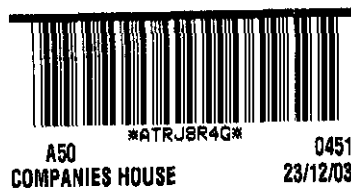


REGISTRAR'S COPY

SMITH BLAMIRE'S LIMITED
AND ITS SUBSIDIARY COMPANIES

REPORTS AND ACCOUNTS

FOR THE YEAR ENDED
28 FEBRUARY 2003



REGISTERED NUMBER: 3483640

SMITH BLAMIRES LIMITED
AND ITS SUBSIDIARY COMPANIES

REPORTS AND ACCOUNTS
FOR THE YEAR ENDED 28 FEBRUARY 2003

Contents	Pages
Company Information	1
Directors' Report	2 - 3
Independent Auditors' Report	4 - 5
Group Profit and Loss Account	6
Group Balance Sheet	7
Parent Company Balance Sheet	8
Group Cash Flow Statement	9- 10
Notes to the Financial Statements	11- 22

SMITH BLAMIRE'S LIMITED
AND ITS SUBSIDIARY COMPANIES

COMPANY INFORMATION
YEAR ENDED 28 FEBRUARY 2003

DIRECTORS

J P Blamires ACII FPC
E H S Blamires
G J Palmer ACII

SECRETARY

R G J Butler C.Eng. M.Inst.D.

REGISTERED OFFICE

Baton House
Holly Bank Road
Lindley
HUDDERSFIELD
HD3 3JE

AUDITORS

Simpson Wood
Chartered Accountants
Bank Chambers
Market Street
HUDDERSFIELD
HD1 2EW

SMITH BLAMIRE'S LIMITED
AND ITS SUBSIDIARY COMPANIES

DIRECTORS' REPORT

The directors present their annual report with the financial statements of the company and of the group for the year ended 28 February 2003.

PRINCIPAL ACTIVITIES

The principal activities of the group in the year under review were insurance brokers and consultants, and the provision of independent financial advice including mortgage broking.

RESULTS AND DIVIDENDS

The net profit after providing for taxation of the group amounted to £59,324.

During the year a dividend of £5,000 was paid on the £1 Ordinary shares (2002 - £5,000). The directors propose a dividend of £28,000 for the year ended 28 February 2003 on the C shares of 10 pence each.

DIRECTORS

The following directors have held office since 1 March 2002:

J P Blamires ACII FPC	E H S Blamires
G J Palmer ACII	D Pickles (resigned 30 April 2003)
G E Carman (resigned 30 April 2003)	

DIRECTORS AND THEIR INTERESTS

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

		Number of Shares	
		2003	2002
J P Blamires ACII FPC	Ordinary shares of £1 each	4,999	4,999
	C shares of 10 pence each	5,000	5,000
E H S Blamires	Ordinary shares of £1 each	1	1
	C shares of 10 pence each	5,000	5,000
G J Palmer ACII	B shares of 10 pence each	1,250	1,250
D Pickles	B share of 10 pence each (issued 1 September 2002)	1,250	-
G E Carman		-	-

SMITH BLAMIRE LIMITED
AND ITS SUBSIDIARY COMPANIES

DIRECTORS' REPORT

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 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group 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.

AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Simpson Wood be re-appointed as auditors of the company will be put to the Annual General Meeting.

By order of the board:



R G J Butler
Secretary

26 June 2003

SMITH BLAMIRE'S LIMITED
AND ITS SUBSIDIARY COMPANIES
INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF SMITH BLAMIRE'S LIMITED

We have audited the financial statements of Smith Blamires Limited on pages 6 to 22 for the year ended 28 February 2003. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein. This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the Directors and Auditors

As described in the statement of directors' responsibilities on page 3 the company's 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 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.

