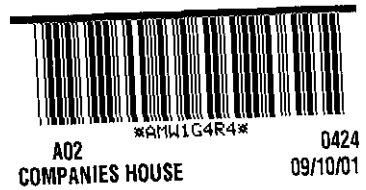


Tavistock Insurance Services Limited

Report and Accounts for the year ended December 31, 2000

Company number: 02106973



Tavistock Insurance Services Limited

DIRECTORS' REPORT

The directors present their report and accounts for the year ended December 31, 2000.

Results and dividend

The profit for the year, after taxation, amounted to £921 (1999: £3,013). The directors do not recommend the payment of a dividend and hence this amount is transferred to reserves.

Principal activity, review of the business and future developments

The company's principal activity is insurance broking, with particular emphasis on life assurance and pensions. The directors consider the results for the year to be satisfactory. In the coming year the directors intend to take every opportunity to strengthen the company's position.

Fixed assets

There were no changes in fixed assets in the period.

Directors and their interests

The directors who served during the year and their interests in the share capital of the company were as follows:

	<u>Ordinary shares of £1 each</u>	
	At December 31, 2000	At January 1, 2000
M.J. Kemp	10,000	10,000

Auditor

A resolution to reappoint Mr. R.D. Turnbull C.A. as auditor will be put to the members at the Annual General Meeting.

ON BEHALF OF THE BOARD



M.J. Kemp
September 10, 2001

Tavistock Insurance Services Limited**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent, and
- Prepare the accounts 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 accounts 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.

Tavistock Insurance Services Limited**REPORT OF THE AUDITOR**

to the members of Tavistock Insurance Services Limited

I have audited the accounts on pages 4 to 10, which have been prepared under the historical cost convention and on the basis of the accounting policies, set out on page 8.

Respective responsibilities of directors and auditor

As described on page 2 the company's directors are responsible for the preparation of the accounts. It is my responsibility to form an independent opinion, based on my audit, on those accounts and to report my opinion to you.

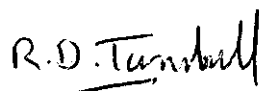
Basis of opinion

I conducted my 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In my opinion the accounts give a true and fair view of the state of affairs of the company as at December 31, 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



R.D. Turnbull
Chartered Accountant and Registered Auditor

Basingstoke

September 10, 2001

Tavistock Insurance Services Limited

PROFIT AND LOSS ACCOUNT

for the year ended December 31, 2000

	<u>Notes</u>	£	2000 £	1999 £
Turnover	2		93,193	87,375
Other operating income			-	-
			-----	-----
			93,193	87,375
Administrative expenses			90,710	82,405
			-----	-----
Operating profit	3		2,483	4,970
Interest receivable		-		-
Interest payable – finance leases		(1,555)		(1,427)
		-----		-----
			(1,555)	(1,427)
			-----	-----
Profit on ordinary activities before taxation			928	3,543
Taxation	5		-	530
			-----	-----
Profit on ordinary activities after taxation and for the financial year			928	3,013
Retained profits brought forward			6,564	3,551
			-----	-----
Retained profits carried forward			£7,492	£6,564
			=====	=====

The Company has no recognised gains and losses apart from the Profit and Loss account and, therefore, no separate statement of total recognised gains and losses has been prepared.

The notes on pages 8 to 10 form part of these accounts.

Tavistock Insurance Services Limited**BALANCE SHEET**

at December 31, 2000

	<u>Notes</u>	£	2000 £	1999 £
Fixed Assets				
Tangible assets	6		16,828	22,485
			-----	-----
Current assets				
Cash at bank		8,249		15,639
Trade debtors		18,782		14,238
Other debtors		10,079		10,064
Prepayments		-		-
		-----		-----
		37,110		39,941
		-----		-----
Creditors: amounts falling due within one year				
Trade creditors		6,014		12,815
Other taxation		-		1,717
Finance lease commitments 7		5,440		10,133
Corporation tax		-		535
Other creditors and accruals		12,339		2,569
		-----		-----
		23,793		27,769
		-----		-----
Net current assets			13,317	12,172
			-----	-----
Total assets less current liabilities			30,145	34,657
Creditors: amounts falling due after more than one year				
Finance lease commitments 7		2,653		8,093
		-----		-----
			2,653	8,093
			-----	-----
			£27,492	£26,564
			=====	=====

Tavistock Insurance Services Limited**BALANCE SHEET**

at December 31, 2000 (continued)

	<u>Notes</u>	£	2000 £	1999 £
Capital and reserves				
Called up shared capital	8		20,000	20,000
Profit and loss account			7,492	6,564
			<u>£27,492</u>	<u>£26,564</u>



M.J. Kemp

Director

September 10, 2001

The notes on pages 8 to 10 form part of these accounts.

