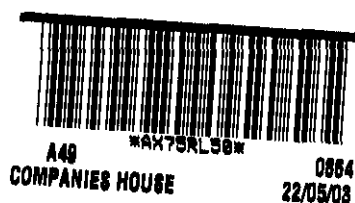


Co House

Company Registration No. 4075895 (England and Wales)

FP CONSULTING LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002



FP CONSULTING LIMITED

COMPANY INFORMATION

Directors	C R Hindle D J Hunt
Secretary	D J Hunt
Company number	4075895
Registered office	2nd Floor, 9 Broad Street Worcester WR1 3LH
Auditors	Rabjohns LLP 1-4 College Yard Worcester WR1 2LB
Business address	2nd Floor, 9 Broad Street Worcester WR1 3LH
Bankers	HSBC Bank plc 6 Broad Street Worcester WR1 2EJ
Solicitors	Harrison Clark 5 Deansway Worcester WR1 2JG

FP CONSULTING LIMITED

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FP CONSULTING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2002

The directors present their report and financial statements for the year ended 31 December 2002.

Principal activities and review of the business

The principal activity of the company continued to be the provision of general insurance, financial planning and advice.

Results and dividends

The results for the year are set out on page 3.

Directors

The following directors have held office since 1 January 2002:

C R Hindle
D J Hunt

Directors' interests

The directors' beneficial interests in the shares of the company, including shares held by Mrs L Hindle and Mrs E Jacobs-Hunt were as stated below:

	Ordinary of £ 1 each	
	31 December 2002	1 January 2002
C R Hindle	5,000	5,000
D J Hunt	5,000	5,000

Auditors

Rabjohns LLP 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.

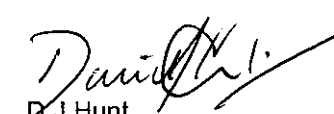
Directors' responsibilities

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


D J Hunt

Director

31 March 2003

FP CONSULTING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FP CONSULTING LIMITED

We have audited the financial statements of FP Consulting Limited on pages 3 to 11 for the year ended 31 December 2002. 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 1 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

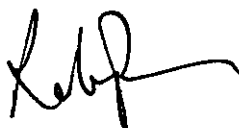
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Rabjohns LLP



Registered Auditor

31 March 2003

1-4 College Yard
Worcester
WR1 2LB

FP CONSULTING LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2002

	Notes	2002 £	2001 £
Turnover	2	165,055	181,534
Administrative expenses		(138,760)	(120,196)
Operating profit	3	26,295	61,338
Other interest receivable and similar income		230	152
Profit on ordinary activities before taxation		26,525	61,490
Tax on profit on ordinary activities	4	(3,671)	(12,451)
Profit on ordinary activities after taxation		22,854	49,039
Dividends	5	(28,930)	(34,476)
Retained (loss)/profit for the year	12	(6,076)	14,563

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

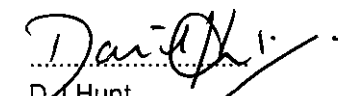
There are no recognised gains and losses other than those passing through the profit and loss account.

FP CONSULTING LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2002

	Notes	2002 £	£	2001 £	£
Fixed assets					
Tangible assets	6		26,023		21,500
Current assets					
Debtors	7	6,568		6,824	
Cash at bank and in hand		23,746		38,333	
		<u>30,314</u>		<u>45,157</u>	
Creditors: amounts falling due within one year	8	<u>(13,049)</u>		<u>(19,033)</u>	
Net current assets			<u>17,265</u>		<u>26,124</u>
Total assets less current liabilities			<u>43,288</u>		<u>47,624</u>
Creditors: amounts falling due after more than one year	9		(20,000)		(20,000)
Provisions for liabilities and charges	10		<u>(4,801)</u>		<u>(3,061)</u>
			<u>18,487</u>		<u>24,563</u>
Capital and reserves					
Called up share capital	11		10,000		10,000
Profit and loss account	12		8,487		14,563
Shareholders' funds - equity interests	13		<u>18,487</u>		<u>24,563</u>

