

COMPANY REGISTRATION NO. 3447312

WOOLJON LIMITED

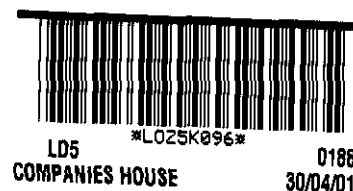
**REPORT AND
GROUP FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
30 JUNE 2000**

HARPER BROOM ROBERTS

CHARTERED ACCOUNTANTS

ST IVES ROAD, MAIDENHEAD



WOOLJON LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

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WOOLJON LIMITED

DIRECTORS' REPORT

The directors present their annual report together with the financial statements of the group for the year ended 30 June 2000.

PRINCIPAL ACTIVITIES

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

REVIEW OF THE BUSINESS

The results for the year are set out in the profit and loss account.

The directors are pleased with the results for the year and look forward to continued profitability in the future.

DIVIDENDS

The directors have paid interim dividends during the year amounting to £99,320 (1999: £95,395) and do not propose a final dividend (1999: none).

DIRECTORS AND THEIR INTERESTS

The directors in office in the year and their beneficial interests in the company at the balance sheet date and the beginning of the year were as follows:

		Number of Shares	
		2000	1999
N Woolven	Ordinary B shares of £1 each	74,999	74,999
	Ordinary D shares of £1 each	1	1
D Jones	Ordinary A shares of £1 each	74,999	74,999
	Ordinary C shares of £1 each	1	1

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 as at the end of the financial year and of the profit or loss of the company for that 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.

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.

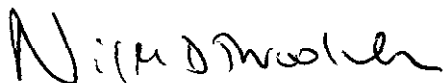
WOOLJON LIMITED

DIRECTORS' REPORT

AUDITORS

The auditors, Harper Broom Roberts, have expressed their willingness to continue in office. In accordance with Section 385(2) of the Companies Act 1985, a resolution proposing their reappointment will be put to the members at the forthcoming Annual General Meeting.

By order of the board:



.....
N Woolven
Secretary

Approved by the board: *30th April 2001*

AUDITORS' REPORT TO THE SHAREHOLDERS OF WOOLJON LIMITED

We have audited the financial statements on pages 4 to 18 which have been prepared under the historical cost convention and the accounting policies set out on pages 9 and 10.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

As described in the directors' report, the company's directors are responsible for the preparation of the 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 group's and 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 affairs of the company and the group as at 30 June 2000 and of the group's profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



Harper Broom Roberts
Chartered Accountants
and Registered Auditors

Data House, St Ives Road, Maidenhead, SL6 1QS

30th April 2001

WOOLJON LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2000

	Notes	2000 £	1999 £
TURNOVER		1,884,602	1,646,850
Cost of sales		132,240	158,045
GROSS PROFIT		1,752,362	1,488,805
Administrative expenses		1,552,583	1,168,575
		199,779	320,230
Other operating income		25,000	24,901
OPERATING PROFIT	2	224,779	345,131
Interest receivable		6,320	7,840
Interest payable and similar charges	3	(24,134)	(30,623)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		206,965	322,348
Tax on profit on ordinary activities	7	45,238	111,500
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		161,727	210,848
Dividends	8	99,320	95,395
RETAINED PROFIT FOR THE FINANCIAL YEAR		62,407	115,453
Retained profit/(loss) brought forward		101,487	(13,966)
RETAINED PROFIT CARRIED FORWARD		163,894	101,487

Continuing operations

The group's activities were all of a continuing nature.

Total recognised gains and losses

The group has no recognised gains or losses other than the profit for the above two financial years.

Historical cost

There is no material difference between the profit on ordinary activities as disclosed in the profit and loss account and the historical cost equivalent.

The notes on pages 9 to 18 form part of these financial statements.

WOOLJON LIMITED**CONSOLIDATED BALANCE SHEET
AT 30 JUNE 2000**

	Notes	£	2000 £	£	1999 £
FIXED ASSETS					
Intangible assets	9		364,945		575,593
Tangible assets	10		165,530		134,967
			530,475		710,560
CURRENT ASSETS					
Debtors	12	342,882		100,752	
Cash at bank and in hand		184,153		205,852	
		527,035		306,604	
CREDITORS: amounts falling due within one year	13	(337,786)		(392,187)	
NET CURRENT ASSETS/(LIABILITIES)			189,249		(85,583)
TOTAL ASSETS LESS CURRENT LIABILITIES			719,724		624,977
CREDITORS: amounts falling due after more than one year	14		(182,442)		(309,433)
PROVISIONS FOR LIABILITIES AND CHARGES	17		(223,388)		(64,057)
			313,894		251,487
CAPITAL AND RESERVES					
Called up share capital	18		150,000		150,000
Profit and loss account			163,894		101,487
TOTAL SHAREHOLDERS' FUNDS	19		313,894		251,487

The financial statements were approved by the board of directors on *30th April 2001*
and signed on its behalf by:

Nigel D Woollen

~~D Jones~~ N Woollen
Director

The notes on pages 9 to 18 form part of these financial statements.

