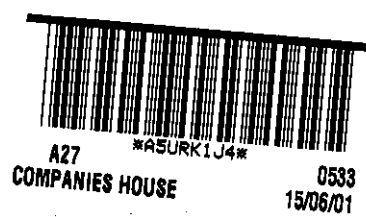


Accountant
Sign. Page 2 of 6

JOSEPH W BURLEY AND PARTNERS LIMITED

**REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 OCTOBER 2000**



REGISTERED NUMBER: 1217536

JOSEPH W BURLEY AND PARTNERS LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2000

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JOSEPH W BURLEY AND PARTNERS LIMITED

COMPANY INFORMATION
AT 31 OCTOBER 2000

DIRECTORS

Mr M. Mawson
Mr M. Burley
Mr P. Dallyn

SECRETARY

Mrs E. Newton

REGISTERED OFFICE

3rd Floor
Pegasus House
Glossop Road
Sheffield
S10 2QD

AUDITORS

Hart Shaw
Chartered Accountants
346 Glossop Road
Sheffield
S10 2HW

JOSEPH W BURLEY AND PARTNERS LIMITED

DIRECTORS' REPORT

The directors present their annual report with the financial statements of the company for the year ended 31 October 2000.

PRINCIPAL ACTIVITIES

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

REVIEW OF THE BUSINESS

The net profit after providing for taxation amounted to £18,622.

INTRODUCTION OF THE SINGLE EUROPEAN CURRENCY

The company does not presently derive any portion of its revenue from European Member States and in the short term the company does not expect the costs or benefits from the introduction of the Euro to have a material effect on its trading performance. The company's existing computer systems provide the necessary flexibility to handle Euro denominated transactions.

DIRECTORS AND THEIR INTERESTS

The directors in office in the year and their beneficial interests in the company at the balance sheet date and the beginning of the year (or on appointment if later) were as follows:

	Number of Shares	
	2000	1999
Mr M. Mawson	-	-
Mr M. Burley	-	-
Mr P. Dallyn	-	-

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 as at the end of the financial year 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 maintaining 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.

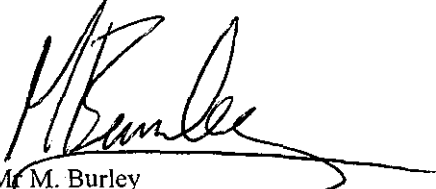
JOSEPH W BURLEY AND PARTNERS LIMITED

DIRECTORS' REPORT

AUDITORS

The auditors, Hart Shaw, will be proposed for re-appointment in accordance with section 385 of the Companies Act 1985.

On behalf of the board:



Mr M. Burley
Director

Date: 25th April 2001

JOSEPH W BURLEY AND PARTNERS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the financial statements on pages 5 to 13 which have been prepared under the historical cost convention and on the basis of accounting policies set out on page 8.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

As described in the directors' report, 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.

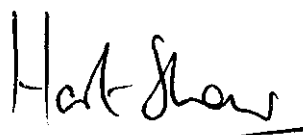
BASIS OF OPINION

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 as to whether 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 affairs of the company as at 31 October 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Hart Shaw
Chartered Accountants
Registered Auditors
346 Glossop Road
Sheffield
S10 2HW

Date: 25th April 2001

JOSEPH W BURLEY AND PARTNERS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 2000

	Notes	2000 £	1999 £
TURNOVER	2	118,800	973,724
Administrative expenses		105,178	1,101,287
Bad debts		-	177,678
		13,622	(305,241)
Other operating income		5,000	50,000
OPERATING PROFIT / (LOSS)	3	18,622	(255,241)
Profit on sale of fixed assets		-	98,749
Investment income and interest receivable	4	-	26,047
Interest payable and similar charges	5	-	(40,760)
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		18,622	(171,205)
Tax on profit / (loss) on ordinary activities	8	-	11,632
PROFIT / (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		18,622	(159,573)

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

Total recognised gains and losses

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

JOSEPH W BURLEY AND PARTNERS LIMITED

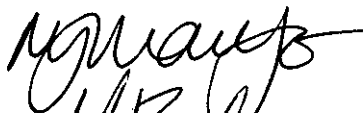
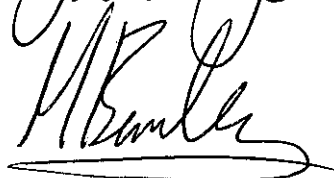
BALANCE SHEET AT 31 OCTOBER 2000

