

19/09/02

PROFESSIONAL FINANCIAL PARTNERSHIPS PLC

**REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 28 FEBRUARY 2002**



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FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2002

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The following pages do not form part of the statutory financial statements:

Detailed profit and loss account

DIRECTORS, OFFICERS AND ADVISERS

Directors

Mr T R Hurley
Mr J C Ward
Mr W J Ratcliffe

Secretary and Registered Office

Mr T R Hurley
2 Chartfield House
Castle Street
Taunton
Somerset
TA1 4AS

Auditors

Butterworth Jones
Chartered Accountants
7 Castle Street
Bridgwater
Somerset

Bankers

Cater Allen Bank
Pembroke House
15 Pembroke Road
Clifton
Bristol
BS8 3BA

REPORT OF THE DIRECTORS

The directors present herewith their report and the financial statements of the company for the year ended 28 February 2002.

Principal Activities

The principal activity of the company is the provision of independent financial advice.

Review of the Business and Future Developments

The profit before taxation, for the year of trade to 28 February 2002, amounted to £26,449.

The directors consider the state of the affairs of the company to be satisfactory and that this is likely to continue.

Directors

The directors of the company at 28 February 2002 are detailed below together with their registered interests in the company, including immediate family interests, both at the beginning and the end of the year:

	Ordinary Shares of £1 each	
	28 February 2002	28 February 2001
Mr. T. R. Hurley	25,000	25,000
Mr. J. C. Ward	17,500	17,500
Mr. W. J. Ratcliffe	7,500	7,500

Payments to Suppliers

The company does not follow a formal code or standard in respect of payments to suppliers. All terms of payment are registered individually at the time of making contact.

Directors' responsibilities

Company law requires 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, directors are required to:

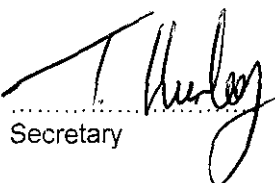
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

By Order of the Board


Secretary

Date: 14/9/2002

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF PROFESSIONAL FINANCIAL PARTNERSHIPS PLC

We have audited the financial statements of Professional Financial Partnerships Plc for the year ended 28 February 2002 which comprise the profit and loss account, the balance sheet, the cash flow statement, and the related notes 1 to 11. These financial statements have been prepared under the historical cost convention and accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the statement of directors' responsibilities, the company's directors' are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 for the above year and consider the implications for our report if we become aware of any apparent misstatements.

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 if 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 28 February 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Butterworth Jones
Chartered Accountants and Registered Auditors
7 Castle Street
Bridgwater
Somerset TA6 3DT

Dated: 17 September 2002

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 28 FEBRUARY 2002

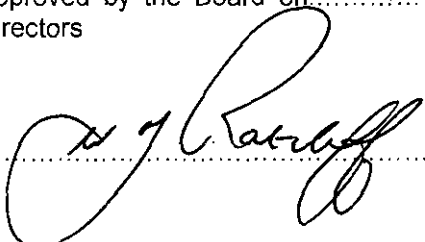
	Notes	2002	2001
		£	£
Turnover	1	52,808	33,638
Cost of sales		-	-
GROSS PROFIT		52,808	33,638
Administrative expenses		(27,552)	(11,866)
OPERATING PROFIT	2	25,256	21,772
Interest receivable		1,193	323
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		26,449	22,095
Taxation	4	(5,586)	(3,657)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		20,863	18,438
Dividends	5	31,500	-
		£(10,637)	£18,438
STATEMENT OF RETAINED PROFITS			
Retained profits at 1 March 2001		18,438	-
(Loss)/Profit for the year		(10,637)	18,438
Retained profits at 28 February 2002		£7,801	£18,438

There were no acquisitions or discontinued operations during the year. There were no gains or losses other than the profit for the year.

BALANCE SHEET AS AT 28 FEBRUARY 2002

	Notes	2002	2001
		£	£
CALLED UP SHARE CAPITAL NOT PAID	11	37,500	37,500
FIXED ASSETS	6	1,683	3,029
CURRENT ASSETS			
Debtors and prepayments	8	2,229	18,826
Cash at bank		25,056	22,476
		27,285	41,302
CREDITORS – amounts falling due within one year	9	(8,399)	(12,879)
NET CURRENT ASSETS		18,886	28,423
TOTAL ASSETS LESS CURRENT LIABILITIES		58,069	68,952
PROVISIONS FOR LIABILITIES AND CHARGES	10	(268)	(514)
NET ASSETS		£57,801	£68,438
 Represented by:- CAPITAL AND RESERVES			
Called up share capital	11	50,000	50,000
Profit and loss account		7,801	18,438
SHAREHOLDERS' FUNDS		£57,801	£68,438