SMITH BLAMIRE'S LIMITED
AND ITS SUBSIDIARY COMPANIES
INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF SMITH BLAMIRE'S LIMITED Cont'd

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's and of the group's affairs as at 28 February 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Simpson Wood

Simpson Wood

Chartered Accountants

Registered Auditor

26 June 2003

Bank Chambers

Market Street

Huddersfield

HD1 2EW

SMITH BLAMIRES LIMITED
AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 28 FEBRUARY 2003

	Notes	2003 £	2002 £
TURNOVER	2	495,761	479,328
Cost of sales		2,790	92
		<hr/>	<hr/>
GROSS PROFIT		492,971	479,236
Administrative expenses		417,921	430,111
		<hr/>	<hr/>
OPERATING PROFIT	3	75,050	49,125
Other interest receivable and similar income	4	672	1,732
Interest payable and similar charges	5	(2,636)	(6,179)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		73,086	44,678
Tax on profit on ordinary activities	8	(13,762)	(11,163)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		59,324	33,515
Dividends	9	(33,000)	(33,000)
		<hr/>	<hr/>
RETAINED PROFIT FOR THE FINANCIAL YEAR		26,324	515
		<hr/>	<hr/>

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

The group has no recognised gains and losses other than those included in the profit above, and therefore no separate statement of recognised gains and losses has been presented.

Smith Blamires Limited has not presented its own profit and loss account as permitted by section 230 of the Companies Act 1985. The amount of consolidated profit after tax dealt with in the accounts of the holding company is a profit of £59,614.

SMITH BLAMIRES LIMITED
AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEET
AS AT 28 FEBRUARY 2003

	Notes	£	2003 £	2002 £
FIXED ASSETS				
Intangible assets	10		177,916	179,835
Tangible assets	11		17,773	19,203
Investments	12		10,000	10,000
			<hr/>	<hr/>
			205,689	209,038
CURRENT ASSETS				
Debtors	13	4,715		7,617
Cash at bank and in hand		42,063		82,744
		<hr/>		<hr/>
		46,778		90,361
CREDITORS: amount falling due within one year	14	(133,043)		(152,348)
		<hr/>		<hr/>
NET CURRENT LIABILITIES			(86,265)	(61,987)
			<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			119,424	147,051
CREDITORS: amounts falling due after more than one year	15		(76,589)	(130,727)
PROVISIONS FOR LIABILITIES AND CHARGES	17		(1,617)	(1,555)
			<hr/>	<hr/>
NET ASSETS			41,218	14,769
			<hr/>	<hr/>
CAPITAL AND RESERVES				
Called up share capital	18		7,250	7,125
Profit and loss account	19		33,968	7,644
			<hr/>	<hr/>
TOTAL SHAREHOLDERS' FUNDS	20		41,218	14,769
			<hr/>	<hr/>

Approved by the board of directors on 26 June 2003 and signed on its behalf by:

J P Blamires
Director

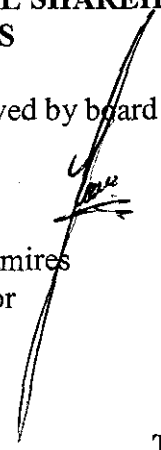
The notes on pages 10 to 22 form part of these financial statements

SMITH BLAMIRES LIMITED

BALANCE SHEET
AS AT 28 FEBRUARY 2003

		2003		2002	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	10		12,690		13,395
Tangible assets	11		17,773		19,203
Investments	12		219,860		183,414
			<hr/>		<hr/>
			250,323		216,012
CURRENT ASSETS					
Debtors	13	4,715		33,278	
Cash at bank and in hand		10,240		68,862	
		<hr/>		<hr/>	
		14,955		102,140	
CREDITORS: amounts falling due within one year	14	(146,197)		(171,736)	
NET CURRENT LIABILITIES			(131,242)		(69,596)
TOTAL ASSETS LESS CURRENT LIABILITIES			<hr/>		<hr/>
			119,081		146,416
CREDITORS: amounts falling due after more than one year	15		(76,589)		(130,727)
PROVISIONS FOR LIABILITIES AND CHARGES	17		(1,617)		(1,555)
			<hr/>		<hr/>
NET ASSETS			40,875		14,134
CAPITAL AND RESERVES			<hr/>		<hr/>
Called up share capital	18		7,250		7,125
Profit and loss account	19		33,625		7,009
			<hr/>		<hr/>
TOTAL SHAREHOLDERS' FUNDS	20		40,875		14,134
			<hr/>		<hr/>