	Notes	£	2000 £	£	1999 £
FIXED ASSETS					
Tangible assets	9		2,231		-
CURRENT ASSETS					
Debtors	10	69,679		81,053	
Cash at bank and in hand		22,259		-	
		<u>91,938</u>		<u>81,053</u>	
CREDITORS: amounts falling due within one year	11	<u>(1,664)</u>		<u>(7,170)</u>	
NET CURRENT ASSETS			90,274		73,883
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>92,505</u>		<u>73,883</u>
CAPITAL AND RESERVES					
Called up share capital	12		90,000		90,000
Profit and loss account	13		<u>2,505</u>		<u>(16,117)</u>
TOTAL SHAREHOLDERS' FUNDS	14		<u>92,505</u>		<u>73,883</u>

Approved by the board of directors on 25th April 2001 and signed on its behalf by the following directors:

Mr M. Mawson:

Mr M. Burley:

) 
) 

The notes on pages 8 to 13 form part of these financial statements.

JOSEPH W BURLEY AND PARTNERS LIMITED**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2000**

	Notes	2000 £	1999 £
Net cash inflow / (outflow) from operating activities	3	24,490	(522,916)
Returns on investments and servicing of finance	15	-	(17,384)
Taxation	15	-	(9,664)
Capital expenditure and financial investment	15	(2,231)	610,317
Cash inflow before use of liquid resources and financing		22,259	60,353
Financing	15	-	(399,608)
INCREASE / (DECREASE) IN CASH IN THE YEAR		22,259	(339,255)

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

16

INCREASE / (DECREASE) IN CASH IN THE YEAR	22,259	(339,255)
Cash inflow / (outflow) from movement in debt and lease financing	-	399,608
Change in net funds resulting from cash flows	22,259	60,353
New hire purchase contracts	-	(139,592)
Movement in funds in the year	22,259	(79,239)
Net funds at 1 November 1999	-	79,239
Net funds at 31 October 2000	22,259	-

The notes on pages 8 to 13 form part of these financial statements.

JOSEPH W BURLEY AND PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2000

1. STATEMENT OF ACCOUNTING POLICIES

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

Turnover

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

Depreciation of tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its useful life:

Freehold land & buildings	2% Straight line
Plant & machinery	33.33% Straight line
Office furniture & fittings	25% Reducing balance
Motor vehicles	25% Reducing balance

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their estimated useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Pension costs

The company operates a money purchase (defined contribution) pension scheme. Contributions payable to this scheme are charged to the profit and loss account in the period to which they relate. These contributions are invested separately from the company's assets.

2. TURNOVER

Turnover is attributable to the one principal activity of the company and arose wholly in the United Kingdom.

3. OPERATING PROFIT / (LOSS)

Operating profit / (loss) is stated	2000 £	1999 £
After charging:		
Depreciation of fixed assets	-	45,197
Auditors' remuneration	1,200	1,372
Operating lease rentals		
Plant and machinery	3,885	16,191
	<u>3,885</u>	<u>16,191</u>
After crediting:		
Profit on disposal of tangible assets	-	98,749
	<u>-</u>	<u>98,749</u>

JOSEPH W BURLEY AND PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2000

3. OPERATING PROFIT / (LOSS) - (continued)

Reconciliation of operating profit to net cash inflow / (outflow) from operating activities

	2000	1999
	£	£
Operating profit / (loss)	18,622	(156,492)
Depreciation	-	45,197
Loss / (profit) on disposal of fixed assets	-	(98,749)
Decrease in debtors	11,375	175,435
Decrease in creditors	(5,507)	(488,307)
Net cash inflow / (outflow) from operating activities	24,490	(522,916)

4. INVESTMENT INCOME AND INTEREST RECEIVABLE

	2000	1999
	£	£
Interest received and receivable		
Bank interest	-	26,047

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2000	1999
	£	£
On bank loans and overdrafts	-	28,539
Lease finance charges and hire purchase interest	-	12,221
	-	40,760

6. INFORMATION ON DIRECTORS AND EMPLOYEES

	2000	1999
	£	£
Staff costs		
Wages and salaries	26,586	675,092
Social security costs	1,885	62,337
Other pension costs	467	21,933
	28,938	759,362

