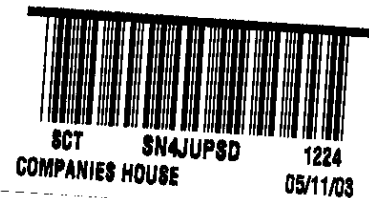


SC 152257

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2003
FOR
CARRICK NEILL & CO LIMITED



CARRICK NEILL & CO LIMITED

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FOR THE YEAR ENDED 30 SEPTEMBER 2003

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CARRICK NEILL & CO LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2003

DIRECTORS: Mr David G Carrick
Mr David R Neill
Mr Andrew Mathieson

SECRETARY: Mr David R Neill

REGISTERED OFFICE: 32 Castle Street
Edinburgh
EH2 2ET

REGISTERED NUMBER: 152257 (Scotland)

AUDITORS: D M McNaught & Co
Chartered Accountants and
Registered Auditors
166 Buchanan Street
Glasgow
G1 2LS

BANKERS: Clydesdale Bank
124 Drymen Road
Bearsden
Glasgow
G61 3RB

SOLICITORS: Shepperd & Wedderburn
20 Castle Terrace
Edinburgh
EH1 2ET

CARRICK NEILL & CO LIMITED

REPORT OF THE DIRECTORS **FOR THE YEAR ENDED 30 SEPTEMBER 2003**

The directors present their report with the financial statements of the company for the year ended 30 September 2003.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of insurance brokers.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

Interim dividends per share were paid as follows:

£151.77	- 9 December 2002
£26.63	- 4 February 2003
£93.20	- 6 May 2003
£79.88	- 2 July 2003
<u>£351.48</u>	

The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 30 September 2003 will be £237,600.

DIRECTORS

The directors during the year under review were:

Mr David G Carrick
Mr David R Neill
Mr Andrew Mathieson

The beneficial interests of the directors holding office on 30 September 2003 in the issued share capital of the company were as follows:

	30.9.03	1.10.02
Ordinary £1 shares		
Mr David G Carrick	338	338
Mr David R Neill	338	338
Mr Andrew Mathieson	-	-

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 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.

CARRICK NEILL & CO LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2003

AUDITORS

The auditors, D M McNaught & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'D Neill', with a long horizontal flourish extending to the right.

Mr David R Neill - Secretary

27 October 2003

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
CARRICK NEILL & CO LIMITED**

We have audited the financial statements of Carrick Neill & Co Limited for the year ended 30 September 2003 on pages five to twelve. 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 auditors' 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 directors and auditors

As described on page two the company's directors are responsible for the preparation of 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 Report of the Directors 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 Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

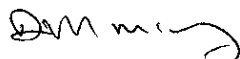
Basis of audit opinion

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 September 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



D M McNaught & Co
Chartered Accountants and
Registered Auditors
166 Buchanan Street
Glasgow
G1 2LS

28 October 2003

CARRICK NEILL & CO LIMITED**PROFIT AND LOSS ACCOUNT**
FOR THE YEAR ENDED 30 SEPTEMBER 2003

	Notes	2003 £	2002 £
TURNOVER		1,026,958	971,466
Cost of sales		229,185	280,904
GROSS PROFIT		797,773	690,562
Administrative expenses		545,296	442,786
OPERATING PROFIT	3	252,477	247,776
Interest receivable and similar income		14,003	11,761
		266,480	259,537
Interest payable and similar charges	4	3,731	5,017
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		262,749	254,520
Tax on profit on ordinary activities	5	55,815	55,944
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		206,934	198,576
Dividends	6	237,600	81,000
		(30,666)	117,576
Retained profit brought forward		118,070	494
RETAINED PROFIT CARRIED FORWARD		£87,404	£118,070

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

The notes form part of these financial statements

CARRICK NEILL & CO LIMITED**BALANCE SHEET**
30 SEPTEMBER 2003

	Notes	2003 £	2002 £
FIXED ASSETS:			
Tangible assets	7	63,219	87,695
CURRENT ASSETS:			
Debtors	8	459,761	527,044
Cash at bank and in hand		180,624	148,909
		640,385	675,953
CREDITORS: Amounts falling due within one year	9	615,200	623,719
NET CURRENT ASSETS:		25,185	52,234
TOTAL ASSETS LESS CURRENT LIABILITIES:		88,404	139,929
CREDITORS: Amounts falling due after more than one year	10	-	20,859
		£88,404	£119,070
CAPITAL AND RESERVES:			
Called up share capital	13	676	676
Capital redemption reserve	14	324	324
Profit and loss account		87,404	118,070
SHAREHOLDERS' FUNDS:	16	£88,404	£119,070

ON BEHALF OF THE BOARD:

Mr David G Carrick - Director

Approved by the Board on 27 October 2003

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2003

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover comprises brokerage, fees and commission in respect of insurance broking activities and is recognised at the point in time when a client enters into the insurance policy agreement.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Improvements to property	- in accordance with the property
Furniture & equipment	- 15% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 25% on cost

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

Insurance broking assets and liabilities

The company acts as an agent in broking the insurance risks of its clients and, generally, is not liable as a principal for premiums due to insurance companies or for claims payable to clients. Notwithstanding the company's legal relationship with clients and insurance companies since in practice premium and claim monies are usually accounted for by insurance intermediaries, it has followed generally accepted accounting practice by showing cash, debtors and creditors relating to insurance business as assets and liabilities of the company itself.

