Registered no. 1075421

F. BERRY (LEYLAND) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 1997

WALLWORK NELSON & JOHNSON
DERBY HOUSE
LYTHAM ROAD
FULWOOD PRESTON
PR2 8JF

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COMPANIES HOUSE 20/05/98

F. BERRY (LEYLAND) LIMITED

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F. BERRY (LEYLAND) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 1997

Directors' Responsibilities

Company law requires us as 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, we 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.

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable us to ensure that the financial statements comply with the Companies Act 1985. We 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.

Directors

Anthony Robert White
Barbara White
Nicola Louise McCrone
Kevin Hamilton Singleton

Secretary

Nicola Louise McCrone

Registered Office

149 Towngate
Leyland
Lancashire
PR5 1LH

Principal Activities

The principal activities of the company throughout the year were that of insurance brokers.

Review of Business

The results for the year and the financial position at the year end were considered satisfactory by the directors, who expect continued growth in the foreseeable future.

Future Developments

The directors aim to maintain the management policies which have resulted in the company's growth in recent years.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 1997 (CONT)

Fixed Assets

In the opinion of the directors, the market value of freehold land and buildings was not significantly different from book value.

Results and Dividends

The results of the year's trading and the financial position of the company are shown in the annexed accounts.

The company's profit for the year, after taxation, amounted to £69,145 *(1996 - £22,818).*

The directors recommend that the interim dividends of £50,000 be confirmed, and that no final dividend be paid.

Directors

The present directors are as shown above. All served on the board throughout the year.

Mr Kevin Singleton retires by rotation and, being eligible, offers himself for re-election.

Directors' Interests

None of the directors had any direct interest in the shares of the company at any time during the year.

However, the company is a wholly owned subsidiary of Mostload Trading Limited, a company registered in England and Wales, and the interests of the directors in the shares of that company are disclosed in its directors' report.

Auditors

The auditors, Wallwork Nelson & Johnson, have indicated their willingness to accept re-appointment under Section 385(2) of the Companies Act 1985.

ON BEHALF OF THE BOARD

.....
NICOLA LOUISE MCCRONE - DIRECTOR

29 April 1998

AUDITORS' REPORT TO THE MEMBERS OF F. BERRY (LEYLAND) LIMITED

We have audited the financial statements on pages 4 to 15 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 1, the company's directors are responsible for the preparation of 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.

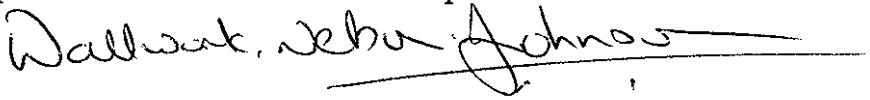
Basis of opinion

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 state of the company's affairs as at 31 October 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



WALLWORK NELSON & JOHNSON
Chartered Accountants and Registered Auditors

DERBY HOUSE
LYTHAM ROAD
FULWOOD PRESTON
PR2 8JF

29 April 1998

F. BERRY (LEYLAND) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 1997

	Note	1997 £	1996 £
TURNOVER	2	512,691	434,367
Net operating expenses	3	421,552	403,158
OPERATING PROFIT	4	91,139	31,209
Profit on sale of fixed assets		1,665	-
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		92,804	31,209
Interest receivable and similar income		1,502	2,673
Interest payable and similar charges	6	(2,786)	(3,359)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		91,520	30,523
Tax on profit on ordinary activities	7	(22,375)	(7,705)
PROFIT FOR THE FINANCIAL YEAR		69,145	22,818
Dividends	8	50,000	50,000
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		19,145	(27,182)
Retained profit brought forward		31,076	58,258
RETAINED PROFIT CARRIED FORWARD		50,221	31,076

The company's turnover and expenses all relate to continuing operations.

The only recognised gain for the year was the profit for the financial year of £69,145 *(1996 - £22,818).*

The annexed notes form part of these financial statements.

F. BERRY (LEYLAND) LIMITED

BALANCE SHEET AT 31 OCTOBER 1997

	Note		1997 £		1996 £
FIXED ASSETS					
Tangible assets	9		164,815		147,321
Investments	10		2,712		-
			167,527		147,321
CURRENT ASSETS					
Debtors	11	175,347		164,511	
Cash at bank and in hand		54,215		46	
		229,562		164,557	
CREDITORS					
Amounts falling due within one year	12	219,771		184,512	
NET CURRENT ASSETS			9,791		(19,955)
TOTAL ASSETS LESS CURRENT LIABILITIES			177,318		127,366
CREDITORS					
Amounts falling due after more than one year	13		(37,013)		(6,206)
TOTAL NET ASSETS			140,305		121,160
SHAREHOLDERS' FUNDS					
Called up share capital	14		100		100
Revaluation reserve			89,984		89,984
Profit and loss account			50,221		31,076
TOTAL SHAREHOLDERS' FUNDS	15		140,305		121,160

These financial statements were approved by the board on 29 April 1998.

