

REGISTERED NUMBER: 1217536 (England and Wales)

Joseph W Burley and Partners Limited

Report of the Directors and

Financial Statements For The Year Ended 31 October 2002



Roddis Taylor Robinson
Chartered Accountants
Registered Auditors
275 Glossop Road
Sheffield
S10 2HB

Joseph W Burley and Partners Limited

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For The Year Ended 31 October 2002**

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Joseph W Burley and Partners Limited

**Company Information
For The Year Ended 31 October 2002**

DIRECTORS:

P A Dallyn
M Burley
M J Mawson

SECRETARY:

Mrs E Newton

REGISTERED OFFICE:

3rd Floor
Pegasus House
Glossop Road
Sheffield
South Yorkshire
S10 2QD

REGISTERED NUMBER:

1217536 (England and Wales)

AUDITORS:

Roddis Taylor Robinson
Chartered Accountants
Registered Auditors
275 Glossop Road
Sheffield
S10 2HB

BANKERS:

National Westminster Bank plc
42 High Street
Sheffield
S1 1QG

Joseph W Burley and Partners Limited

**Report of the Directors
For The Year Ended 31 October 2002**

The directors present their report with the financial statements of the company for the year ended 31 October 2002.

PRINCIPAL ACTIVITY

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

REVIEW OF BUSINESS

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

The directors consider the results for the year to be satisfactory.

DIVIDENDS

No dividends will be distributed for the year ended 31 October 2002.

DIRECTORS

The directors during the year under review were:

P A Dallyn
M Burley
M J Mawson

The directors holding office at 31 October 2002 did not hold any beneficial interest in the issued share capital of the company at 1 November 2001 or 31 October 2002.

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.

AUDITORS

The auditors, Roddis Taylor Robinson, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



DIRECTOR

Dated: 26 August 2003

Joseph W Burley and Partners Limited

**Report of the Independent Auditors to the Shareholders of
Joseph W Burley and Partners Limited**

We have audited the financial statements of Joseph W Burley and Partners Limited for the year ended 31 October 2002 on pages four to fifteen. 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.

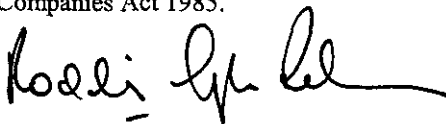
Basis of audit opinion

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 31 October 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Roddis Taylor Robinson
Chartered Accountants
Registered Auditors
275 Glossop Road
Sheffield
S10 2HB

Dated: 26 August 2003

Joseph W Burley and Partners Limited

Profit and Loss Account
For The Year Ended 31 October 2002

	Notes	2002		2001	
		£	£	£	£
TURNOVER			237,413		104,394
Administrative expenses			234,899		159,048
OPERATING PROFIT/(LOSS)	3		2,514		(54,654)
Interest payable and similar charges	4		3,602		2,664
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION			(1,088)		(57,318)
Tax on loss on ordinary activities	5		-		1,720
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION			(1,088)		(59,038)
Deficit brought forward:					
As previously reported		(76,928)		2,505	
Prior year adjustments		-		(20,395)	
As restated			(76,928)		(17,890)
DEFICIT CARRIED FORWARD			<u>£(78,016)</u>		<u>£(76,928)</u>

CONTINUING OPERATIONS

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

Joseph W Burley and Partners Limited

**Statement of Total Recognised Gains and Losses
For The Year Ended 31 October 2002**

	<u>2002</u>	<u>2001</u>
	£	£
LOSS FOR THE FINANCIAL YEAR	(1,088)	(59,038)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>£(1,088)</u>	(59,038)
Prior year adjustment		(20,395)
TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST ANNUAL REPORT		<u>£(79,433)</u>

The notes form part of these financial statements

Joseph W Burley and Partners Limited

Balance Sheet
31 October 2002

		2002		2001	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	6		30,122		36,457
CURRENT ASSETS:					
Debtors	7	56,651		55,169	
Cash at bank		12,991		848	
		69,642		56,017	
CREDITORS: Amounts falling due within one year	8	52,318		37,098	
NET CURRENT ASSETS:			17,324		18,919
TOTAL ASSETS LESS CURRENT LIABILITIES:			47,446		55,376
CREDITORS: Amounts falling due after more than one year	9		35,462		42,304
			£11,984		£13,072
CAPITAL AND RESERVES:					
Called up share capital	13		90,000		90,000
Profit and loss account			(78,016)		(76,928)
SHAREHOLDERS' FUNDS:	16		£11,984		£13,072

ON BEHALF OF THE BOARD:



