

LLOYD & WHYTE LIMITED
(COMPANY NUMBER 3686765)
REPORTS AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2001



WHITES
Chartered Accountants and
Registered Auditors
9 The Crescent
TAUNTON
Somerset
TAI 4EA

LLOYD & WHYTE LIMITED

DIRECTORS

M M Pyke
M A Pyke
M C R Nation

SECRETARY

D C Harris

COMPANY NUMBER

3686765

REGISTERED OFFICE

9 The Crescent
TAUNTON
Somerset
TA1 4EA

REPORTS AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2001

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The following page does not form part of the statutory accounts:

Detailed profit and loss account	14
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LLOYD & WHYTE LIMITED
REPORT OF THE DIRECTORS

The directors present their report together with the accounts of the company for the year ended 31 December 2001.

PRINCIPAL ACTIVITIES

The principal activities of the company are those of Insurance Broking.

REVIEW OF THE BUSINESS

A summary of the results for the year's trading is given in the profit and loss account on page 4.

The company has increased its turnover significantly during the current year and the company is now returning a profit. The directors believe that turnover will continue to increase in future years and that the company will continue to trade profitably.

DIVIDENDS

During the year the company did not pay any interim dividends. The directors do not recommend the payment of a final dividend for the year ended 31 December 2001.

DIRECTORS

The directors who held office throughout the year and their beneficial interests in the issued ordinary share capital at the beginning and the end of the year were as follows:

	31.12.01	1.1.01
M A Pyke	-	-
M M Pyke	-	-
C D Short	-	-
M C R Nation	-	-
D C Harris	-	-

The share capital of the company is owned by Lloyd & Whyte (Insurance Brokers) Limited. All of the directors of the company are directors of Lloyd & Whyte (Insurance Brokers) Limited. M A Pyke and C D Short own all the issued share capital of Lloyd & Whyte (Insurance Brokers) Limited.

LLOYD & WHYTE LIMITED
REPORT OF THE DIRECTORS
(Continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to:

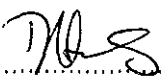
- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in its business.

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.

AUDITORS

The auditors, Messrs Whites Chartered Accountants and Registered Auditors, will be proposed for re-appointment at the next Annual General Meeting.

BY ORDER OF THE BOARD


.....
Mr D C Harris
Secretary

..... 31/7/02
Date

LLOYD & WHYTE LIMITED

INDEPENDENT AUDITORS REPORT TO THE SHAREHOLDERS

FOR THE YEAR ENDED 31 DECEMBER 2001

We have audited the financial statements on pages 4 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Director's Responsibilities.

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 Director's 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 director's remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. The other information comprises only the Director's Report. We consider the implications for our report if we become aware of any apparent misstatement or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF 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 director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

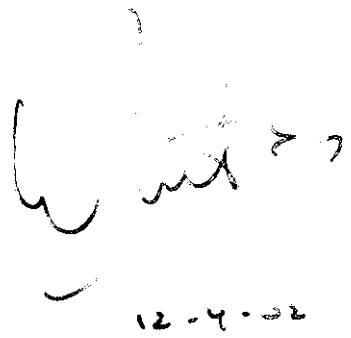
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2001 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

WHITES

Chartered Accountants and
Registered Auditors
9 The Crescent
TAUNTON
Somerset
TA1 4EA


12-4-02

LLOYD & WHYTE LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2001

	Note	2001 £	2000 £
TURNOVER	2	506,207	416,651
Administrative expenses		490,966	424,350
		<hr/>	<hr/>
OPERATING PROFIT/(LOSS)	3	15,241	(7,699)
Interest receivable		2,230	1,252
Interest payable	5	1,102	944
		<hr/>	<hr/>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		16,369	(7,391)
Tax on profit on ordinary activities		5,483	-
		<hr/>	<hr/>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		10,886	(7,391)
Dividends paid		-	-
		<hr/>	<hr/>
RETAINED PROFIT/(LOSS) FOR THE YEAR		10,886	(7,391)
		<hr/>	<hr/>

CONTINUING ACTIVITIES

The retained profit/(loss) shown is due to the continuing activities of the Company.

RECOGNISED GAINS AND LOSSES

There were no recognised gains or losses during the above financial year other than the profit/(loss) for the year.