Approved by the Board on: 14 SEPTEMBER 02 and signed on behalf of the Board of Directors

 – Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2002

	2002	2001
	£	£
Net cash inflow from operating activities	36,884	13,692
Returns on investments and servicing of finance	1,193	323
Capital expenditure	-	(4,039)
Financing	-	12,500
Taxation	(3,997)	-
Dividends	(31,500)	-
	<hr/>	<hr/>
Increase in cash	£2,580	£22,476

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

Operating profit	25,256	21,772
Depreciation	1,346	1,010
Decrease/(increase) in debtors	16,597	(18,826)
Decrease/(increase) in creditors	(6,315)	9,736
	<hr/>	<hr/>
Net cash inflow from operating activities	£36,884	£13,692

GROSS CASH FLOWS

Returns on investments and servicing of finance		
Interest received	£1,193	£323
	<hr/>	<hr/>
Capital expenditure		
Payments to acquire tangible fixed assets	£-	£(4,039)
	<hr/>	<hr/>
Financing		
Issue of ordinary share capital	£-	£12,500
	<hr/>	<hr/>
Taxation		
Corporation tax paid	£3,997	£-
	<hr/>	<hr/>
Dividends		
Dividends paid	£31,500	£-
	<hr/>	<hr/>

ANALYSIS OF NET FUNDS

	At March 2001	Cash Flow	At 28 February 2002
Cash at bank	£22,476	£2,580	£25,056
	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2002**1. Accounting policies****(a) Accounting convention**

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

(b) Turnover

Turnover represents consultancy fees and commissions received.

(c) Taxation

The charge for taxation is based on the profit for the year as adjusted for disallowable items. Provision is made for deferred taxation using the liability method in respect of all material timing differences, to the extent that it is probable that a liability will crystallise. Timing differences arise because certain items are allocated to different years for taxation and accountancy purposes.

(d) 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.

Office equipment - straight line basis over three years.

2. Operating profit	2002 £	2001 £
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Operating profit is stated after charging:

Depreciation on tangible fixed assets	1,346	1,010
Auditors' remuneration	500	1,000
Directors emoluments	11,000	-

3. Staff costs	2002 £	2001 £
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Wages and salaries	4,500	1,650
Social security costs	-	-

	4,500	1,650
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Number of employees

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

Administration	4	4
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4. Taxation	2002 £	2001 £
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Based on the profit on ordinary activities for the year:

UK corporation tax	4,978	3,143
Corporation tax underpayment and late penalties	340	-
Deferred tax	268	514

	5,586	3,657
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2002

5.	Dividends	2002 £	2001 £
	Ordinary shares of £1 each	31,500	-

6.	Fixed Assets	Office Equipment £
	Cost	
	As at 1 March 2001 and At 28 February 2002	4,039
	Depreciation	
	As at 1 March 2001	1,010
	Charge for the year	1,346
	At 28 February 2002	2,356
	Net Book Value	
	At 28 February 2002	1,683
	At 28 February 2001	3,029

7. Controlling party and related party transactions

The company is controlled by the directors. Transactions with Davisons (Financial Services) Limited, a company of which Mr Ward and Mr Ratcliffe are directors, were as follows:

Cost paid by Davisons on behalf of the company	323
Commissions received by Davisons on behalf of the company	(323)

8.	Debtors	2002 £	2001 £
	Trade debtors	1,645	13,491
	Other debtors	-	5,000
	Prepayments	584	335
		2,229	18,826

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2002

9. Creditors: amounts falling due within one year	2002	2001
	£	£
Other creditors and accruals	3,421	9,686
Other taxes and Social Security	-	50
Corporation tax	4,978	3,143
	<hr/>	<hr/>
	8,399	12,879
	<hr/>	<hr/>

10. Provisions for liabilities and charges	2002	2001
	£	£
Deferred taxation		
At 1 March 2001	514	-
Movement in year	(246)	514
	<hr/>	<hr/>
At 28 February 2002	268	514
	<hr/>	<hr/>

Deferred taxation is set out below and is calculated using a tax rate of 20%.

	Amount provided	Amount unpaid
	£	£
Accelerated capital allowances	268	-
	<hr/>	<hr/>
11. Called up share capital	2002	2001
	£	£
Authorised:		
Ordinary shares of £1 each	50,000	50,000
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Allotted:		
Ordinary shares of £1 each	50,000	50,000
	<hr/>	<hr/>

50,000 ordinary shares of £1 were allotted on 13 June 2000, and the sum of £12,500 (being 25% of the nominal value) was paid to the company.