previous year  | -                 | 3,007             |
|   |   | <u>(5,642)</u>    | <u>8,181</u>      |
|   |   | <u>46,484</u>     | <u>61,052</u>     |
|   | <b>Factors affecting the tax charge for the year</b>  |                   |                   |
|   | Profit on ordinary activities before taxation   | <u>265,966</u>    | <u>275,015</u>    |
|   | Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2002 : 19.75%) | <u>50,534</u>     | <u>54,315</u>     |
|   | Effects of:   |                   |                   |
|   | Non deductible expenses   | 1,448             | 1,162             |
|   | Depreciation  | 7,320             | 7,863             |
|   | Capital allowances  | (7,214)           | (9,024)           |
|   | Adjustments to previous periods   | 38                | (37)              |
|   | Other tax adjustments   | -                 | (1,408)           |
|   |   | <u>1,592</u>      | <u>(1,444)</u>    |
|   | <b>Current tax charge</b>   | <u>52,126</u>     | <u>52,871</u>     |
| 6 | <b>Dividends</b>  | <b>2003<br/>£</b> | <b>2002<br/>£</b> |
|   | Dividends on equity shares:   |                   |                   |
|   | Ordinary interim paid   | 207,100           | 171,361           |
|   | Ordinary final paid   | 75,700            | -                 |
|   |   | <u>282,800</u>    | <u>171,361</u>    |



# WOOLJON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

### 7 Tangible fixed assets Group

|                       | Plant and<br>machinery<br>£ | Fixtures,<br>fittings &<br>equipment<br>£ | Motor<br>vehicles<br>£ | Total<br>£     |
|-----------------------|-----------------------------|---|------------------------|----------------|
| <b>Cost</b>           |                             |   |                        |                |
| At 1 July 2002        | 106,996                     | 107,914                                   | 21,369                 | 236,279        |
| Additions             | 23,658                      | -   | -                      | 23,658         |
| Disposals             | (1,598)                     | -   | (21,369)               | (22,967)       |
| At 30 June 2003       | <u>129,056</u>              | <u>107,914</u>                            | <u>-</u>               | <u>236,970</u> |
| <b>Depreciation</b>   |                             |   |                        |                |
| At 1 July 2002        | 70,978                      | 78,265                                    | 10,351                 | 159,594        |
| On disposals          | (444)                       | -   | (12,647)               | (13,091)       |
| Charge for the year   | 29,080                      | 4,449                                     | 2,296                  | 35,825         |
| At 30 June 2003       | <u>99,614</u>               | <u>82,714</u>                             | <u>-</u>               | <u>182,328</u> |
| <b>Net book value</b> |                             |   |                        |                |
| At 30 June 2003       | <u>29,442</u>               | <u>25,200</u>                             | <u>-</u>               | <u>54,642</u>  |
| At 30 June 2002       | <u>36,018</u>               | <u>29,649</u>                             | <u>11,018</u>          | <u>76,685</u>  |

Included above are assets held under finance leases or hire purchase contracts as follows:

|   | Motor<br>vehicles<br>£ |
|---|------------------------|
| <b>Net book value</b>                   |                        |
| At 30 June 2003                         | <u>-</u>               |
| At 30 June 2002                         | <u>47,085</u>          |
| <b>Depreciation charge for the year</b> |                        |
| At 30 June 2003                         | <u>2,296</u>           |
| At 30 June 2002                         | <u>20,228</u>          |

# WOOLJON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

### 8 Intangible fixed assets

#### Group

#### Goodwill

#### Cost

At 1 July 2002 and at 30 June 2003

£  
442,728

#### Amortisation

At 1 July 2002

131,032

Charge for the year

22,137

At 30 June 2003

153,169

#### Net book value

At June 2003

289,559

At June 2002

311,696

### 9 INVESTMENT

#### Company

£

At 1 July 2002 and at 30 June 2003

505,523

The company owns 100% of the ordinary share capital of the following company:

#### Name and nature of business

#### Capital and reserve

#### Profit for the year

Parnell Fisher Child & Co Ltd

- Independent Financial Adviser

104,716

219,482

### 10 Debtors

|               | Group          |                | Company  |          |
|---------------|----------------|----------------|----------|----------|
|               | 2003           | 2002           | 2003     | 2002     |
|               | £              | £              | £        | £        |
| Trade Debtors | 126,787        | 260,387        | -        | -        |
| Other Debtors | 51,786         | 108,248        | -        | -        |
| Prepayments   | 13,339         | 9,702          | -        | -        |
|               | <u>191,912</u> | <u>378,337</u> | <u>-</u> | <u>-</u> |

# WOOLJON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

### 11 Creditors: amounts falling due within one year

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2003           | 2002           | 2003           | 2002           |
|  | £              | £              | £              | £              |
| Bank Overdrafts  | 32,630         | 20,814         | -              | -              |
| Trade Creditors  | 42,980         | 77,851         | -              | -              |
| Amount owed to subsidiary undertakings                           | -              | -              | 204,814        | 204,814        |
| Corporation Tax  | 52,088         | 52,908         | -              | -              |
| ACT payable  | -              | -              | -              | -              |
| Other taxes and social security costs                            | 20,736         | 61,295         | -              | -              |
| Other creditors  | 61,468         | 104,392        | -              | -              |
| Net obligations under finance leases and hire purchase contracts | -              | 9,327          | -              | -              |
| Accruals   | 36,861         | 61,670         | -              | -              |
|  | <u>246,763</u> | <u>388,257</u> | <u>204,814</u> | <u>204,814</u> |

Net obligations under finance leases and hire purchase contract are secured on the assets acquired. Bank overdraft is secured by a fixed and floating charge over book debts and a floating charge over all other assets.

### 12 Creditors: amounts falling due after more than one year

|  | Group          |                | Company  |          |
|--|----------------|----------------|----------|----------|
|  | 2003           | 2002           | 2003     | 2002     |
| Net obligations under finance leases and hire purchase contracts | -              | -              | -        | -        |
| Other loans  | 247,484        | 138,046        | -        | -        |
|  | <u>247,484</u> | <u>138,046</u> | <u>-</u> | <u>-</u> |

#### Analysis of loans

Not wholly repayable within five years by instalments:

Wholly repayable within five years

|                                 |                |                |          |          |
|---------------------------------|----------------|----------------|----------|----------|
|                                 | 216,042        | 185,495        | -        | -        |
|                                 | 38,305         | 10,699         | -        | -        |
|                                 | <u>254,347</u> | <u>196,194</u> | <u>-</u> | <u>-</u> |
| Included in current liabilities | (6,863)        | (58,148)       | -        | -        |
|                                 | <u>247,484</u> | <u>138,046</u> | <u>-</u> | <u>-</u> |

#### Loan maturity analysis

In more than one year but not more than two years

In more than two years but not more than five years

In more than five years

|  |               |                |          |          |
|--|---------------|----------------|----------|----------|
|  | 7,241         | 2,012          | -        | -        |
|  | 174,021       | 6,789          | -        | -        |
|  | <u>66,042</u> | <u>185,495</u> | <u>-</u> | <u>-</u> |

The equitable charge over the shares to be given as security for the £150,000 loan from Grahame Robert Fisher and Joan Lesley Child.