LLOYD & WHYTE LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2001

	Note	2001 £	2000 £
FIXED ASSETS			
Tangible assets	6	27,737	31,242
CURRENT ASSETS			
Debtors	7	93,607	72,706
Cash at bank and in hand		190,723	75,559
		<u>284,330</u>	<u>148,265</u>
CREDITORS: amounts falling due within one year	8	<u>237,747</u>	<u>253,897</u>
NET CURRENT ASSETS/(LIABILITIES)		46,583	(105,632)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>74,320</u>	<u>(74,390)</u>
CREDITORS: Amounts falling due after more than one year			
Hire purchase		2,020	10,098
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	9	1,902	-
TOTAL ASSETS LESS TOTAL LIABILITIES		<u>70,398</u>	<u>(84,488)</u>
CAPITAL AND RESERVES			
Called up share capital	10	145,000	1,000
Profit and loss account	12	(74,602)	(85,488)
SHAREHOLDERS' FUNDS - EQUITY	11	<u>70,398</u>	<u>(84,488)</u>

Approved by the Board on31/12/2002.....

.....
Mr M A Pyke - Director

.....
Mr M A Pyke - Director

LLOYD & WHYTE LIMITED

CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2001

	Note	2001 £	2000 £
NET CASH FLOWS FROM OPERATING ACTIVITIES			
	13	(18,457)	51,152
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		2,230	1,252
Interest paid		(1,102)	(944)
		<u>1,128</u>	<u>308</u>
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Receipts on sale of tangible fixed assets		745	-
Payments to acquire tangible fixed assets		(4,174)	(37,229)
		<u>(3,429)</u>	<u>(37,229)</u>
		<u>(20,758)</u>	<u>14,231</u>
FINANCING			
	16		
Issue of shares		144,000	-
Capital element of hire purchase advances received		-	24,235
Capital element of hire purchase payments		(8,078)	(6,059)
		<u>135,922</u>	<u>18,176</u>
INCREASE IN CASH		<u>115,164</u>	<u>32,407</u>

LLOYD & WHYTE LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2001

I. ACCOUNTING POLICIES

(a) Basis of Accounting

The accounts have been prepared under the historical cost convention and comply with applicable Accounting Standards.

(b) Turnover

Turnover is represented by brokerage earned on insurance policies. Brokerage is recognised when the premium becomes payable by the client.

(c) Tangible Fixed Assets

Tangible fixed assets are depreciated at rates calculated to write each item down to its anticipated residual value over its expected useful life:

Furniture and equipment - 20% pa reducing balance

(d) Deferred Taxation

Deferred taxation is provided using the liability method at the current rate of corporation tax in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

(e) Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

(f) Hire purchases

Assets held under hire purchase contracts are capitalised in the balance sheet and are depreciated over their estimated useful lives. The interest element of the contractual obligations is charged to profit and loss account over the period of the contract on a straight line basis.

LLOYD & WHYTE LIMITED
NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2001 (Continued)

2. TURNOVER

The income and profit before taxation are attributable to the one principal activity of the company, all arising in the United Kingdom.

	2001 £	2000 £
3. OPERATING PROFIT/(LOSS)		
The operating profit/(loss) is stated after charging:		
Depreciation of assets held under hire purchase agreements	4,152	5,190
Depreciation of owned tangible assets	2,782	2,620
Director's remuneration	42,000	35,004
Auditors' remuneration	6,433	6,286
	<hr/>	<hr/>

4. STAFF COSTS

Wages and salaries	256,897	209,848
Social security costs	17,044	15,114
Other pension costs (defined contribution scheme)	6,733	4,523
	<hr/>	<hr/>
	280,674	229,485
	<hr/>	<hr/>

The average weekly number of employees during the year was:

Management and administration	3	3
Insurance broking and financial services	12	10
	<hr/>	<hr/>
	15	13
	<hr/>	<hr/>

Included in other pension costs are £4,142 (2000: £3,500) in respect of directors. Retirement benefits are accruing to one director as part of the defined contribution scheme.