The financial statements were approved by the Board on 8/5/03


David Hunt
Director

FP CONSULTING LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2002

	2002		2001	
	£	£	£	£
Net cash inflow from operating activities		37,742		69,060
Returns on investments and servicing of finance				
Interest received	230		152	
	<u>230</u>		<u>152</u>	
Net cash inflow for returns on investments and servicing of finance		230		152
Taxation		(10,636)		-
Capital expenditure				
Payments to acquire tangible assets	(12,993)		(26,403)	
	<u>(12,993)</u>		<u>(26,403)</u>	
Net cash outflow for capital expenditure		(12,993)		(26,403)
Equity dividends paid		(28,930)		(34,476)
		<u>(28,930)</u>		<u>(34,476)</u>
Net cash (outflow)/inflow before management of liquid resources and financing		(14,587)		8,333
Financing				
Issue of ordinary share capital	-		10,000	
Other new long term loans	-		20,000	
	<u>-</u>		<u>30,000</u>	
Net cash (outflow)/inflow from financing		-		30,000
(Decrease)/increase in cash in the year		<u>(14,587)</u>		<u>38,333</u>

FP CONSULTING LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2002

1	Reconciliation of operating profit to net cash inflow from operating activities	2002	2001
		£	£
	Operating profit	26,295	61,338
	Depreciation of tangible assets	8,470	4,903
	Decrease/(increase) in debtors	256	(6,824)
	Increase in creditors within one year	981	8,398
	Increase in pension provision	1,740	1,245
	Net cash inflow from operating activities	37,742	69,060

2	Analysis of net funds	1 January 2002	Cash flow	Other non-cash changes	31 December 2002
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	38,333	(14,587)	-	23,746
	Debt:				
	Debts falling due after one year	(20,000)	-	-	(20,000)
	Net funds	18,333	(14,587)	-	3,746

3	Reconciliation of net cash flow to movement in net funds	2002	2001
		£	£
	(Decrease)/increase in cash in the year	(14,587)	38,333
	Cash inflow from increase in debt	-	(20,000)
	Movement in net funds in the year	(14,587)	18,333
	Opening net funds	18,333	-
	Closing net funds	3,746	18,333

FP CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover comprises commissions and fees earned during the period, gross of VAT.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. 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:

Land and buildings Leasehold	Over the lease term
Fixtures, fittings & equipment	33% Straight line

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 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:		
Depreciation of tangible assets	8,470	4,903
Operating lease rentals	11,600	10,353
Auditors' remuneration	3,231	2,500
	<u> </u>	<u> </u>

4 Taxation

	2002 £	2001 £
Domestic current year tax		
U.K. corporation tax	3,670	10,635
Adjustment for prior years	1	-
	<u> </u>	<u> </u>
Current tax charge	3,671	10,635
Deferred tax		
Deferred tax charge/credit current year	-	1,816
	<u> </u>	<u> </u>
	3,671	12,451
	<u> </u>	<u> </u>

FP CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

5	Dividends		2002	2001
			£	£
	Ordinary interim paid		28,930	34,476
			<u> </u>	<u> </u>
			<u> </u>	<u> </u>
6	Tangible fixed assets			
		Land and buildings Leasehold	Fixtures, fittings & equipment	Total
		£	£	£
	Cost			
	At 1 January 2002	7,502	18,901	26,403
	Additions	4,305	8,688	12,993
		<u> </u>	<u> </u>	<u> </u>
	At 31 December 2002	11,807	27,589	39,396
		<u> </u>	<u> </u>	<u> </u>
	Depreciation			
	At 1 January 2002	834	4,069	4,903
	Charge for the year	951	7,519	8,470
		<u> </u>	<u> </u>	<u> </u>
	At 31 December 2002	1,785	11,588	13,373
		<u> </u>	<u> </u>	<u> </u>
	Net book value			
	At 31 December 2002	10,022	16,001	26,023
		<u> </u>	<u> </u>	<u> </u>
	At 31 December 2001	6,668	14,832	21,500
		<u> </u>	<u> </u>	<u> </u>
		<u> </u>	<u> </u>	<u> </u>
7	Debtors		2002	2001
			£	£
	Trade debtors		1,323	2,154
	Prepayments and accrued income		5,245	4,670
			<u> </u>	<u> </u>
			6,568	6,824
			<u> </u>	<u> </u>
			<u> </u>	<u> </u>

