

Company Registration No. 03879955 (England and Wales)

BUCKLES INVESTMENT SERVICES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2002



BUCKLES INVESTMENT SERVICES LIMITED

COMPANY INFORMATION

Directors	T Owen - Jones S Daborn M J Powell M M Robinson
Secretary	M J Powell
Company number	03879955
Registered office	Clwyd Buildings, Clwyd Street, Rhyl, Denbighshire LL18 3LA
Auditors	Harold Smith 3 Clwyd Street Rhyl Denbighshire LL18 3LE
Business address	Clwyd Buildings, Clwyd Street, Rhyl, Denbighshire LL18 3LA

BUCKLES INVESTMENT SERVICES LIMITED

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BUCKLES INVESTMENT SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2002

The directors present their report and financial statements for the year ended 30 April 2002.

Principal activities and review of the business

The company commenced trading on 1 May 2001.

The principle activity of the company is that of financial management and consultancy.

Results and dividends

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

Directors

The following directors have held office since 1 May 2001:

T Owen - Jones

S Daborn

M J Powell

M M Robinson

J M Beddard

(Resigned 26 October 2001)

R Honan

(Resigned 26 October 2001)

Directors' interests

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

	Ordinary of £ 1 each	
	30 April 2002	1 May 2001
M J Powell	-	-
M M Robinson	-	-
T Owen - Jones	-	-
S Daborn	-	-

Auditors

On 5th August 2002, Grant Thornton resigned as Auditors of the company. Harold Smith were appointed auditors to the company 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.

BUCKLES INVESTMENT SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2002

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;
- 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



M J Powell

Director

14.2.03.....

BUCKLES INVESTMENT SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BUCKLES INVESTMENT SERVICES LIMITED

We have audited the financial statements of BUCKLES INVESTMENT SERVICES LIMITED on pages 4 to 10 for the year ended 30 April 2002. 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 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.

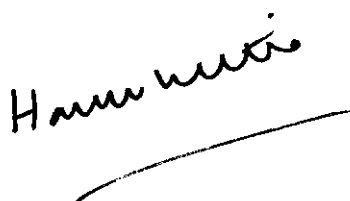
Basis of audit opinion

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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 April 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Harold Smith

Chartered Accountants
Registered Auditor

27.2.02.....

3 Clwyd Street
Rhyl
Denbighshire
LL18 3LE

BUCKLES INVESTMENT SERVICES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2002

	Notes	2002 £	2001 £
Turnover	2	1,360,293	-
Cost of sales		(171,622)	-
Gross profit		1,188,671	-
Administrative expenses		(1,036,982)	-
Operating profit	3	151,689	-
Interest payable and similar charges	4	(10,177)	-
Profit on ordinary activities before taxation		141,512	-
Tax on profit on ordinary activities	5	(11,137)	-
Profit on ordinary activities after taxation		130,375	-
Dividends	6	(63,925)	-
Retained profit for the year	11	66,450	-

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.

BUCKLES INVESTMENT SERVICES LIMITED

BALANCE SHEET AS AT 30 APRIL 2002

	Notes	2002 £	£	2001 £	£
Current assets					
Debtors	7	642,971		10,000	
Cash at bank and in hand		73		-	
		<u>643,044</u>		<u>10,000</u>	
Creditors: amounts falling due within one year	8	<u>(566,594)</u>		<u>-</u>	
Total assets less current liabilities			<u>76,450</u>		<u>10,000</u>
Capital and reserves					
Called up share capital	10		10,000		10,000
Profit and loss account	11		66,450		-
Shareholders' funds - equity interests	12		<u>76,450</u>		<u>10,000</u>

The financial statements were approved by the Board on 14.2.2003



M J Powell
Director

BUCKLES INVESTMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2002

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents total commissions receivable by the company for services provided. Commissions relating to new business (initial commissions) are recognised as income when the business is introduced. Renewal commissions and other fees are recognised as income when received. Management fees are recognised as income when earned.

Commissions received on indemnity terms

In instances in which commissions have been received under indemnity terms, if policies lapse then this commission becomes repayable to the product provider (clawback).

Provision for clawback of commissions under indemnity terms has been made based upon historical data.

1.3 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.4 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

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

2002	2001
£	£

Operating profit is stated after charging:

Auditors' remuneration

5,000	-
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4 Interest payable

2002	2001
£	£

On bank loans and overdrafts

5,261	-
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On other loans wholly repayable within 5 years

4,839	-
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Other interest

77	-
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10,177	-
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BUCKLES INVESTMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2002

5	Taxation	2002 £	2001 £
	Domestic current year tax		
	U.K. corporation tax	11,137	-
	Current tax charge	11,137	-
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	141,512	-
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2001 : 20.00%)	28,302	-
	Effects of:		
	Tax losses utilised	(17,165)	-
	Current tax charge	11,137	-

On the basis of these financial statements no provision has been made for corporation tax.

