

**ASSET MANAGEMENT INDEPENDENT
FINANCIAL ADVISERS LIMITED**

FINANCIAL STATEMENTS

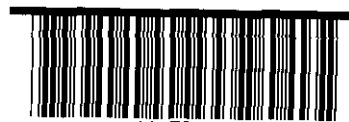
31ST MARCH 2001

Company Registration Number 2150087

HOPPER WILLIAMS & BELL

Chartered Accountants & Registered Auditor

Abacus House
1 Spring Crescent
Portswood
Southampton



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ASSET MANAGEMENT INDEPENDENT FINANCIAL ADVISERS LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2001

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ASSET MANAGEMENT INDEPENDENT FINANCIAL ADVISERS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

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

COMPANY SECRETARY

Mrs N J Carne

REGISTERED OFFICE

40 Victoria Road
Woolston
Southampton
SO19 9DX

AUDITORS

Hopper Williams & Bell
Chartered Accountants
& Registered Auditor
Abacus House
1 Spring Crescent
Portswood
Southampton

BANKERS

Lloyds Bank plc
1 Victoria Road
Woolston
Southampton

ASSET MANAGEMENT INDEPENDENT FINANCIAL ADVISERS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31ST MARCH 2001

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st March 2001.

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:

	2001 £	2000 £
Proposed dividends on ordinary shares	-	13,000
Dividends paid on ordinary shares	14,719	56,764
Dividends paid on preference shares	-	1,800
	<u>14,719</u>	<u>71,564</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 2001	At 1 April 2000 or later date of appointment
R H Carne	Ordinary	2,360	5,001
"	Redeemable Preference	-	30,000
Mrs N J Carne	Ordinary	2,359	4,999
G J Race	Ordinary	2,500	-
"	Redeemable Preference	7,500	-
G Craig	Ordinary	1,250	-
"	Redeemable Preference	3,750	-
R Badley	Ordinary	1,531	-
"	Redeemable Preference	<u>18,750</u>	<u>-</u>

ASSET MANAGEMENT INDEPENDENT FINANCIAL ADVISERS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31ST MARCH 2001

G J Race was appointed as a director on 1st July 2000.

G Craig was appointed as a director on 1st July 2000.

R Badley was appointed as a director on 1st November 2000.

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.

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

N J Carne

MRS N J CARNE
Company Secretary

Approved by the directors on 4 June 2001

ASSET MANAGEMENT INDEPENDENT FINANCIAL ADVISERS LIMITED
AUDITORS' REPORT TO THE SHAREHOLDERS
YEAR ENDED 31ST MARCH 2001

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 page 3, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with 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 company's state of affairs as at 31st March 2001 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



Abacus House
1 Spring Crescent
Portswood
Southampton

HOPPER WILLIAMS & BELL
Chartered Accountants
& Registered Auditor

...4 June 2001

ASSET MANAGEMENT INDEPENDENT FINANCIAL ADVISERS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31ST MARCH 2001

	Note	2001 £	2000 £
TURNOVER	2	799,356	644,940
Cost of sales		294,991	216,678
GROSS PROFIT		504,365	428,262
Administrative expenses		502,321	300,177
OPERATING PROFIT	3	2,044	128,085
Interest receivable		4,534	2,558
Interest payable	6	-	(169)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		6,578	130,474
Tax on profit on ordinary activities	7	855	26,305
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		5,723	104,169
Dividends (including non-equity)	8	14,719	71,564
(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR		(8,996)	32,605
Balance brought forward		61,855	29,250
Balance carried forward		52,859	61,855

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 2001

	Note	2001 £	2000 £
FIXED ASSETS			
Intangible assets	9	15,602	17,335
Tangible assets	10	31,366	32,205
		<u>46,968</u>	<u>49,540</u>
CURRENT ASSETS			
Debtors	11	25,808	35,017
Cash at bank and in hand		128,607	124,405
		<u>154,415</u>	<u>159,422</u>
CREDITORS: Amounts falling due within one year	12	<u>(52,530)</u>	<u>(64,613)</u>
NET CURRENT ASSETS		101,885	94,809
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>148,853</u>	<u>144,349</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Other provisions	13	(55,994)	(42,494)
		<u>92,859</u>	<u>101,855</u>
CAPITAL AND RESERVES			
Called-up share capital	17	40,000	40,000
Profit and loss account	18	52,859	61,855
SHAREHOLDERS' FUNDS (including non-equity interests)	19	<u>92,859</u>	<u>101,855</u>