#### Net obligations under hire purchase contracts

Repayable within one year

Repayable between one and five years

|  |          |               |          |          |
|--|----------|---------------|----------|----------|
|  | -        | 10,416        | -        | -        |
|  | -        | -             | -        | -        |
|  | <u>-</u> | <u>10,416</u> | <u>-</u> | <u>-</u> |

Finance charges and interest allocated to future accounting periods

|   |          |          |          |          |
|---|----------|----------|----------|----------|
|   | -        | (1,089)  | -        | -        |
|   | -        | 9,327    | -        | -        |
| Included in liabilities falling due within one year | -        | (9,327)  | -        | -        |
|   | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

# WOOLJON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

### 13 Provisions for liabilities and charges

| Group   | Deferred<br>taxation<br>£ | Other<br>provision<br>£ | Total<br>£     |
|---|---------------------------|-------------------------|----------------|
| Balance at 1 July 2002                          | 8,181                     | 200,818                 | 208,999        |
| Profit and loss account                         | (5,642)                   | (26,059)                | (31,701)       |
| Payments against pensions mis-selling provision | -                         | (34,849)                | (34,849)       |
| Balance at 30 June 2003                         | <u>2,539</u>              | <u>139,910</u>          | <u>142,449</u> |

Deferred taxation provided in the financial statements is as follows:

|                                | 2003<br>£    | 2002<br>£    |
|--------------------------------|--------------|--------------|
| Accelerated capital allowances | <u>2,539</u> | <u>8,181</u> |

In the ordinary course of business the company is required to repay commissions earned from insurance companies where an indemnity is attached to the underlying policies. There may also be instances where commissions have been overpaid and are likely to be clawed back in the future. In this respect the directors have made a provision of £132,708 (2002: £95,000), being the likely liability arising based actual claims as well as on past experience of claims.

The directors have made a provision of £7,202 (2002: £105,818) for the liability to pay compensation following the review of pension transfers and possible mis-selling. The provision includes phases 1 and 2 of the review but it is not yet possible to confirm the company's final liability.

### 14 Pension costs

| Defined contribution                              | 2003<br>£      | 2002<br>£     |
|---|----------------|---------------|
| Contributions payable by the company for the year | <u>102,804</u> | <u>75,300</u> |

### 15 Share capital

|   | 2003<br>£      | 2002<br>£      |
|---|----------------|----------------|
| <b>Authorised</b>                         |                |                |
| <b>Equity interests:</b>                  |                |                |
| 270,500 Ordinary shares of £1 each        | 270,500        | 270,500        |
| 133,498 Ordinary A shares of £1 each      | 133,498        | 133,498        |
| 3 Ordinary B shares of £1 each            | 3              | 3              |
| 95,997 Ordinary C share of £1 each        | 95,997         | 95,997         |
| 2 Ordinary D share of £1                  | <u>2</u>       | <u>2</u>       |
|   | <u>500,000</u> | <u>500,000</u> |
| <b>Allotted, called up and fully paid</b> |                |                |
| <b>Equity interests:</b>                  |                |                |
| 133,498 Ordinary A shares of £1 each      | 133,498        | 133,498        |
| 3 Ordinary B shares of £1 each            | 3              | 3              |
| 16,498 Ordinary C share of £1             | 16,498         | 16,498         |
| 1 Ordinary D share of £1                  | <u>1</u>       | <u>1</u>       |
|   | <u>150,000</u> | <u>150,000</u> |

All shares rank pari passu apart from the right to receive dividends which they may receive separately.

# WOOLJON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

### 16 Statement of movements on profit and loss account

|                                     | Group<br>£    | Company<br>£   |
|-------------------------------------|---------------|----------------|
| Balance at 1 July 2002              | 124,917       | 150,709        |
| Retained profit/(loss) for the year | (85,455)      | -              |
| Balance at 30 June 2003             | <u>39,462</u> | <u>150,709</u> |

### 17 Reconciliation of movements in shareholders' funds

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2003           | 2002           | 2003           | 2002           |
|  | £              | £              | £              | £              |
| Profit for the financial year                      | 197,345        | 191,826        | 282,800        | 171,361        |
| Dividends  | (282,800)      | (171,361)      | (282,800)      | (171,361)      |
| Net addition to/(depletion in) shareholders' funds | (85,455)       | 20,465         | 0              | 0              |
| Opening shareholders' funds                        | <u>274,917</u> | <u>254,452</u> | <u>300,709</u> | <u>300,709</u> |
| Closing shareholders' funds                        | <u>189,462</u> | <u>274,917</u> | <u>300,709</u> | <u>300,709</u> |
| <b>Represented By:</b>                             |                |                |                |                |
| Equity interest                                    | <u>189,462</u> | <u>274,917</u> | <u>300,709</u> | <u>300,709</u> |