ON BEHALF OF THE BOARD

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ANTHONY ROBERT WHITE - DIRECTOR

B White

.....

BARBARA WHITE - DIRECTOR

The annexed notes form part of these financial statements.

F. BERRY (LEYLAND) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 OCTOBER 1997

	Note	1997 £		1996 £	
NET CASH INFLOW FROM OPERATING ACTIVITIES	17		122,828		56,005
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest received (including tax recovered)		1,502		2,673	
Interest paid (including tax deducted)		(10)		(2)	
Interest element of finance lease rental payments		(2,776)		(3,357)	
			(1,284)		(686)
TAXATION			(7,914)		(11,885)
CAPITAL EXPENDITURE					
Payments to acquire fixed assets		(7,809)		(2,213)	
Payments to acquire investments in other entities		(2,712)		-	
Receipts from sales of fixed assets		12,250		-	
			1,729		(2,213)
EQUITY DIVIDENDS PAID			(50,000)		(50,000)
			65,359		(8,779)
FINANCING					
Capital element of finance lease repayment		(9,618)		(4,907)	
			(9,618)		(4,907)
INCREASE (DECREASE) IN CASH	18		55,741		(13,686)

The annexed notes form part of these financial statements.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 1997

1. ACCOUNTING POLICIES

The accounts have been prepared in accordance with applicable accounting standards. There were no material departures from those standards.

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets.

The effect of events in relation to the year ended 31 October 1997 which occurred before the date of approval of the financial statements by the Board of Directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 31 October 1997 and of the results for the year ended on that date.

Depreciation

Depreciation has been provided to write off the cost of tangible fixed assets over their expected useful lives using the following rates:

Freehold buildings	- 2% per annum of cost or revalued amount
Computer equipment	- 25% per annum of cost
Fixtures and fittings	- 20% per annum of written down value
Motor vehicles	- 25% per annum of written down value

Deferred Taxation

Deferred taxation is provided on 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 crystallise.

Leasing

Tangible fixed assets acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges, are included in creditors.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension Costs

The company operates a pension scheme for the benefit of all its employees. The scheme is a defined contribution scheme, and the contributions are charged against profits as they are paid.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 1997 (CONT)

2. TURNOVER

The company's turnover represents brokerage and fees which are taken to credit when debit notes are issued irrespective of the inception date or period of insurance with the exception of life and pensions brokerage and other commissions which are credited when received.

Alterations in brokerage arising from return and additional premiums and adjustments are taken into account as and when these occur.

3. NET OPERATING EXPENSES

	1997 £	1996 £
Distribution costs	14,591	13,316
Administrative expenses	432,010	389,842
Other operating income	(25,049)	-
	421,552	403,158

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	1997 £	1996 £
Directors' emoluments	139,644	131,549
Directors' pension contributions in respect of money purchase benefits	16,294	16,312
Total directors' emoluments	155,938	147,861
Hire of plant and machinery - operating leases	913	1,850
Depreciation and amortisation of owned assets	8,521	12,540
Depreciation of assets held under finance leases and hire purchase	15,108	3,877
Auditors' remuneration		
- audit services	4,817	4,500
- non-audit services	235	4,418

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 1997 (CONT)

5. STAFF COSTS

The average number of persons employed by the company, including directors, during the year was as follows:

	1997 Number	1996 Number
Management and administration	20	17

The aggregate payroll costs of these persons were as follows:

	1997 £	1996 £
Wages and salaries	261,212	241,068
Social security	23,143	23,854
Other pension costs	16,294	16,312
	300,649	281,234

6. INTEREST PAYABLE AND SIMILAR CHARGES

	1997 £	1996 £
Bank loans and overdrafts	10	2
Finance charges payable - finance leases and hire purchase	2,776	3,357
	2,786	3,359

7. TAXATION ON ORDINARY ACTIVITIES

	1997 £	1996 £
Current year		
Corporation tax at 24 / 21 %	22,311	7,850
Prior year		
Corporation tax under(over) provided	64	(145)
	22,375	7,705

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 1997 (CONT)

8. DIVIDENDS

	1997 £	1996 £
On ordinary shares		
Interim dividends paid at 50,000 pence per share	50,000	50,000

9. TANGIBLE FIXED ASSETS

	Land and buildings £	Computer equipment £	Office furniture and equipment £	Motor vehicles £	Total £
Cost					
At 1 November 1996	110,000	65,101	35,273	50,938	261,312
Additions	-	975	1,934	48,800	51,709
Revaluations	-	-	-	-	-
Intra-group transfers	-	-	-	-	-
Disposals	-	-	-	(24,495)	(24,495)
At 31 October 1997	110,000	66,076	37,207	75,243	288,526
Depreciation					
At 1 November 1996	2,200	58,210	28,103	25,479	113,992
Charge for the year	2,200	3,690	1,821	15,918	23,629
Revaluations	-	-	-	-	-
Intra-group transfers	-	-	-	-	-
Elimination on disposals	-	-	-	(13,910)	(13,910)
At 31 October 1997	4,400	61,900	29,924	27,487	123,711
Net book value					
At 31 October 1997	105,600	4,176	7,283	47,756	164,815
At 31 October 1996	*107,800*	*6,891*	*7,170*	*25,460*	*147,321*

