

Co. No. 1

**ASSET MANAGEMENT INDEPENDENT FINANCIAL  
ADVISERS LIMITED**

**FINANCIAL STATEMENTS**

**31ST MARCH 2002**

**Company Registration Number 2150087**



**HOPPER WILLIAMS & BELL**  
Chartered Accountants & Registered Auditor  
Highland House  
Mayflower Close  
Chandler's Ford  
Eastleigh  
SO53 4AR

**ASSET MANAGEMENT INDEPENDENT FINANCIAL ADVISERS LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST MARCH 2002**

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**ASSET MANAGEMENT INDEPENDENT FINANCIAL ADVISERS LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

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**THE BOARD OF DIRECTORS**

R H Carne  
Mrs N J Carne  
G J Race  
G Craig  
R Badley  
P Davis

**COMPANY SECRETARY**

Mrs N J Carne

**REGISTERED OFFICE**

40 Victoria Road  
Woolston  
Southampton  
SO19 9DX

**AUDITORS**

Hopper Williams & Bell  
Chartered Accountants  
& Registered Auditor  
Highland House  
Mayflower Close  
Chandler's Ford  
Eastleigh  
SO53 4AR

**BANKERS**

Lloyds Bank plc  
1 Victoria Road  
Woolston  
Southampton

# ASSET MANAGEMENT INDEPENDENT FINANCIAL ADVISERS LIMITED

## THE DIRECTORS' REPORT

### YEAR ENDED 31ST MARCH 2002

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st March 2002.

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was the provision of independent financial advice.

There were no significant developments in the company's business during the year and no major changes are planned for the coming year.

The directors are of the opinion that the company was in a satisfactory position at the year end.

### RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have recommended the following dividends:

	2002	2001
	£	£
Dividends paid on ordinary shares	<u>45,000</u>	<u>14,719</u>

### THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Class of share	At 31 March 2002	At 1 April 2001 or later date of appointment
R H Carne	Ordinary	2,076	2,360
Mrs N J Carne	Ordinary	2,074	2,359
G J Race	Ordinary	2,500	2,500
	Redeemable		
	Preference	-	7,500
G Craig	Ordinary	1,350	1,250
	Redeemable		
	Preference	-	3,750
R Badley	Ordinary	2,000	1,531
	Redeemable		
	Preference	-	18,750
P Davis	Ordinary	<u>-</u>	<u>-</u>

P Davis was appointed as a director on 1st March 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 at the end of the year and of the profit or loss for the year then ended.

**ASSET MANAGEMENT INDEPENDENT FINANCIAL ADVISERS LIMITED****THE DIRECTORS' REPORT** *(continued)***YEAR ENDED 31ST MARCH 2002**

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**DIRECTORS' RESPONSIBILITIES** *(continued)*

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 9, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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. The directors 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**

A resolution to re-appoint Hopper Williams & Bell as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:  
40 Victoria Road  
Woolston  
Southampton  
SO19 9DX

Signed by order of the directors

*NJ Carne*

MRS N J CARNE  
Company Secretary

Approved by the directors on 10th June 2002

**ASSET MANAGEMENT INDEPENDENT FINANCIAL ADVISERS LIMITED****INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS****YEAR ENDED 31ST MARCH 2002**

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We have audited the financial statements on pages 5 to 15 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

**RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS**

As described on pages 2 to 3, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility 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.

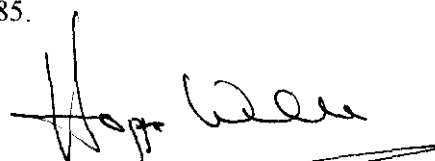
**BASIS OF AUDIT OPINION**

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 31st March 2002 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