### 18 Financial commitments

At 30 June 2003 the company had annual commitments under non-cancellable operating leases as follows:

|                            | Land and buildings |               | Other    |          |
|----------------------------|--------------------|---------------|----------|----------|
|                            | 2003               | 2002          | 2003     | 2002     |
|                            | £                  | £             | £        | £        |
| Expiry date:               |                    |               |          |          |
| Between two and five years | 67,000             | 67,000        | -        | -        |
| In over five years         | -                  | -             | -        | -        |
|                            | <u>67,000</u>      | <u>67,000</u> | <u>-</u> | <u>-</u> |

### 19 Directors' emoluments

|   | 2003           | 2002           |
|---|----------------|----------------|
|   | £              | £              |
| Emoluments for qualifying services                      | 287,459        | 361,369        |
| Company pension contributions to money purchase schemes | 73,636         | 45,231         |
|   | <u>361,095</u> | <u>406,600</u> |

Emoluments disclosed above include the following amounts paid to the highest paid director:

|   |              |              |
|---|--------------|--------------|
| Emoluments for qualifying services                      | 91,250       | 148,785      |
| Company pension contributions to money purchase schemes | <u>6,719</u> | <u>6,100</u> |

Retirement benefits are accruing to seven directors under a money purchase pension scheme.

# WOOLJON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

### 20 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

|                   | 2003<br>Number | 2002<br>Number |
|-------------------|----------------|----------------|
| Financial adviser | 8              | 7              |
| Administration    | 21             | 21             |
|                   | <u>29</u>      | <u>28</u>      |

#### Employment costs

|                       | £              | £              |
|-----------------------|----------------|----------------|
| Wages and salaries    | 775,140        | 803,797        |
| Social security costs | 80,764         | 80,256         |
| Other pension costs   | 102,804        | 75,300         |
|                       | <u>958,708</u> | <u>959,353</u> |

### 21 Controlling party

The group's ultimate controlling parties are N Woolven and D Jones, the joint owners and directors of the company.

### 22 Related party transactions

G R Fisher (director) was owed £102,162 (2002 £102,162), included within creditors >1year and has received interest totalling £3,068 (2002: £2,450), calculated at an interest rate equivalent to the bank base rate.

The company paid commissions to Stuchberry Stone Financial Services Limited of £177 (2002: £5,195), Bowker Orford Financial Services Limited of £22,195 (2002: £54,534), Eacott Worrall Financial Services Limited of £14,187 (2002: £29,564) and Kershen Fairfax Financial Services Limited of £8,261 (2002: £6,836), companies in which the director, D A Jones was a director during the year. At the balance sheet date, the company owed £nil (2002: £1,262) to Stuchberry Stone Financial Services Limited, £2,280 (2002: £5,298) to Bowker Orford Financial Services Limited, £3,285 (2002: £1,236) to Eacott Worrall Financial Services Limited and £485 (2002: £849) to Kershen Fairfax Financial Services Limited. ||During the year FCP Partnership, a business in which the director G R Fisher is a partner, charged £152,747 (2002: £97,871) in respect of the consultancy services.

G R Fisher and J L Child, previous shareholders of the company, were collectively indebted to the company at the year end £51,786(2002: £108,248), relating to 80% of actual and estimated pension transfer compensation payments incurred prior to the sale of the shares to the present shareholders. The proportion of this sum applicable to G R Fisher who is a director was £35,272 (2002: £73,728).concerning the disclosure of transactions with other group companies.

The company has taken advantage of the exemption contained in Financial Reporting Standard No. 8 concerning the disclosure of transactions with other group companies.