- DIRECTOR

Approved by the Board on 26 August 2003

The notes form part of these financial statements

Joseph W Burley and Partners Limited

Cash Flow Statement
For The Year Ended 31 October 2002

	Notes	2002		2001	
		£	£	£	£
Net cash inflow/(outflow) from operating activities	1		32,556		(23,926)
Returns on investments and servicing of finance	2		(3,602)		(2,664)
Capital expenditure	2		(5,055)		(10,685)
			<u>23,899</u>		<u>(37,275)</u>
Financing	2		(241)		4,349
Increase/(Decrease) in cash in the period			<u>£23,658</u>		<u>£(32,926)</u>
Reconciliation of net cash flow to movement in net debt	3				
Increase/(Decrease) in cash in the period		23,658		(32,926)	
Cash outflow from decrease in debt and lease financing		<u>241</u>		<u>4,349</u>	
Change in net debt resulting from cash flows			23,899		(28,577)
New finance leases			-		(30,027)
Movement in net debt in the period			<u>23,899</u>		<u>(58,604)</u>
Net debt at 1 November			<u>(62,540)</u>		<u>(3,936)</u>
Net debt at 31 October			<u>£(38,641)</u>		<u>£(62,540)</u>

The notes form part of these financial statements

Joseph W Burley and Partners Limited

Notes to the Cash Flow Statement
For The Year Ended 31 October 2002

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

	2002 £	2001 £
Operating profit/(loss)	2,514	(54,654)
Depreciation charges	11,391	6,486
(Increase)/Decrease in debtors	(1,482)	9,891
Increase in creditors	20,133	14,351
	<u> </u>	<u> </u>
Net cash inflow/(outflow) from operating activities	<u>32,556</u>	<u>(23,926)</u>

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

	2002 £	2001 £
Returns on investments and servicing of finance		
Interest paid	(1,506)	(1,278)
Interest element of hire purchase payments	<u>(2,096)</u>	<u>(1,386)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(3,602)</u>	<u>(2,664)</u>
Capital expenditure		
Purchase of tangible fixed assets	<u>(5,055)</u>	<u>(10,685)</u>
Net cash outflow for capital expenditure and financial investment	<u>(5,055)</u>	<u>(10,685)</u>
Financing		
New loan taken out in year	10,000	10,000
Loan repayments in year	(3,916)	(2,055)
Finance lease repayments	<u>(6,325)</u>	<u>(3,596)</u>
Net cash (outflow)/inflow from financing	<u>(241)</u>	<u>4,349</u>

Joseph W Burley and Partners Limited

**Notes to the Cash Flow Statement
For The Year Ended 31 October 2002**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.11.01 £	Cash flow £	At 31.10.02 £
Net cash:			
Cash at bank	848	12,143	12,991
Bank overdraft	(11,515)	11,515	-
	<u>(10,667)</u>	<u>23,658</u>	<u>12,991</u>
Debt:			
Hire purchase	(26,431)	6,325	(20,106)
Debts falling due within one year	(3,244)	(1,695)	(4,939)
Debts falling due after one year	(22,198)	(4,389)	(26,587)
	<u>(51,873)</u>	<u>241</u>	<u>(51,632)</u>
Total	<u>(62,540)</u>	<u>23,899</u>	<u>(38,641)</u>
Analysed in Balance Sheet			
Cash at bank	848		12,991
Bank overdraft	(11,515)		-
Hire purchase			
within one year	(6,324)		(11,231)
after one year	(20,107)		(8,875)
Debts falling due within one year	(3,244)		(4,939)
Debts falling due after one year	(22,198)		(26,587)
	<u>(62,540)</u>		<u>(38,641)</u>

Joseph W Burley and Partners Limited

Notes to the Financial Statements
For The Year Ended 31 October 2002

1. ACCOUNTING POLICIES

Accounting convention

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

Turnover

Turnover represents the total commission earned on insurance business written during the year.

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.

Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% straight line

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.

Rental paid under operating leases are charged to the profit and loss account as incurred.

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the profit and loss account.

2. STAFF COSTS

	2002	2001
	£	£
Wages and salaries	133,042	68,452
Social security costs	13,816	8,222
Other pension costs	3,723	1,697
	<u>150,581</u>	<u>78,371</u>

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

	2002	2001
Accounts and management	<u>7</u>	<u>4</u>

Joseph W Burley and Partners Limited

Notes to the Financial Statements
For The Year Ended 31 October 2002

3. OPERATING PROFIT/(LOSS)

The operating profit (2001 - operating loss) is stated after charging:

	2002	2001
	£	£
Hire of plant and machinery	564	564
Motor vehicle leasing	-	1,234
Depreciation - owned assets	3,679	2,294
Depreciation - assets on hire purchase contracts	7,712	4,192
Auditors' remuneration	1,250	1,200
	<u> </u>	<u> </u>
Directors' emoluments	34,860	33,507
Directors' pension contributions to money purchase schemes	840	670
	<u> </u>	<u> </u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	1	1
	<u> </u>	<u> </u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2002	2001
	£	£
Bank interest	2	-
Bank loan interest	1,504	1,278
Hire purchase	2,096	1,386
	<u> </u>	<u> </u>
	3,602	2,664
	<u> </u>	<u> </u>