LLOYD & WHYTE LIMITED
NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2001 (Continued)

	2001 £	2000 £
5. INTEREST PAYABLE		
Hire purchase interest	1,102	944
Bank interest	-	-
	<hr/>	<hr/>
	1,102	944
	<hr/>	<hr/>
 6. TANGIBLE FIXED ASSETS		
	Furniture and equipment £	Total £
Cost		
At 1 January 2001	39,508	39,508
Additions	4,174	4,174
Disposals	(745)	(745)
	<hr/>	<hr/>
At 31 December 2001	42,937	42,937
	<hr/>	<hr/>
Accumulated Depreciation		
At 1 January 2001	8,266	8,266
Charge for year	6,934	6,934
	<hr/>	<hr/>
At 31 December 2001	15,200	15,200
	<hr/>	<hr/>
Net Book Values		
At 31 December 2001	27,737	27,737
	<hr/>	<hr/>
At 31 December 2000	31,242	31,242
	<hr/>	<hr/>

The net book value of assets held under hire purchase agreements as at the balance sheet date is £16,607 (2000: £20,759).

LLOYD & WHYTE LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2001 (Continued)

	2001 £	2000 £
7. DEBTORS		
Insurance transactions	48,106	37,332
Lloyd & Whyte (Insurance Brokers) Limited	448	-
Other debtors	37,822	25,950
Prepayments	7,231	9,424
	<hr/>	<hr/>
	93,607	72,706
	<hr/>	<hr/>
8. CREDITORS: amounts falling due within one year		
Insurance transactions	202,458	120,303
Lloyd & Whyte (Insurance Brokers) Limited	-	82,030
Lloyd & Whyte (Financial Services) Limited	-	17,142
Corporation tax	3,581	-
Other taxes and Social Security	5,922	5,133
Other creditors	7,653	13,117
Hire purchase	8,078	8,078
Accruals	10,055	8,094
	<hr/>	<hr/>
	237,747	253,897
	<hr/>	<hr/>
9. DEFERRED TAXATION		
	2001	2000
	Provided £	Unprovided £
	Provided £	Unprovided £
Accelerated capital allowances	1,902	-
	<hr/>	<hr/>

LLOYD & WHYTE LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2001 (Continued)

	2001 £	2000 £	
10. CALLED UP SHARE CAPITAL			
Authorised			
Ordinary shares of £1 each	1,000,000	1,000	
Allotted, Issued and Fully Paid			
Ordinary shares of £1 each	145,000	1,000	
On 30 November 2001, 144,000 shares were issued at par.			
11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS			
Profit/(loss) for the financial year	10,886	(7,391)	
Shares issued	144,000	-	
Net movement in shareholders funds	154,886	(7,391)	
Opening shareholders funds	(84,488)	(77,097)	
Closing shareholders' funds - equity	70,398	(84,488)	
12. RESERVES			
	Share Capital £	Profit and Loss Account £	Total £
At 31 December 2000	1,000	(85,488)	(84,488)
Retained profit/(loss) for the year	-	10,886	10,886
Shares issued	144,000	-	144,000
At 31 December 2001	145,000	(74,602)	70,398

LLOYD & WHYTE LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2001 (Continued)

	2001 £	2000 £	
13. RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW FROM OPERATING ACTIVITIES			
Operating profit/(loss)	15,241	(7,699)	
Depreciation charges	6,934	7,810	
Increase in debtors	(20,901)	(38,216)	
(Decrease)/increase in creditors	(19,731)	89,257	
	<hr/>	<hr/>	
Net cash inflow from operating activities	(18,457)	51,152	
	<hr/>	<hr/>	
14. RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET FUNDS			
Increase in cash in the year	115,164	32,407	
	<hr/>	<hr/>	
15. ANALYSIS OF CHANGES IN NET FUNDS			
	At 1.1.01 £	Cashflows £	At 31.12.01 £
Cash at bank and in hand	75,559	115,164	190,723
	<hr/>	<hr/>	<hr/>
16. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR			
		Hire purchase obligations £	Share capital £
Balance at 1 January 2001		18,176	1,000
Capital elements of hire purchase payments		(8,078)	-
Capital elements of hire purchase advances received		-	-
Issue of shares		-	144,000
		<hr/>	<hr/>
		10,098	145,000
		<hr/>	<hr/>

LLOYD & WHYTE LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2001

(Continued)

17. PARENT UNDERTAKING

The Company is a wholly owned subsidiary of Lloyd & Whyte (Insurance Brokers) Limited which is the ultimate parent company. During the year, 144,000 shares were issued at par. All of these shares were purchased by Lloyd & Whyte (Insurance Brokers) Limited.

18. COMMITMENTS UNDER OPERATING LEASES

The company pays £14,523 per annum for the rent of its offices and car parking spaces.