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 1997 (CONT)

Net book value of land and buildings at 31 October 1997 comprised:

	1997 £	1996 £
Freehold land and buildings	105,600	107,800

Cost or valuation of land and buildings comprises:

	£
Cost	28,719
Valuation 1995	81,281
	110,000

The comparable amounts determined according to the historical cost convention are as follows:

	£
Cost	28,719
Accumulated depreciation	9,851
Net book value	
At 31 October 1997	18,868
At 31 October 1996	*19,442*

Included in the total net book value of tangible fixed assets held at 31 October 1997 was £45,324 in respect of assets held under finance leases and hire purchase contracts.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 1997 (CONT)

10. INVESTMENTS

Investments other than loans

	Unlisted £
Cost	
At 1 November 1996	-
Additions	2,712
Revaluations	-
Disposals	-
Intra-group transfers	-
At 31 October 1997	2,712
Provision	
At 1 November 1996	-
During the year	-
At 31 October 1997	-
Net cost or valuation	2,712

11. DEBTORS

Receivable within one year:

	1997 £	1996 £
Insurance debtors	104,741	114,524
Amounts owed by group undertakings	25,682	25,094
Other debtors	9,775	9,775
Prepayments and accrued income	35,149	15,118
	175,347	164,511

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 1997 (CONT)

12. CREDITORS - AMOUNTS DUE WITHIN ONE YEAR

	1997 £	1996 £
Bank loans and overdrafts	-	1,572
Obligations under finance leases and hire purchase contracts	10,465	6,990
Insurance creditors	121,388	111,225
Social security and other taxes	7,993	7,682
Other creditors	36,882	28,242
Corporation tax payable	22,312	7,850
Accruals and deferred income	20,731	20,951
	219,771	184,512

The insurance creditors are secured by a charge over the insurance debtors and the insurance brokers accounts, totalling £157,384 *(1996 - £112,998)*.

13. CREDITORS - AMOUNTS DUE AFTER ONE YEAR

	1997 £	1996 £
Obligations under finance leases and hire purchase contracts	37,013	6,206

Obligations under finance leases and hire purchase contracts are secured by related assets.

Obligations under finance leases and hire purchase contracts

	1997 £	1996 £
Amounts payable:		
Within two to five years	37,013	6,206
After five years	-	-
	37,013	6,206

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 1997 (CONT)

14. SHARE CAPITAL

	1997 £	1996 £
Authorised 100,000 ordinary shares of £1 each	100,000	100,000
Allotted, called up and fully paid 100 ordinary shares of £1 each	100	100

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997 £	1996 £
Profit for the financial year	69,145	22,818
Dividends	(50,000)	(50,000)
	19,145	(27,182)
Opening shareholders' funds	121,160	148,342
Closing shareholders' funds	140,305	121,160

16. PENSION COSTS

The company operates a contributory pension scheme. It is a defined contribution scheme and contributions are charged in the profit and loss account as they accrue. The charge for the year was £16,294 *(1996 - £16,312)*.

17. RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	1997 £	1996 £
Operating profit	91,139	31,209
Depreciation charge	23,629	16,416
Increase in debtors	(10,836)	(6,359)
Increase in creditors	18,896	14,739
Net cash inflow/outflow from operating activities	122,828	56,005

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 1997 (CONT)

18. ANALYSIS OF NET FUNDS/(DEBT)

	1996	Cash flow	Other changes	1997
	£	£	£	£
Cash at bank and in hand	46	54,169	-	54,215
Overdraft	(1,572)	1,572	-	-
		55,741		
Finance leases	(13,196)	9,618	(43,900)	(47,478)
Total	(14,722)	65,359	(43,900)	6,737

19. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/(DEBT)

	1997	1996
	£	£
Increase/(decrease) in cash in the year	55,741	(13,686)
Cash outflow from decrease in lease financing	9,618	4,907
Change in net funds/(debt) resulting from cash flows	65,359	(8,779)
New finance lease obligations	43,900	-
Movement in net funds/(debt) in the year	21,459	(8,779)
Net debt at 1 November 1996	(14,722)	(5,943)
Net funds/(debt) at 31 October 1997	6,737	(14,722)

20. NON-CASH TRANSACTIONS

During the year the company entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of £43,900 *(1996 - £-)*.

21. PARENT UNDERTAKINGS

The ultimate parent undertaking is Mostload Trading Limited, a company registered in England and Wales.