5. TAXATION

Analysis of the tax charge

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

	2002	2001
	£	£
Current tax:		
UK corporation tax	-	-
UK corporation tax - prior periods	-	1,720
	<u> </u>	<u> </u>
Tax on loss on ordinary activities	-	1,720
	<u> </u>	<u> </u>

Joseph W Burley and Partners Limited

Notes to the Financial Statements
For The Year Ended 31 October 2002

6. TANGIBLE FIXED ASSETS

	Fixtures and fittings	Motor vehicles	Computer equipment	Totals
	£	£	£	£
COST:				
At 1 November 2001	4,071	35,042	3,831	42,944
Additions	552	-	4,503	5,055
At 31 October 2002	4,623	35,042	8,334	47,999
DEPRECIATION:				
At 1 November 2001	1,017	4,192	1,277	6,486
Charge for year	901	7,712	2,778	11,391
At 31 October 2002	1,918	11,904	4,055	17,877
NET BOOK VALUE:				
At 31 October 2002	2,705	23,138	4,279	30,122
At 31 October 2001	3,054	30,850	2,553	36,457

The net book value of tangible fixed assets includes £23,138 (2001 - £30,850) in respect of assets held under hire purchase contracts.

7. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR

	2002 £	2001 £
Insurance debtors	21,908	14,491
Other debtors	26,799	32,734
Corporation tax	7,944	7,944
	56,651	55,169

8. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR

	2002 £	2001 £
Bank loans and overdrafts (see note 10)	4,939	14,759
Hire purchase contracts (see note 11)	11,231	6,324
Social security & other taxes	4,290	3,339
Accrued expenses	31,858	12,676
	52,318	37,098

Joseph W Burley and Partners Limited

Notes to the Financial Statements
For The Year Ended 31 October 2002

9. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR

	2002 £	2001 £
Bank loans (see note 10)	26,587	22,197
Hire purchase contracts (see note 11)	8,875	20,107
	<u>35,462</u>	<u>42,304</u>

10. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	2002 £	2001 £
Amounts falling due within one year or on demand:		
Bank overdrafts	-	11,515
Bank loans	4,939	3,244
	<u>4,939</u>	<u>14,759</u>

Amounts falling due between one and two years:

Bank loans	<u>5,178</u>	<u>3,479</u>
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Amounts falling due between two and five years:

Bank loans	<u>17,860</u>	<u>12,020</u>
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Amounts falling due in more than five years:

Repayable by instalments		
Bank loans	<u>3,549</u>	<u>6,698</u>

The company's bank loan is repayable by equal monthly instalments and bears interest at 1% above bank base rate.

Joseph W Burley and Partners Limited

Notes to the Financial Statements
For The Year Ended 31 October 2002

11. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	2002 £	2001 £
Gross obligations repayable:		
Within one year	13,015	8,420
Between one and five years	9,873	22,888
	<u>22,888</u>	<u>31,308</u>
Finance charges repayable:		
Within one year	1,784	2,096
Between one and five years	998	2,781
	<u>2,782</u>	<u>4,877</u>
Net obligations repayable:		
Within one year	11,231	6,324
Between one and five years	8,875	20,107
	<u>20,106</u>	<u>26,431</u>

12. SECURED DEBTS

The following secured debts are included within creditors:

	2002 £	2001 £
Bank loans	31,526	25,441
Hire purchase contracts	20,106	26,431
	<u>51,632</u>	<u>51,872</u>

Hire purchase obligations are secured on the assets concerned.

13. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2002 £	2001 £
500,000	Ordinary	£1	<u>500,000</u>	<u>500,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2002 £	2001 £
90,000	Ordinary	£1	<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 2002

14. CONTINGENT LIABILITIES

The company, in common with similar organisations engaged in investment business, is currently involved in a Pension Review Process and a number of cases were still under review at the year end. In the event that compensation is found to be payable to claimants, the estimated potential cost to the company is £4,000.

The company is defending a claim by a former employee with regard to pension benefits. The directors, based on legal opinion, are confident as to the company's position and do not expect any liability to arise with regard to this.

15. RELATED PARTY DISCLOSURES

Transactions

During the year the company was charged expenses amounting to £6,936 by Joseph W Burley and Partners (UK) Limited, a company under common control. The company made recharges in respect of payroll costs amounting to £12,171 to Watts Financial Services Limited, a company also under common control.

Balances

Included in debtors at the year end are amounts of £23,298 owing from Joseph W Burley and Partners (UK) Limited, £2,500 owing from Saxonholme Consulting Limited and £419 owing from Watts Financial Services Limited, companies under common control.

The company owns 50% of the share capital of North Church Financial Services Limited. At the year end Joseph W Burley and Partners Limited had advanced funds amounting to £582 to this company.

Controlling party

The company is under the control of Mrs P Burley by virtue of her shareholding.

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002	2001
	£	£
Loss for the financial year	(1,088)	(59,038)
Net reduction of shareholders' funds	(1,088)	(59,038)
Opening shareholders' funds	13,072	72,110
Closing shareholders' funds	11,984	13,072
Equity interests	11,984	13,072