WOOLJON LIMITED

COMPANY BALANCE SHEET AT 30 JUNE 2000

	Notes	£	2000 £	£	1999 £
FIXED ASSETS					
Investments	11		505,523		685,058
CURRENT ASSETS					
Debtors	12	-		31,060	
		-		31,060	
CREDITORS: amounts falling due within one year	13	(354,814)		(336,076)	
NET CURRENT LIABILITIES			(354,814)		(305,016)
TOTAL ASSETS LESS CURRENT LIABILITIES			150,709		380,042
CREDITORS: amounts falling due after more than one year	14		-		(229,333)
			150,709		150,709
CAPITAL & RESERVES					
Called up share capital	18		150,000		150,000
Profit and loss account			709		709
TOTAL SHAREHOLDERS' FUNDS	19		150,709		150,709

The financial statements were approved by the board of directors on
and signed on its behalf by:

30th April 2001

N. Woolven

~~D Jones~~ *N. Woolven*
Director

The notes on pages 9 to 18 form part of these financial statements.

WOOLJON LIMITED**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2000**

	Notes	2000 £	1999 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	20	334,393	383,514
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		6,320	7,840
Interest paid		(11,384)	(21,676)
Interest element on hire purchase contracts		(10,125)	(8,666)
Interest element on finance lease rental payments		-	(281)
		(15,189)	(22,783)
TAXATION			
Corporation tax paid		(97,300)	(37,643)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Purchase of tangible fixed assets		(59,359)	(26,431)
Receipts from sale of tangible fixed assets		-	5,900
		(59,359)	(20,531)
AQUISITIONS AND DISPOSALS			
Purchase of subsidiary undertakings		-	(62,795)
EQUITY DIVIDENDS PAID		(99,320)	(95,395)
FINANCING			
New long-term loans		29,950	62,795
Repayments of long-term loans		(95,000)	(162,795)
Repayments of capital element on hire purchase contracts		(19,874)	(16,779)
Repayments of capital element in finance lease rental payments		-	(97)
		(84,924)	(116,876)
(DECREASE)/INCREASE IN CASH		<u>(21,699)</u>	<u>27,491</u>

The notes on pages 9 to 18 form part of these financial statements.

WOOLJON LIMITED**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2000**

	Notes	2000	1999
		£	£
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT			
(Decrease)/increase in cash in the year		(21,699)	27,491
Net cash outflow from debt and lease financing		84,926	116,878
Change in net debt resulting from cash flows		63,227	144,369
New hire purchase contracts		(17,869)	(17,991)
Movement in net debt in the year		45,358	126,378
Net debt at 1 July 1999		(173,110)	(299,488)
Net debt at 30 June 2000	21	(127,752)	(173,110)

The notes on pages 9 to 18 form part of these financial statements.

WOOLJON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

1. STATEMENT OF ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the significant accounting policies adopted by the group in the preparation of the financial statements.

(a) Basis of consolidation

The financial statements consolidate the accounts of Wooljon Limited and its subsidiary undertaking.

No profit and loss account is presented for the holding company as permitted by Section 230 of the Companies Act 1985. The holding company had no income or expenditure for the year ended 30 June 2000.

(b) Turnover

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

(c) Depreciation of tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Computer equipment	33% per annum on cost
Motor vehicles	25% reducing balance
Office furniture, fixtures and equipment	15% reducing balance

(d) Amortisation of goodwill

Goodwill arising on consolidation is valued at cost and is amortised on a straight line basis over the directors' estimate of its economic useful life of 20 years.

(e) Deferred taxation

Deferred taxation is not provided for in these accounts as, in the opinion of the directors, it is reasonable to assume that timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes will not reverse so as to crystallise a tax liability in the foreseeable future.

(f) Leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their estimated useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Rental income from operating leases is credited to the profit and loss account in the periods in which they fall due.

WOOLJON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

1. STATEMENT OF ACCOUNTING POLICIES - (continued)

(g) Pension costs

The group 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.