Tavistock Insurance Services Limited**STATEMENT OF CASH FLOWS for the year ended December 31, 2000**

	2000	1999
£	£	£
Net cash flow from operating activities	4,833	37,518
	-----	-----
Returns on investments		
Interest received	-	-
Interest paid	(1,555)	(1,427)
	-----	-----
	(1,555)	(1,427)
	-----	-----
Taxation - Corporation tax paid	(535)	(5)
	-----	-----
Investing activities - purchase of fixed assets	-	(18,805)
	-----	-----
Net cash outflow / inflow before financing	£2,743	£17,281
	=====	=====
Financing - repayment of capital elements of lease	10,133	4,693
(Decrease) / increase in cash and cash equivalents	(7,390)	12,588
	-----	-----
	£2,743	£17,281
	=====	=====

Reconciliation of operating profit to net cash flow from operating activities

	2000	1999
£	£	£
Operating profit	2,483	4,970
Depreciation charges	5,657	7,495
(Increase) / decrease in debtors	(4,559)	8,864
Increase / (decrease) in creditors	1,252	16,189
	-----	-----
	£4,833	£37,518
	=====	=====

Analysis of changes in cash and cash equivalents during the year - cash at bank

	2000	1999
£	£	£
Balance at January 1	15,639	3,051
Net cash flow	(7,390)	12,588
	-----	-----
	£8,249	£15,639
	=====	=====

The notes on pages 8 to 10 of form part of these accounts.

Tavistock Insurance Services Limited

Notes to the accounts at December 31, 2000

1 Accounting policies

Accounting convention

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

Brokerage income

Brokerage income is recognised on a receipts basis.

Fixed assets

Depreciation is provided on all tangible fixed assets so as to write off the cost less any estimated residual value over the expected useful life of the asset as follows:

- motor vehicles: 25% reducing balance

Deferred taxation

Deferred taxation is provided on the liability method on all timing differences which are expected to reverse in the future, calculated at the rate at which it is anticipated that tax will be payable.

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership have passed to the company, and hire purchase contracts are capitalised in the balance sheet and depreciated over their useful lives. The capital element of future obligations is shown as a liability. The interest element of the rental obligations is charged in the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

2 Turnover

Turnover represents the amount of brokerage income received during the year, net of sub-agents commission and all arises within the United Kingdom.

3 Operating profit

This is stated after charging:

	2000	1999
	£	£
Depreciation	5,657	7,495
Auditors' remuneration	3,996	3,996
Directors' emoluments	5,500	18,175

Tavistock Insurance Services Limited

Notes to the accounts at December 31, 2000 (continued)

4 Staff Costs

	2000	1999
	£	£
Wages and salaries	42,849	18,716
Social security costs	4,036	1,826
	-----	-----
	<u>£46,885</u>	<u>£20,542</u>

The average number of employees during the year was 2 (1999: 2), engaged in the general management of the company.

5 Taxation

	2000	1999
	£	£
Based on the profit for the year:		
Corporation tax at 20%	-	530
	-----	-----
	<u>£-</u>	<u>£530</u>

6 Tangible fixed assets

	Motor Vehicles	Total
	£	£
Cost		
At January 1, 2000	33,705	33,705
Additions	-	-
	-----	-----
At December 31, 2000	<u>33,705</u>	<u>33,705</u>
Depreciation		
At January 1, 2000	11,220	11,220
Charge for the year	5,657	5,657
	-----	-----
At December 31, 2000	<u>16,877</u>	<u>16,877</u>
Net book value		
At December 31, 2000	<u>£16,828</u>	<u>£16,828</u>
	-----	-----
At January 1, 2000	<u>£22,485</u>	<u>£22,485</u>

Tavistock Insurance Services Limited

Notes to the accounts at December 31, 2000 (continued)

7 Obligations under finance leases

	2000 £	1999 £
The maturity of these amounts is as follows:		
Amounts payable within one year	6,452	11,598
In two to five years inclusive	3,226	8,602
	<u>9,678</u>	<u>20,200</u>
Less: finance charges allocated to future periods	1,585	1,974
	<u>£8,093</u>	<u>£18,226</u>

Shown as:

Current obligations	5,440	10,133
Non-current obligations	2,653	8,093
	<u>£8,093</u>	<u>£18,226</u>

8 Share capital

	2000 No.	1999 No.
<u>Authorised</u>		
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
<u>Allotted, issued and fully paid</u>		
Ordinary shares of £1 each	<u>£20,000</u>	<u>£20,000</u>

9 Approval of accounts

The accounts were approved by the board of directors on September 10, 2001.