Approved by board of directors on 26 June 2003 and signed on its behalf by:


J P Blamires
Director

The notes on pages 10 to 22 form part of these financial statements

SMITH BLAMIRE'S LIMITED
AND ITS SUBSIDIARY COMPANIES

FINANCIAL STATEMENTS
YEAR ENDED 28 FEBRUARY 2003

	2003 £	2002 £
<u>Reconciliation of operating profit to net cash inflow from operating activities</u>		
Operating profit	75,050	49,125
Depreciation	7,017	7,610
Amortisation of goodwill	1,919	9,472
Loss/(profit) on disposal of tangible assets	-	4,321
Decrease/(increase) in debtors	2,902	20,514
(Decrease)/increase in creditors	(58,617)	61,452
	<hr/>	<hr/>
Net cash inflow from operating activities	28,271	152,494
	<hr/>	<hr/>
<u>CASH FLOW STATEMENT</u>		
Net cash inflow from operating activities	28,271	152,494
Returns on investments and servicing of finance (note 1)	(1,964)	(4,447)
Taxation	(8,235)	(8,544)
Capital expenditure and financial investment (note 1)	(5,587)	(37,026)
Equity dividends paid	(5,000)	(40,000)
	<hr/>	<hr/>
	7,485	62,477
Financing (note 1)	(48,166)	(6,356)
	<hr/>	<hr/>
(DECREASE)/INCREASE IN CASH IN THE YEAR	(40,681)	56,121
	<hr/>	<hr/>
<u>Reconciliation of net cash flow to movement in net (debt) (note 2)</u>		
Increase/(decrease) in cash in the year	(40,681)	56,121
Cash outflow/(inflow) from movement in debt	48,291	6,356
	<hr/>	<hr/>
Change in (debt) in the year	7,610	62,477
Net (debt)/funds at 1 March 2002	(108,381)	(170,858)
	<hr/>	<hr/>
Net debt at 28 February 2003	(100,771)	(108,381)
	<hr/>	<hr/>

The notes on pages 10 to 22 form part of these financial statements

SMITH BLAMIRE LIMITED
AND ITS SUBSIDIARY COMPANIES

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 28 FEBRUARY 2003

	2003 £	2002 £
<u>Note 1. GROSS CASH FLOWS</u>		
Returns on investments and servicing of finance		
Interest received	672	1,732
Interest paid	(2,636)	(6,179)
	<hr/> (1,964)	<hr/> (4,447)
Capital expenditure and financial investment		
Purchase of intangible fixed assets	-	(10,210)
Purchase of tangible fixed assets	(5,587)	(42,719)
Receipt from sale of tangible fixed assets	-	15,903
	<hr/> (5,587)	<hr/> (37,026)
Financing		
Issue of ordinary share capital	125	-
New long-term loans	8,873	69,717
New short-term loans	-	18,398
Repayments of long-term loans	(38,011)	(59,471)
Repayments of short-term loans	(19,153)	(35,000)
	<hr/> (48,166)	<hr/> (6,356)

Note 2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 March 2002 £	Cash Flows £	At 28 February 2003 £
Cash at bank and in hand	82,744	(40,681)	42,063
Debt due within one year	(60,398)	(5,847)	(66,245)
Debt due after more than one year	(130,727)	54,138	(76,589)
	<hr/> (108,381)	<hr/> 7,610	<hr/> (100,771)

SMITH BLAMIRE'S LIMITED
AND ITS SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 28 FEBRUARY 2003

1. STATEMENT OF ACCOUNTING POLICIES

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

Turnover

Turnover represents amounts received for goods sold and services rendered during the year. Commission is accounted for when it is received.

Goodwill

Goodwill is usually amortised through the profit and loss account in equal annual instalments over the directors' estimate of its useful economic life.

However, in respect of the goodwill arising from the acquisition of Bailey Sloman (Insurance Brokers) Ltd the directors feel that the durability of the acquired business can be demonstrated and that the goodwill is capable of continued measurement. Therefore this goodwill is maintained at its carrying value in the balance sheet.