**HOPPER WILLIAMS & BELL**  
Chartered Accountants  
& Registered Auditor

Highland House  
Mayflower Close  
Chandler's Ford  
Eastleigh  
SO53 4AR

11th June 2002

**ASSET MANAGEMENT INDEPENDENT FINANCIAL ADVISERS LIMITED****PROFIT AND LOSS ACCOUNT****YEAR ENDED 31ST MARCH 2002**

	Note	2002 £	2001 £
<b>TURNOVER</b>	2	947,794	799,356
Cost of sales		230,391	294,991
<b>GROSS PROFIT</b>		717,403	504,365
Administrative expenses		610,543	502,321
<b>OPERATING PROFIT</b>	3	106,860	2,044
Interest receivable		4,378	4,534
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		111,238	6,578
Tax on profit on ordinary activities	6	(23,094)	(855)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		88,144	5,723
Dividends	7	45,000	14,719
<b>RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		43,144	(8,996)

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

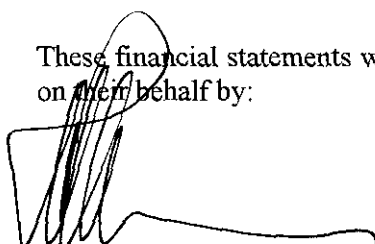
## ASSET MANAGEMENT INDEPENDENT FINANCIAL ADVISERS LIMITED

## BALANCE SHEET

31ST MARCH 2002

	Note	2002 £	2001 £
<b>FIXED ASSETS</b>			
Intangible assets	8	13,869	15,602
Tangible assets	9	32,594	31,366
		46,463	46,968
<b>CURRENT ASSETS</b>			
Debtors	10	33,367	25,808
Cash at bank and in hand		153,038	128,607
		186,405	154,415
<b>CREDITORS: Amounts falling due within one year</b>	11	(62,212)	(52,530)
<b>NET CURRENT ASSETS</b>		124,193	101,885
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		170,656	148,853
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Other provisions	12	(64,653)	(55,994)
		106,003	92,859
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	15	10,000	40,000
Other reserves	16	30,000	-
Profit and Loss Account	17	66,003	52,859
<b>SHAREHOLDERS' FUNDS (including non-equity interests)</b>	18	106,003	92,859

These financial statements were approved by the directors on the 7th June 2002, and are signed on their behalf by:



10th June 2002  
R H CARNE



## ASSET MANAGEMENT INDEPENDENT FINANCIAL ADVISERS LIMITED

## CASH FLOW STATEMENT

YEAR ENDED 31ST MARCH 2002

	2002	2001
	£	£
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	109,652	63,490
Interest received	4,378	4,534
<b>NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	4,378	4,534
<b>TAXATION</b>	(959)	(26,201)
<b>CAPITAL EXPENDITURE</b>		
Payments to acquire tangible fixed assets	(13,640)	(9,902)
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>	(13,640)	(9,902)
<b>EQUITY DIVIDENDS PAID</b>	(45,000)	(27,719)
<b>CASH INFLOW BEFORE FINANCING</b>	54,431	4,202
<b>FINANCING</b>		
Redemption of preference shares	(30,000)	-
<b>NET CASH OUTFLOW FROM FINANCING</b>	(30,000)	-
<b>INCREASE IN CASH</b>	24,431	4,202
<b>RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		
	2002	2001
	£	£
Operating profit	106,860	2,044
Amortisation	1,733	1,733
Depreciation	12,236	10,741
Loss on disposal of fixed assets	176	-
(Increase)/Decrease in debtors	(7,559)	9,209
(Decrease)/Increase in creditors	(12,453)	26,263
Increase in provisions	8,659	13,500
<b>Net cash inflow from operating activities</b>	109,652	63,490

## ASSET MANAGEMENT INDEPENDENT FINANCIAL ADVISERS LIMITED

CASH FLOW STATEMENT *(continued)*

YEAR ENDED 31ST MARCH 2002

## RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2002	2001
	£	£
Increase in cash in the period	24,431	4,202
Movement in net funds in the period	24,431	4,202
Net funds at 1st April 2001	128,607	124,405
Net funds at 31st March 2002	153,038	128,607

## ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Apr 2001	Cash flows	At 31 Mar 2002
	£	£	£
Net cash:			
Cash in hand and at bank	128,607	24,431	153,038
Net funds	128,607	24,431	153,038

## ASSET MANAGEMENT INDEPENDENT FINANCIAL ADVISERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2002

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**1. ACCOUNTING POLICIES****Basis of accounting**

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

**Turnover**

Turnover represents commissions on investment business which is credited to income when received.