JOSEPH W BURLEY AND PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2000

6. INFORMATION ON DIRECTORS AND EMPLOYEES - (continued)

	2000 No.	1999 No.
The average number of employees during the year was made up as follows:		
Accounts and management	4	18
Sales	-	7
	<u>4</u>	<u>25</u>
	2000 £	1999 £
Directors' emoluments		
Emoluments	38,999	230,320
Pension contributions to money purchase (defined contribution) schemes	-	8,898
	<u>38,999</u>	<u>239,218</u>
	2000 £	1999 £
Details of highest paid director's emoluments		
Emoluments	-	52,567
Company contributions to money purchase (defined contribution) pension schemes	-	3,500
	<u>-</u>	<u>56,067</u>

7. PENSION COSTS

Money purchase (defined contribution) pension scheme

The company operates a money purchase (defined contribution) pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £467 (1999: £21,933).

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000 £	1999 £
The taxation charge comprises:		
Current tax on income for the year	-	(9,664)
Adjustment in respect of prior years	-	(1,968)
	<u>-</u>	<u>(11,632)</u>

JOSEPH W BURLEY AND PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2000

9. TANGIBLE FIXED ASSETS

	Plant & machinery £
Cost:	
Additions	2,231
At 31 October 2000	<u>2,231</u>
Net book value:	
At 31 October 2000	<u>2,231</u>

10. DEBTORS

	2000 £	1999 £
Trade debtors	17,109	31,271
Other debtors	52,570	49,782
	<u>69,679</u>	<u>81,053</u>

11. CREDITORS: amounts falling due within one year

	2000 £	1999 £
Other taxes and social security costs	464	2,058
Accruals and deferred income	1,200	5,112
	<u>1,664</u>	<u>7,170</u>

12. SHARE CAPITAL

	2000 £	1999 £
Authorised:		
Equity interests:		
500,000 Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
Allotted, called up and fully paid:		
Equity interests:		
90,000 Ordinary shares of £1 each	<u>90,000</u>	<u>90,000</u>

JOSEPH W BURLEY AND PARTNERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2000****13. PROFIT AND LOSS ACCOUNT**

	2000 £	1999 £
(Accumulated loss) / Retained profit as at 1 November 1999	(16,117)	143,456
Profit / (loss) for the year	18,622	(159,573)
Retained profit / (Accumulated loss) as at 31 October 2000	<u>2,505</u>	<u>(16,117)</u>

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Profit / (loss) for the year	18,622	(159,573)
Opening shareholders' funds	73,883	233,456
Closing shareholders' funds	<u>92,505</u>	<u>73,883</u>
Represented by:-		
Equity interests	<u>92,505</u>	<u>73,883</u>

15. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2000 £	1999 £
Returns on investments and servicing of finance		
Interest received	-	26,047
Interest paid	-	(31,210)
Interest element of hire purchase contracts	-	(12,221)
Net cash outflow from returns on investments and servicing of finance	<u>-</u>	<u>(17,384)</u>
Taxation		
Corporation tax paid	-	(9,664)
Net cash outflow from taxation	<u>-</u>	<u>(9,664)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(2,231)	(78,161)
Receipts from sale of tangible fixed assets	-	685,813
Receipts from sale of other investments	-	2,665
Net cash (outflow) / inflow from capital expenditure	<u>(2,231)</u>	<u>610,317</u>

JOSEPH W BURLEY AND PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2000

15. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT - (continued)

	2000	1999
	£	£
Financing		
Repayments of long term loans	-	(180,114)
Capital element of hire purchase contract payments	-	(219,494)
Net cash outflow from financing	-	(399,608)

16. ANALYSIS OF CHANGES IN NET FUNDS

	1999	Cash flow	2000
	£	£	£
Cash at bank and in hand	-	22,259	22,259

17. RELATED PARTY DISCLOSURES

During the year the company paid management charges amounting to £63,183 to J.W.Burley and Partners (UK) Ltd, a company under common control. Included in debtors at the year end was an amount of £35,006 from J.W.Burley and Partners (UK) Ltd.

The company received fees of £5,000 from Saxonholme Consulting Ltd during the year, which are still outstanding at the year end.