Depreciation of tangible fixed assets

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:

Office furniture and fittings	25% to 40% reducing balance
Computer equipment	25% on cost

Investments

Investments held as fixed assets are stated at cost less provision for permanent diminution in value.

Pension costs

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS17.

Deferred Taxation

The accounting policy in respect of deferred tax reflects the requirements of FRS19 – Deferred tax. 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.

SMITH BLAMIRES LIMITED
,319 AND ITS SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 28 FEBRUARY 2003

2. TURNOVER	2003	2002
	£	£
Analysis by class of business		
General insurance commission	317,708	299,186
Life commission	167,842	178,246
Mortgage introduction fees	10,211	1,896
	<hr/>	<hr/>
	495,761	479,328
	<hr/>	<hr/>

The group's turnover for the year has been derived from its principal activities wholly undertaken in the United Kingdom.

3. OPERATING PROFIT	2003	2002
	£	£
Operating profit is stated		
After charging:		
Depreciation of tangible assets	7,017	7,610
Loss on disposal of tangible assets	-	4,321
Amortisation of intangible assets	9,465	9,472
Auditors remuneration	3,745	4,272
	<hr/>	<hr/>

4. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME	2003	2002
	£	£
Bank interest	670	1,723
Other interest	2	-
Building Society interest	-	9
	<hr/>	<hr/>
	672	1,732
	<hr/>	<hr/>

SMITH BLAMIRE'S LIMITED
AND ITS SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 28 FEBRUARY 2003

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2003 £	2002 £
On bank loans and overdrafts	2,636	6,169
On overdue tax	-	10
	<u>2,636</u>	<u>6,179</u>

6. INFORMATION ON DIRECTORS AND EMPLOYEES

	2003 £	2002 £
Staff costs		
Wages and salaries	262,801	246,472
Social security costs	25,370	22,771
Other pension costs	14,647	14,704
	<u>302,818</u>	<u>283,947</u>

Directors' emoluments

Emoluments	136,640	127,793
Pension contributions to money purchase (defined contribution) schemes	13,975	12,768
	<u>150,615</u>	<u>140,561</u>

	Number	Number
The average monthly number of employees (including directors) during the year was:	14	13

SMITH BLAMIRES LIMITED
AND ITS SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 28 FEBRUARY 2003

7. PENSION COSTS

	2003	2002
	£	£
Deferred contributions		
Contributions payable by the group during the year	14,647	14,704
	<u> </u>	<u> </u>

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2003	2002
Domestic current year tax		
U.K. corporation tax	13,700	8,235
Adjustment for prior years	-	725
	<u> </u>	<u> </u>
Current tax charge	13,700	8,960
Deferred tax		
Deferred tax charge (credit) current year	62	2,203
	<u> </u>	<u> </u>
	13,762	11,163
	<u> </u>	<u> </u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	65,540	44,678
	<u> </u>	<u> </u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 17.94% (2002 – 19.61%)	11,758	8,761
	<u> </u>	<u> </u>

SMITH BLAMIRES LIMITED
AND ITS SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 28 FEBRUARY 2003

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

Cont'd

	2003 £	2002 £
Effects of:		
Non deductible expenses	2,074	2,065
Depreciation	1,259	2,340
Capital allowances	(1,391)	(3,572)
Tax losses utilised	-	(1,359)
Adjustments to previous periods	-	725
	<hr/> 1,942	<hr/> 199
Current tax charge	<hr/> 13,700 <hr/>	<hr/> 8,960 <hr/>

9. DIVIDENDS PAID OR PROPOSED

	2003 £	2002 £
On ordinary shares:		
Interim dividends paid		
Dividend – £1 ordinary shares	5,000	5,000
Final dividends proposed		
Dividend – 10 pence C shares	28,000	-
Smith Blamires (Financial Services) Ltd		
Final dividends proposed		
Dividend – 1 pence B shares	-	28,000
	<hr/> 33,000 <hr/>	<hr/> 33,000 <hr/>

SMITH BLAMIRES LIMITED
AND ITS SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 28 FEBRUARY 2003