2. OPERATING PROFIT

	2000	1999
	£	£
Operating profit is stated after charging/(crediting):		
Depreciation of fixed assets	23,844	19,530
Depreciation of leased assets	22,778	24,415
Amortisation of intangible assets	31,113	31,113
Auditors' remuneration	6,815	9,048
Non-audit service remuneration paid to auditors	11,067	16,714
Land and building operating lease rentals	59,844	59,745
Plant and machinery operating lease rentals	6,067	5,708
Loss on disposal of tangible assets	44	1,079
Rent receivable	(25,000)	(24,901)

The group made further provision of £162,535 during the year for the liability to pay compensation following the review of pension transfers and possible misselling. The provision includes phases 1 and 2 of the review but it is not yet possible to confirm the group's final liability.

3. INTEREST PAYABLE AND SIMILAR CHARGES

	2000	1999
	£	£
On other loans repayable after five years	13,125	21,676
On overdue tax	884	-
Lease finance charges and hire purchase interest	10,125	8,947
	<u>24,134</u>	<u>30,623</u>

4. INFORMATION ON DIRECTORS AND EMPLOYEES

	2000	1999
	£	£
Staff costs		
Wages and salaries	582,880	496,730
Social security costs	55,411	49,732
Other pension costs	60,300	70,954
	<u>698,591</u>	<u>617,416</u>

The average number of employees during the year was 27 (1999: 22).

WOOLJON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

4. INFORMATION ON DIRECTORS AND EMPLOYEES - (continued)

	2000	1999
Directors' emoluments	£	£
Emoluments	24,598	22,325
Company contributions to money purchase pension schemes	16,770	12,370
	<u>41,368</u>	<u>34,695</u>

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

5. PENSION COSTS

Defined contribution scheme

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £60,300 (1999: £70,954).

6. EXCEPTIONAL ITEMS

The group made further provision of £162,535 during the year 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 group's final liability.

7. TAXATION

	2000	1999
	£	£
UK corporation tax at 20% (1999 - 29%)	45,500	111,500
Adjustment in respect of prior years	(262)	-
	<u>45,238</u>	<u>111,500</u>

8. DIVIDENDS

	2000	1999
	£	£
On ordinary equity shares:		
Interim dividends paid	<u>99,320</u>	<u>95,395</u>

WOOLJON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

9. INTANGIBLE FIXED ASSETS Group

Goodwill

	£
Cost	
At 1 July 1999	622,263
Adjustment to original cost of subsidiary	(179,535)
At 30 June 2000	442,728
Amortisation	
At 1 July 1999	46,670
Charge for year	31,113
At 30 June 2000	77,783
Net book value	
At 30 June 2000	364,945
At 30 June 1999	575,593

10. TANGIBLE FIXED ASSETS

Group	Computer equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 July 1999	78,957	93,003	154,464	326,424
Additions	41,929	13,931	21,368	77,228
Disposals	(15,479)	-	-	(15,479)
At 30 June 2000	105,407	106,934	175,832	388,173
Depreciation				
At 1 July 1999	61,479	61,211	68,766	191,456
Charge for year	17,479	5,937	23,206	46,622
On disposals	(15,435)	-	-	(15,435)
At 30 June 2000	63,523	67,148	91,972	222,643
Net book value				
At 30 June 2000	41,884	39,786	83,860	165,530
At 30 June 1999	17,477	31,792	85,698	134,967

WOOLJON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

10. TANGIBLE FIXED ASSETS - (continued)

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

	2000
	£
Net book value:	
Motor vehicles	82,580
	<u> </u>
Depreciation charge for the year:	
Motor vehicles	22,778
	<u> </u>

11. INVESTMENTS

Company

	£
At 1 July 1999	685,058
Adjustment to original cost of subsidiary	(179,535)
At 30 June 2000	<u>505,523</u>

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

Name and nature of business	Capital and reserves £	Profit for the year £
Parnell Fisher Child & Co. Limited - Independent Financial Advisers	<u>303,762</u>	<u>93,520</u>

12. DEBTORS

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Trade debtors	162,345	94,595	-	-
Other debtors	180,537	6,157	-	31,060
	<u>342,882</u>	<u>100,752</u>	<u>-</u>	<u>31,060</u>

WOOLJON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

13. CREDITORS: amounts falling due within one year

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Trade creditors	60,272	87,549	-	-
Amounts owed to subsidiary undertakings	-	-	319,939	219,473
Corporation tax	45,289	97,351	-	-
Advance corporation tax	5,700	5,700	-	-
Other taxes and social security costs	21,544	38,861	-	-
Proposed dividend	-	-	-	61,600
Other creditors	95,406	89,823	34,875	55,003
Net obligations under finance leases and hire purchase contracts	73,217	18,864	-	-
Accruals	36,358	54,039	-	-
	<u>337,786</u>	<u>392,187</u>	<u>354,814</u>	<u>336,076</u>

Net obligations under finance leases and hire purchase contracts are secured on the assets acquired.