6	Dividends	2002 £	2001 £
	Ordinary interim paid	63,925	-
7	Debtors	2002 £	2001 £
	Trade debtors	234,940	-
	Amounts owed by parent and fellow subsidiary undertakings	-	10,000
	Amounts owed by subsidiary undertakings	387,924	-
	Other debtors	13,719	-
	Prepayments and accrued income	6,388	-
		642,971	10,000

BUCKLES INVESTMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2002

8	Creditors: amounts falling due within one year	2002 £	2001 £
	Bank loans and overdrafts	104,032	-
	Trade creditors	19,996	-
	Amounts owed to subsidiary undertakings	322,868	-
	Corporation tax	11,137	-
	Other taxes and social security costs	97,807	-
	Other creditors	1,512	-
	Accruals and deferred income	9,242	-
		<u>566,594</u>	<u>-</u>

9 Pension costs

Defined contribution

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.

	2002 £	2001 £
Contributions payable by the company for the year	<u>33,879</u>	<u>-</u>

10	Share capital	2002 £	2001 £
	Authorised		
	10,000 Ordinary of £ 1 each	<u>10,000</u>	<u>10,000</u>
	Allotted, called up and fully paid		
	10,000 Ordinary of £ 1 each	<u>10,000</u>	<u>10,000</u>

11 Statement of movements on profit and loss account

	Profit and loss account £
Retained profit for the year	<u>66,450</u>

BUCKLES INVESTMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2002

12 Reconciliation of movements in shareholders' funds	2002	2001
	£	£
Profit for the financial year	130,375	-
Dividends	(63,925)	-
	<hr/>	<hr/>
	66,450	-
Proceeds from issue of shares	-	10,000
	<hr/>	<hr/>
Net addition to shareholders' funds	66,450	10,000
Opening shareholders' funds	10,000	-
	<hr/>	<hr/>
Closing shareholders' funds	76,450	10,000
	<hr/>	<hr/>
13 Directors' emoluments	2002	2001
	£	£
Emoluments for qualifying services	230,758	-
Company pension contributions	13,156	-
	<hr/>	<hr/>
	243,914	-
	<hr/>	<hr/>
14 Employees		
Employment costs	2002	2001
	£	£
Wages and salaries	468,879	-
Other pension costs	33,879	-
	<hr/>	<hr/>
	502,758	-
	<hr/>	<hr/>
15 Control		

The directors consider that the ultimate parent company is Buckles Holdings Limited, a company registered in England and Wales.

BUCKLES INVESTMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2002

16 Related party transactions

M M Robinson is a Director and Shareholder in Buckles Holdings Limited, the company's parent undertaking.

Included in Creditors at 30th April 2002 were the following balances :

Buckles Holdings Limited £ 275,066

Buckles Cheshire & N Wales Limited £ 6,247

Loanbroker Limited £ 34,627

Buckles Ruthin Limited £6,927

Included in Debtors at 30th April 2002 was the following balance:

Buckles Mortgage Services Limited £ 387,924

BUCKLES INVESTMENT SERVICES LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2002

	2002		2001	
	£	£	£	£
Turnover		1,360,293		-
Cost of sales				
Commissions payable	141,622		-	
Introducer fees	30,000		-	
	171,622		-	
		(171,622)		-
Gross profit	87.38%	1,188,671	-	-
Administrative expenses				
Wages and salaries	238,121		-	
Directors' remuneration	230,758		-	
Directors' pension costs	13,156		-	
Staff pension costs	20,723		-	
Recruitment fees	3,290		-	
Rent	7,289		-	
Rates	8,702		-	
Insurance	18,048		-	
Light and heat	2,061		-	
Repairs and maintenance	163		-	
Printing, postage and stationery	11,890		-	
Advertising	8,553		-	
Telephone	17,539		-	
Computer running costs	4,433		-	
Motor running expenses	34,311		-	
Motor Car cost recharge	36,450		-	
Travelling expenses	17,287		-	
Legal and prof fees	18,348		-	
Audit fees	5,000		-	
Management charges	325,000		-	
Bank charges	2,377		-	
Credit card charges	120		-	
Sundry expenses	13,363		-	
		1,036,982		-
Operating profit		151,689		-
Interest payable				
Bank interest paid	5,261		-	
Loan interest paid	4,839		-	
Other interest paid	77		-	
		(10,177)		-
Net profit for the year		141,512		-