10. INTANGIBLE FIXED ASSETS	Group	Company
Goodwill	£	£
Cost:		
At 1 March 2002 and at 28 February 2003	189,307	14,097
Amortisation:		
At 1 March 2002	9,472	702
Charge for the year	1,919	705
At 28 February 2003	11,391	1,407
Net book value:		
At 28 February 2003	177,916	12,690
At 28 February 2002	179,835	13,395
11. TANGIBLE FIXED ASSETS		
GROUP AND COMPANY	Office furniture and fittings	Total
Cost:	£	£
At 1 March 2002	27,559	27,559
Additions	5,587	5,587
Disposals	-	-
At 28 February 2003	33,146	33,146
Depreciation:		
At 1 March 2002	8,356	8,356
Charge for the year	7,017	7,017
On disposals	-	-
At 28 February 2003	15,373	15,373
Net book value:		
At 28 February 2003	17,773	17,773
At 28 February 2002	19,203	19,203

SMITH BLAMIRES LIMITED
AND ITS SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 28 FEBRUARY 2003

12a) INVESTMENTS GROUP

Cost or valuation:

At 1 March 2002 and at 28 February 2003 **£ 10,000**

Other investments other than loans

Shares:

	Book value 2003 £	Market value 2003 £	Book value 2002 £	Market value 2002 £
Listed:				
Other	10,000	8,357	10,000	9,788

12(b) INVESTMENTS COMPANY

	Shares in Subsidiary Undertakings £	Loans to Subsidiary Undertakings £	Total £
Cost			
1 March 2002	183,414	25,662	209,076
Additions	-	63,885	63,885
Disposals	-	(53,101)	(53,101)
 At 28 February 2003	 183,414	 36,446	 219,860

Holdings of more than 20%

The company holds more than 20 % of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Smith Blamires (Financial Services) Limited	England	Ordinary Shares	100
Bailey Sloman (Insurance Brokers) Limited	England	Ordinary Shares	100

SMITH BLAMIRE LIMITED
AND ITS SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 28 FEBRUARY 2003

13. DEBTORS	2003		2002	
	Group	Company	Group	Company
	£	£	£	£
Amounts owed by group undertakings	-	-	-	25,662
Other debtors	-	-	3,001	3,000
Prepayments and accrued income	4,715	4,715	4,616	4,616
	<u>4,715</u>	<u>4,715</u>	<u>7,617</u>	<u>33,278</u>

14. CREDITORS: amounts falling due within one year	2003		2002	
	Group	Company	Group	Company
	£	£	£	£
Bank loans and overdrafts	13,245	13,245	32,398	32,398
Amounts owed to group undertakings	-	29,605	-	36,477
Corporation tax	13,700	40	8,235	-
Other taxes and social security costs	6,753	6,753	6,980	6,980
Other loans	53,000	53,000	28,000	28,000
Other creditors	5,228	5,228	55,873	51,513
Accruals and deferred income	13,117	10,326	20,862	16,368
Proposed dividend	28,000	28,000	-	-
	<u>133,043</u>	<u>146,197</u>	<u>152,348</u>	<u>171,736</u>

SMITH BLAMIRE LIMITED
AND ITS SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 28 FEBRUARY 2003

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

	2003		2002	
	Group £	Company £	Group £	Company £
Bank loans	30,115	30,115	43,539	43,539
Directors' current accounts	46,474	46,474	59,188	59,188
Other loans	-	-	28,000	28,000
	<u>76,589</u>	<u>76,589</u>	<u>130,727</u>	<u>130,727</u>

16. BORROWINGS

	2003		2002	
	Group £	Company £	Group £	Company £
Analysis of loans				
Wholly payable within five years	96,360	96,360	131,937	131,937
	<u>96,360</u>	<u>96,360</u>	<u>131,937</u>	<u>131,937</u>
Included in current liabilities	(66,245)	(66,245)	(60,398)	(60,398)
	<u>30,115</u>	<u>30,115</u>	<u>71,539</u>	<u>71,539</u>