14. CREDITORS: amounts falling due after more than one year

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Other loans	158,700	229,333	-	229,333
Net obligations under finance leases and hire purchase contracts	23,742	80,100	-	-
	<u>182,442</u>	<u>309,433</u>	<u>-</u>	<u>229,333</u>

Net obligations under finance leases and hire purchase contracts are secured on the assets acquired.

15. BORROWINGS

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Up to one year and on demand	129,467	69,531	-	50,667
Between one and two years	70,664	69,531	-	50,667
Between two and five years	81,828	213,237	-	152,001
After five years	29,950	26,665	-	26,665
	<u>311,909</u>	<u>378,964</u>	<u>-</u>	<u>280,000</u>

WOOLJON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

16. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

Group

The group's net obligations are repayable as follows:

	2000	1999
	£	£
Amounts payable within one year	84,143	28,626
Amounts payable between two and five years	27,093	91,046
	<hr/>	<hr/>
	111,236	119,672
Less finance charges allocated to future accounting periods	(14,277)	(20,708)
	<hr/>	<hr/>
Net obligations	96,959	98,964
	<hr/>	<hr/>
Included in current liabilities	73,217	18,864
Included in non-current liabilities	23,742	80,100
	<hr/>	<hr/>
	96,959	98,964
	<hr/>	<hr/>

WOOLJON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

17. PROVISIONS FOR LIABILITIES AND CHARGES

Group

Other provisions	2000 £	1999 £
Indemnity commission refund	43,853	43,557
Pension transfer compensation	179,535	20,500
	<u>223,388</u>	<u>64,057</u>

In the ordinary course of business the company is required to repay commissions earned where the insurance company has an indemnity on certain policies which do not run beyond a specified time period. In this respect the directors have made provision of the likely liability arising based on past experience of these claims.

The directors have also made a provision for the liability to pay compensation following the review of pension transfers and possible mis-selling. During the year, £3,500 of the provision was utilised and a further £162,535 was considered necessary. The provision includes phases 1 and 2 of the review but it is not yet possible to confirm the company's final liability.

18. SHARE CAPITAL

	2000 £	1999 £
Authorised:		
Equity interests:		
350,000 Ordinary shares of £1 each	350,000	350,000
74,999 Ordinary A shares of £1 each	74,999	74,999
74,999 Ordinary B shares of £1 each	74,999	74,999
1 Ordinary C share of £1	1	1
1 Ordinary D share of £1	1	1
	<u>500,000</u>	<u>500,000</u>
Issued, called up and fully paid:		
Equity interests:		
74,999 Ordinary A shares of £1 each	74,999	74,999
74,999 Ordinary B shares of £1 each	74,999	74,999
1 Ordinary C share of £1	1	1
1 Ordinary D share of £1	1	1
	<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 2000

19. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Group		Company	
	2000 £	1999 £	2000 £	1999 £
Profit for the financial year	161,727	210,848	-	84,324
Dividends	(99,320)	(95,395)	-	(95,395)
Net addition to shareholders funds	62,407	115,453	-	(11,071)
Opening shareholders' funds	251,487	136,034	150,709	161,780
Closing shareholders' funds	313,894	251,487	150,709	150,709
Represented by:				
Equity interests	313,894	251,487	150,709	150,709

20. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2000 £	1999 £
Operating profit	224,779	345,131
Depreciation	46,622	43,945
Amortisation	31,113	31,113
Pension transfer compensation	179,535	-
Loss on disposal of fixed assets	44	1,079
Increase in debtors	(242,129)	(15,220)
Increase/(decrease) in creditors	94,429	(22,534)
Net cash inflow from operating activities	334,393	383,514

21. ANALYSIS OF NET DEBT

	1 July 1999 £	Cash flow £	Other movements £	30 June 2000 £
Cash at bank and in hand	205,852	(21,699)	-	184,153
Debt due after one year	(280,000)	65,050	-	(214,950)
Finance leases and hire purchase contracts	(98,962)	19,876	(17,869)	(96,955)
	(173,110)	63,227	(17,869)	(127,752)

WOOLJON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

22. REVENUE COMMITMENTS

Group

The following amounts are estimated as payable within the next twelve months on operating leases expiring:

	2000	1999
	£	£
Land and buildings		
Between one and five years	34,844	-
In more than five years	-	59,844
	<u>34,844</u>	<u>59,844</u>
Others		
Between one and five years	5,862	6,730
In more than five years	97	-
	<u>5,959</u>	<u>6,730</u>

23. CONTROLLING PARTY

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

24. RELATED PARTY TRANSACTIONS

The company's director's have loan account balances with the company. At the balance sheet date, the amount due from each of them by the company was £15,270 (1999: £15,270).

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