These financial statements were approved by the directors on the 4/6/2001 and are signed on their behalf by:



R H CARNE

ASSET MANAGEMENT INDEPENDENT FINANCIAL ADVISERS LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31ST MARCH 2001

	2001 £	2000 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	63,490	158,569
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	4,534	2,558
Interest paid	-	(169)
Non-equity dividends paid	-	(1,800)
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	4,534	589
TAXATION	(26,201)	(29,987)
CAPITAL EXPENDITURE		
Payments to acquire tangible fixed assets	(9,902)	(10,350)
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	(9,902)	(10,350)
EQUITY DIVIDENDS PAID	(27,719)	(81,764)
INCREASE IN CASH	<u>4,202</u>	<u>37,057</u>
RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
	2001 £	2000 £
Operating profit	2,044	128,085
Amortisation	1,733	1,733
Depreciation	10,741	9,017
Decrease in debtors	9,209	6,125
Increase in creditors	39,764	13,609
Net cash inflow from operating activities	<u>63,490</u>	<u>158,569</u>

ASSET MANAGEMENT INDEPENDENT FINANCIAL ADVISERS LIMITED

CASH FLOW STATEMENT *(continued)*

YEAR ENDED 31ST MARCH 2001

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2001	2000
	£	£
Increase in cash in the period	4,202	37,057
Change in net funds	4,202	37,057
Net funds at 1st April 2000	124,405	87,348
Net funds at 31st March 2001	128,607	124,405

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Apr 2000	Cash flows	At 31 Mar 2001
	£	£	£
Net cash:			
Cash in hand and at bank	124,405	4,202	128,607
Net funds	124,405	4,202	128,607

ASSET MANAGEMENT INDEPENDENT FINANCIAL ADVISERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST MARCH 2001**

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

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits as incurred.

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.

ASSET MANAGEMENT INDEPENDENT FINANCIAL ADVISERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2001

3. OPERATING PROFIT

Operating profit is stated after charging:

	2001	2000
	£	£
Amortisation	1,733	1,733
Depreciation	10,741	9,017
Auditors' remuneration - as auditors	3,290	3,055
Operating lease costs: Land and buildings	<u>15,346</u>	<u>15,346</u>

4. PARTICULARS OF EMPLOYEES

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

	2001	2000
	No.	No.
Number of administrative staff	<u>19</u>	<u>14</u>

The aggregate payroll costs of the above were:

	2001	2000
	£	£
Wages and salaries	335,528	154,650
Social security costs	<u>30,351</u>	<u>11,701</u>
	<u>365,879</u>	<u>166,351</u>

5. DIRECTORS' EMOLUMENTS

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

	2001	2000
	£	£
Aggregate emoluments	<u>134,604</u>	<u>21,717</u>

6. INTEREST PAYABLE

	2001	2000
	£	£
Other similar charges payable	<u>-</u>	<u>169</u>

ASSET MANAGEMENT INDEPENDENT FINANCIAL ADVISERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2001

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2001 £	2000 £
In respect of the year:		
Corporation tax based on the results for the year at 10% (2000 - 20%)	959	26,305
Adjustment in respect of previous years:		
Corporation tax	(104)	-
	<u>855</u>	<u>26,305</u>

8. DIVIDENDS

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

	2001 £	2000 £
Proposed dividends on equity shares	-	13,000
Dividends paid on equity shares	14,719	56,764
Dividends paid on non-equity shares	-	1,800
	<u>14,719</u>	<u>71,564</u>

9. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1st April 2000 and 31st March 2001	<u>26,000</u>
AMORTISATION	
At 1st April 2000	8,665
Charge for the year	<u>1,733</u>
At 31st March 2001	<u>10,398</u>
NET BOOK VALUE	
At 31st March 2001	<u>15,602</u>
At 31st March 2000	<u>17,335</u>

ASSET MANAGEMENT INDEPENDENT FINANCIAL ADVISERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2001

10. TANGIBLE FIXED ASSETS

	Computer Equipment £	Office Equipment £	Total £
COST			
At 1st April 2000	37,179	23,107	60,286
Additions	1,958	7,944	9,902
At 31st March 2001	<u>39,137</u>	<u>31,051</u>	<u>70,188</u>
DEPRECIATION			
At 1st April 2000	20,446	7,635	28,081
Charge for the year	7,228	3,513	10,741
At 31st March 2001	<u>27,674</u>	<u>11,148</u>	<u>38,822</u>
NET BOOK VALUE			
At 31st March 2001	<u>11,463</u>	<u>19,903</u>	<u>31,366</u>
At 31st March 2000	<u>16,733</u>	<u>15,472</u>	<u>32,205</u>