Loan maturity analysis

	2003		2002	
	Group £	Company £	Group £	Company £
In more than one year but not more than two years	14,000	14,000	42,000	42,000
In more than two years but not more than five years	16,115	16,115	29,539	29,539
	<u>14,000</u>	<u>14,000</u>	<u>42,000</u>	<u>42,000</u>

SMITH BLAMIRE'S LIMITED
AND ITS SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 28 FEBRUARY 2003

17. PROVISIONS FOR LIABILITIES AND CHARGES
GROUP AND COMPANY

**Deferred
Taxation
£**

Balance at 1 March 2002	1,555
Profit and loss account	62
	<hr/>
Balance at 28 February 2003	1,617
	<hr/>

Deferred taxation provided in the financial statements as follows:

	2003	2002
	£	£
Accelerated capital allowances	1,617	1,555
	<hr/>	<hr/>

18. SHARE CAPITAL

Authorised:

Equity interests:

5,000 Ordinary shares of £1 each	5,000	5,000
50,000 B shares of 10 pence each	5,000	5,000
50,000 C shares of 10 pence each	5,000	5,000

<hr/>	<hr/>
15,000	15,000
<hr/>	<hr/>

Allotted, called up and fully paid:

Equity interests:

5,000 Ordinary shares of £1 each	5,000	5,000
2,500 B shares of 10 pence each	250	125
20,000 C shares of 10 pence each	2,000	2,000

<hr/>	<hr/>
7,250	7,125
<hr/>	<hr/>

On 1 September 2002, 1,250 B Shares of 10 pence each were allotted for a consideration of £125.

SMITH BLAMIRE LIMITED
AND ITS SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 28 FEBRUARY 2003

19. PROFIT AND LOSS ACCOUNT

	2003		2002	
	Group £	Company £	Group £	Company £
Retained profit as at 1 March 2002	7,644	7,011	7,129	6,700
Profit for the year	26,324	26,614	515	309
	<hr/>	<hr/>	<hr/>	<hr/>
Retained profit as at 28 February 2003	33,968	33,625	7,644	7,009
	<hr/>	<hr/>	<hr/>	<hr/>

**20. RECONCILIATION OF MOVEMENTS IN
SHAREHOLDERS' FUNDS**

	2003		2002	
	Group £	Company £	Group £	Company £
Profit for the year	59,324	59,614	33,515	5,309
Dividends	(33,000)	(33,000)	(33,000)	(5,000)
New share capital subscribed	125	125	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net addition to shareholders' funds	26,449	26,739	515	309
Opening shareholders' funds	14,769	14,136	14,254	13,825
	<hr/>	<hr/>	<hr/>	<hr/>
Closing shareholders' funds	41,218	40,875	14,769	14,134
	<hr/>	<hr/>	<hr/>	<hr/>
Represented by:				
Equity interests	41,218	40,875	14,769	14,134
	<hr/>	<hr/>	<hr/>	<hr/>

SMITH BLAMIRES LIMITED
AND ITS SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 28 FEBRUARY 2003

21. RELATED PARTY DISCLOSURES

Details of the control of the group are provided in the directors' report.

The following amounts due from related parties are included in fixed asset investments:

	2003		2002	
	Group £	Company £	Group £	Company £
Smith Blamires (Financial Services) Limited, a wholly owned subsidiary Company	-	36,446	-	25,662
	<hr/>	<hr/>	<hr/>	<hr/>
	-	36,446	-	25,662
	<hr/>	<hr/>	<hr/>	<hr/>

The following amounts due from related parties are included in debtors:

	2003		2002	
	Group £	Company £	Group £	Company £
G E Carman, a director	-	-	3,000	3,000
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	3,000	3,000
	<hr/>	<hr/>	<hr/>	<hr/>

The following amounts due to related parties are included in creditors:

	2003		2002	
	Group £	Company £	Group £	Company £
J P Blamires, a director	46,474	46,474	59,188	59,188
Bailey Sloman (Insurance Brokers) Limited, a wholly owned subsidiary company	-	29,605	-	36,477
	<hr/>	<hr/>	<hr/>	<hr/>
	46,474	76,079	59,188	95,665
	<hr/>	<hr/>	<hr/>	<hr/>