Alterations in commissions arising from lapses and other adjustments are taken into account as and when they occur.

**Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill	6.67% Straight Line
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**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Computer Equipment	25% Straight Line
Equipment	15% Reducing Balance

**Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss Account.

**Deferred taxation**

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

**2. TURNOVER**

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2002	2001
	£	£
United Kingdom	<u>947,794</u>	<u>799,356</u>

## ASSET MANAGEMENT INDEPENDENT FINANCIAL ADVISERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED 31ST MARCH 2002

## 3. OPERATING PROFIT

Operating profit is stated after charging:

	2002	2001
	£	£
Amortisation	1,733	1,733
Depreciation	12,236	10,741
Loss on disposal of fixed assets	176	-
Auditors' remuneration		
- as auditors	3,466	3,290
Operating lease costs:		
Land and buildings	<u>15,997</u>	<u>15,346</u>

## 4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2002	2001
	No.	No.
Number of administrative staff	<u>25</u>	<u>19</u>

The aggregate payroll costs of the above were:

	2002	2001
	£	£
Wages and salaries	442,225	335,528
Social security costs	40,047	30,351
Other pension costs	5,926	-
	<u>488,198</u>	<u>365,879</u>

## 5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2002	2001
	£	£
Aggregate emoluments	208,469	134,604
Value of company pension contributions to defined contribution schemes	2,930	-
	<u>211,399</u>	<u>134,604</u>

The number of directors who are accruing benefits under company pension schemes were as follows:

	2002	2001
	No.	No.
Defined contribution schemes	<u>5</u>	<u>-</u>

## ASSET MANAGEMENT INDEPENDENT FINANCIAL ADVISERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED 31ST MARCH 2002

## 6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2002 £	2001 £
In respect of the year:		
Corporation Tax based on the results for the year at 20% (2001 - 20%)	23,094	959
Adjustment in respect of previous years:		
Corporation Tax	-	(104)
	<u>23,094</u>	<u>855</u>

## 7. DIVIDENDS

The following dividends have been paid in respect of the year:

	2002 £	2001 £
Dividend paid on ordinary shares	<u>45,000</u>	<u>14,719</u>

## 8. INTANGIBLE FIXED ASSETS

	Goodwill £
<b>COST</b>	
At 1st April 2001 and 31st March 2002	<u>26,000</u>
<b>AMORTISATION</b>	
At 1st April 2001	10,398
Charge for the year	<u>1,733</u>
At 31st March 2002	<u>12,131</u>
<b>NET BOOK VALUE</b>	
At 31st March 2002	<u>13,869</u>
At 31st March 2001	<u>15,602</u>

## ASSET MANAGEMENT INDEPENDENT FINANCIAL ADVISERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED 31ST MARCH 2002

## 9. TANGIBLE FIXED ASSETS

	Computer Equipment £	Office Equipment £	Total £
<b>COST</b>			
At 1st April 2001	39,137	31,051	70,188
Additions	6,833	6,808	13,641
Disposals	(1,057)	-	(1,057)
<b>At 31st March 2002</b>	<u>44,913</u>	<u>37,859</u>	<u>82,772</u>
<b>DEPRECIATION</b>			
At 1st April 2001	27,674	11,148	38,822
Charge for the year	8,230	4,006	12,236
On disposals	(880)	-	(880)
<b>At 31st March 2002</b>	<u>35,024</u>	<u>15,154</u>	<u>50,178</u>
<b>NET BOOK VALUE</b>			
<b>At 31st March 2002</b>	<u>9,889</u>	<u>22,705</u>	<u>32,594</u>
At 31st March 2001	<u>11,463</u>	<u>19,903</u>	<u>31,366</u>

## 10. DEBTORS

	2002 £	2001 £
Other debtors	3,235	7,282
Directors current accounts	20,476	7,427
Prepayments and accrued income	9,656	11,099
	<u>33,367</u>	<u>25,808</u>