11. DEBTORS

	2001 £	2000 £
Other debtors	7,282	7,282
Directors current accounts	7,427	12,939
Prepayments and accrued income	11,099	14,796
	<u>25,808</u>	<u>35,017</u>

12. CREDITORS: Amounts falling due within one year

	2001 £	2000 £
Other creditors including taxation and social security:		
Corporation tax	959	26,305
Dividends payable	-	13,000
Other creditors	<u>32,240</u>	<u>12,882</u>
	33,199	52,187
Accruals and deferred income	<u>19,331</u>	<u>12,426</u>
	<u>52,530</u>	<u>64,613</u>

ASSET MANAGEMENT INDEPENDENT FINANCIAL ADVISERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2001

13. OTHER PROVISIONS

	2001 £
Other provisions:	
Balance brought forward	42,494
Movement for year	13,500
	<u>55,994</u>

Other provisions are in respect of:

	2001	2000
Gross provision for payments under pension review	52,842	49,342
Covered by professional indemnity insurance	(26,995)	(26,995)
	<u>25,847</u>	<u>22,347</u>
Provision for lapses	30,147	20,147
	<u>55,994</u>	<u>42,494</u>

A liability exists in respect of estimated future payments resulting from the findings to date of the current national pensions review. At the end of the year the maximum potential liability to the company, in excess of that covered by professional indemnity insurance, is estimated at £45,000.

The remaining £30,147 included in other provisions relates to future lapses on commissions received in the year.

14. COMMITMENTS UNDER OPERATING LEASES

At 31st March 2001 the company had annual commitments under non-cancellable operating leases as set out below.

	Land & Buildings 2001 £	2000 £
Operating leases which expire:		
After more than 5 years	<u>15,346</u>	<u>15,346</u>

ASSET MANAGEMENT INDEPENDENT FINANCIAL ADVISERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2001

15. 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 £15,346 (2000 - £15,346) by Mr Carne as rent.

At the year end Mr Carne's loan account with the company was overdrawn by £7,427 (2000 £12,939). The maximum amount by which the account was overdrawn in the year was £56,571 (2000 £33,330).

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

16. RELATED PARTY TRANSACTIONS

The company was under the control of Mr R H Carne, a director, throughout the current and previous year. As last year and as disclosed in the Directors' Report, Mr Carne and his wife, also a director, are personally interested in 47.19% of the company's share capital.

There were no material related party transactions during the year, other than transactions with the directors as disclosed in note 15 to the accounts.

17. SHARE CAPITAL

Authorised share capital:

	2001 £	2000 £
10,000 Ordinary shares of £1 each	10,000	10,000
30,000 Redeemable Preference shares of £1 each	30,000	30,000
	<u>40,000</u>	<u>40,000</u>

Allotted, called up and fully paid:

	2001		2000	
	No.	£	No.	£
Ordinary shares	10,000	10,000	10,000	10,000
Redeemable Preference shares	30,000	30,000	30,000	30,000
	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>

Redemption of the redeemable preference shares shall be effected on the fourth anniversary of the date of issue at their par value.

ASSET MANAGEMENT INDEPENDENT FINANCIAL ADVISERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2001

18. PROFIT AND LOSS ACCOUNT

	2001 £	2000 £
Balance brought forward	61,855	29,250
Retained (loss)/profit for the financial year	(8,996)	32,605
Balance carried forward	<u>52,859</u>	<u>61,855</u>

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

EQUITY SHAREHOLDERS' FUNDS

	2001 £	2000 £
Profit for the financial year	5,723	104,169
Dividends	(14,719)	(71,564)
	(8,996)	32,605
Opening shareholders' equity funds	<u>71,855</u>	<u>39,250</u>
Closing shareholders' equity funds	<u>62,859</u>	<u>71,855</u>

NON-EQUITY SHAREHOLDERS' FUNDS

Opening and closing shareholders' non-equity funds	<u>30,000</u>	<u>30,000</u>
TOTAL SHAREHOLDERS' FUNDS	<u>92,859</u>	<u>101,855</u>