FP CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

8	Creditors: amounts falling due within one year	2002	2001
		£	£
	Trade creditors	758	-
	Corporation tax	3,670	10,635
	Other taxes and social security costs	3,025	2,499
	Directors' current accounts	624	-
	Other creditors	884	2,975
	Accruals and deferred income	4,088	2,924
		<u>13,049</u>	<u>19,033</u>
9	Creditors: amounts falling due after more than one year	2002	2001
		£	£
	Other loans	<u>20,000</u>	<u>20,000</u>
	Analysis of loans		
	Wholly repayable within five years	<u>20,000</u>	<u>20,000</u>
		<u>20,000</u>	<u>20,000</u>
	Loan maturity analysis		
	In more than one year but not more than two years	<u>20,000</u>	<u>20,000</u>
10	Provisions for liabilities and charges		
		Commission on indemnity terms	Deferred taxation
		£	£
	Balance at 1 January 2002	1,245	1,816
	Profit and loss account	<u>1,740</u>	<u>-</u>
	Balance at 31 December 2002	<u>2,985</u>	<u>1,816</u>
	The deferred tax liability is made up as follows:		
		2002	2001
		£	£
	Accelerated capital allowances	<u>1,816</u>	<u>1,816</u>

FP CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

11 Share capital	2002	2001
	£	£
Authorised		
25,000 Ordinary of £ 1 each	25,000	25,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
10,000 Ordinary of £ 1 each	10,000	10,000
	<u> </u>	<u> </u>
12 Statement of movements on profit and loss account		Profit and loss account
		£
Balance at 1 January 2002		14,563
Retained loss for the year		(6,076)
		<u> </u>
Balance at 31 December 2002		8,487
		<u> </u>
13 Reconciliation of movements in shareholders' funds	2002	2001
	£	£
Profit for the financial year	22,854	49,039
Dividends	(28,930)	(34,476)
	<u> </u>	<u> </u>
	(6,076)	14,563
Proceeds from issue of shares	-	10,000
	<u> </u>	<u> </u>
Net (depletion in)/addition to shareholders' funds	(6,076)	24,563
Opening shareholders' funds	24,563	-
	<u> </u>	<u> </u>
Closing shareholders' funds	18,487	24,563
	<u> </u>	<u> </u>
14 Financial commitments		
At 31 December 2002 the company had annual commitments under non-cancellable operating leases as follows:		
	Land and buildings	
	2002	2001
	£	£
Expiry date:		
In over five years	11,600	11,600
	<u> </u>	<u> </u>

FP CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

15 Directors' emoluments	2002 £	2001 £
Emoluments for qualifying services	<u>10,500</u>	<u>9,167</u>

16 Transactions with directors

Included within creditors are amounts due from the company to its directors of £20,000 (2001 £20,000).

This amount represents two interest free short term subordinated loans of £10,000.

Included within turnover is introductory commission of £NIL (2001 £71,065).

This represents commissions on business placed by the directors, as agents for the company.

17 Employees

Number of employees

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

	2002 Number	2001 Number
Administration	<u>-</u>	<u>8</u>
Employment costs		
	£	£
Wages and salaries	60,622	51,125
Social security costs	<u>2,547</u>	<u>2,450</u>
	<u>63,169</u>	<u>53,575</u>

18 Control

The ultimate control of the company is held by the directors, by virtue of their shareholdings as set out on page 1 of these financial statements.