2. STAFF COSTS

	2003 £	2002 £
Wages and salaries	288,041	195,083
Other pension costs	11,063	10,330
	<u>299,104</u>	<u>205,413</u>

CARRICK NEILL & CO LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 SEPTEMBER 2003**2. STAFF COSTS - continued**

The average monthly number of employees during the year was as follows:

	2003	2002
Management	3	3
Administration	6	7
	<u>9</u>	<u>10</u>

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2003 £	2002 £
Depreciation - owned assets	15,234	7,790
Depreciation - assets on hire purchase contracts	22,318	34,387
Profit on disposal of fixed assets	(550)	(762)
Auditors' remuneration	4,300	4,200
	<u>151,750</u>	<u>56,533</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2003 £	2002 £
Bank interest	933	1,221
Hire purchase	2,798	3,796
	<u>3,731</u>	<u>5,017</u>

5. TAXATION**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	2003 £	2002 £
Current tax:		
UK corporation tax	55,815	55,944
	<u>55,815</u>	<u>55,944</u>

6. DIVIDENDS

	2003 £	2002 £
Equity shares:		
Interim - ordinary shares	237,600	81,000
	<u>237,600</u>	<u>81,000</u>

CARRICK NEILL & CO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2003****7. TANGIBLE FIXED ASSETS**

	Improvements to property	Furniture & equipment	Motor vehicles	Computer equipment	Totals
	£	£	£	£	£
COST:					
At 1 October 2002	17,098	16,310	120,246	44,355	198,009
Additions	-	-	15,525	-	15,525
Disposals	-	-	(9,800)	-	(9,800)
At 30 September 2003	17,098	16,310	125,971	44,355	203,734
DEPRECIATION:					
At 1 October 2002	1,425	9,442	57,280	42,166	110,313
Charge for year	1,425	2,446	31,493	2,188	37,552
Eliminated on disposals	-	-	(7,350)	-	(7,350)
At 30 September 2003	2,850	11,888	81,423	44,354	140,515
NET BOOK VALUE:					
At 30 September 2003	14,248	4,422	44,548	1	63,219
At 30 September 2002	15,673	6,868	62,965	2,189	87,695

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Furniture & equipment	Motor vehicles	Totals
	£	£	£
COST:			
At 1 October 2002	18,015	99,070	117,085
Transferred to ownership	(18,015)	(9,800)	(27,815)
At 30 September 2003	-	89,270	89,270
DEPRECIATION:			
At 1 October 2002	18,015	51,986	70,001
Charge for year	-	22,318	22,318
Transferred to ownership	(18,015)	(7,350)	(25,365)
At 30 September 2003	-	66,954	66,954
NET BOOK VALUE:			
At 30 September 2003	-	22,316	22,316
At 30 September 2002	-	47,084	47,084

CARRICK NEILL & CO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2003****8. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2003 £	2002 £
Insurance debtors	334,245	341,234
Insurance broking bank account	95,839	171,490
Prepayments & accrued income	29,467	14,120
Other debtors	210	200
	<u>459,761</u>	<u>527,044</u>

**9. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2003 £	2002 £
Hire purchase contracts (see note 11)	20,865	25,737
Insurance creditors	398,746	465,013
Other creditors	34,571	38,078
Social security & other taxes	7,675	3,442
Taxation	55,815	55,944
Accrued expenses	97,528	35,505
	<u>615,200</u>	<u>623,719</u>

**10. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	2003 £	2002 £
Hire purchase contracts (see note 11)	-	20,859
	<u>-</u>	<u>20,859</u>

CARRICK NEILL & CO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2003****11. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS**

	2003	2002
	£	£
Gross obligations repayable:		
Within one year	23,299	28,171
Between one and five years	-	23,523
	<u>23,299</u>	<u>51,694</u>
Finance charges repayable:		
Within one year	2,434	2,434
Between one and five years	-	2,664
	<u>2,434</u>	<u>5,098</u>
Net obligations repayable:		
Within one year	20,865	25,737
Between one and five years	-	20,859
	<u>20,865</u>	<u>46,596</u>

12. SECURED DEBTS

The bank holds security for any advances by way of a floating charge over the company's assets and undertakings, excluding any insurance broking assets.

13. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2003	2002
		£1	£	£
100,000	Ordinary		<u>100,000</u>	<u>100,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2003	2002
		£1	£	£
676	Ordinary		<u>676</u>	<u>676</u>

14. CAPITAL REDEMPTION RESERVE

	2003	2002
	£	£
Brought forward	<u>324</u>	<u>324</u>

15. OTHER FINANCIAL COMMITMENTS

At 30th September 2003 the company had annual commitments under non-cancellable operating leases for land and buildings, which expire after five years, amounting to £42,300 (2002 £42,300).

CARRICK NEILL & CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2003

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003 £	2002 £
Profit for the financial year	206,934	198,576
Dividends	(237,600)	(81,000)
Net (reduction)/addition to shareholders' funds	(30,666)	117,576
Opening shareholders' funds	119,070	1,494
Closing shareholders' funds	88,404	119,070
Equity interests	88,404	119,070