## 11. CREDITORS: Amounts falling due within one year

	2002 £	2001 £
Other creditors including taxation		
Corporation Tax	23,094	959
Other creditors	<u>29,950</u>	<u>32,240</u>
	53,044	33,199
Accruals and deferred income	9,168	19,331
	<u>62,212</u>	<u>52,530</u>

## ASSET MANAGEMENT INDEPENDENT FINANCIAL ADVISERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED 31ST MARCH 2002

## 12. OTHER PROVISIONS

	2002 £
<b>Other provisions:</b>	
Balance brought forward	55,994
Movement for year	8,659
	<u>64,653</u>

Other provisions are in respect of:

	2002	2001
Gross provision for payments under pension review	59,685	52,842
Covered by professional indemnity insurance	(30,381)	(26,995)
	<u>29,304</u>	<u>25,847</u>
Provision for lapses	35,349	30,147
	<u>64,653</u>	<u>55,994</u>

A liability exists in respect of estimated future payments resulting from the findings to date of the current national pensions review.

The remaining £35,349 included in other provisions relates to future lapses on commissions received in the year.

## 13. TRANSACTIONS WITH THE DIRECTORS

Mr R H Carne, a director, is the owner of the property from which the company trades. During the year the company was charged £15,997 (2001 - £15,346) by Mr Carne as rent.

At the year end Mr Carne's loan account with the company was overdrawn by £4,476 (2001 £7,427). This is the maximum amount by which the account was overdrawn in the year (2001 £57,966).

During the year Mr P Davis was appointed as a director. Prior to Mr Davis being appointed as a director, the company provided him with a loan of £16,000. There were no movements on the loan during the remainder of the year

There were no further material transactions with the directors during the year.

## ASSET MANAGEMENT INDEPENDENT FINANCIAL ADVISERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED 31ST MARCH 2002

## 14. RELATED PARTY TRANSACTIONS

The company was under the control of the directors throughout the current and previous year. The interests of the directors are disclosed in the Directors' Report.

There were no material related party transactions during the year, other than transactions with the directors as disclosed in note 13 to the accounts.

## 15. SHARE CAPITAL

## Authorised share capital:

	2002	2001
	£	£
10,000 Ordinary shares of £1.00 each	10,000	10,000
30,000 Redeemable Preference shares of £1.00 each	30,000	30,000
	<u>40,000</u>	<u>40,000</u>

## Allotted, called up and fully paid:

	2002		2001	
	No.	£	No.	£
Ordinary shares	10,000	10,000	10,000	10,000
Redeemable Preference shares	-	-	30,000	30,000
	<u>10,000</u>	<u>10,000</u>	<u>40,000</u>	<u>40,000</u>

The Redeemable Preference shares were fully redeemed during the year at par.

## 16. OTHER RESERVES

	2002	2001
	£	£
Capital redemption reserve:		
Redemption of Preference shares	<u>30,000</u>	<u>-</u>

## 17. PROFIT AND LOSS ACCOUNT

	2002	2001
	£	£
Balance brought forward	52,859	61,855
Retained profit/(loss) for the financial year	43,144	(8,996)
Redemption of Preference shares	<u>(30,000)</u>	<u>-</u>
Balance carried forward	<u>66,003</u>	<u>52,859</u>



## ASSET MANAGEMENT INDEPENDENT FINANCIAL ADVISERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2002

## 18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

## EQUITY SHAREHOLDERS' FUNDS

	2002	2001
	£	£
Profit for the financial year	88,144	5,723
Dividends	(45,000)	(14,719)
Net addition/(reduction) to funds	43,144	(8,996)
Opening shareholders' equity funds	62,859	71,855
Closing shareholders' equity funds	<u>106,003</u>	<u>62,859</u>

## NON-EQUITY SHAREHOLDERS' FUNDS

Opening shareholders' non-equity funds	30,000	30,000
Redemption of Preference shares	(30,000)	-
Closing shareholders' non-equity funds	<u>-</u>	<u>30,000</u>

## TOTAL SHAREHOLDERS' FUNDS

<u>106,003</u>	<u>92,859</u>
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