

PEMBROKE FINANCIAL SERVICES LIMITED

DIRECTOR'S REPORT
AND
FINANCIAL STATEMENTS

Year ended 31 MARCH 2002

Company Number: 2518721

HILTON SHARP & CLARKE
Chartered Accountants
30 New Road
Brighton
BN1 1BN



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PEMBROKE FINANCIAL SERVICES LIMITED

DIRECTOR'S REPORT

The director presents his report and the financial statements for the year ended 31 March 2002.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company during the year was independent financial consultancy.

The results for the year are set out on page 4. The director considers the company's financial position at the year end to be satisfactory.

DIVIDENDS AND APPROPRIATIONS

The directors do not recommend that a dividend is paid leaving the retained profit for the year of £27,950 to be transferred to reserves.

DIRECTORS AND INTERESTS IN SHARES

The directors of the company who served during the year and number of shares in which they had an interest, as defined by the Companies Act 1985, were as follows:

	Ordinary shares of £1 each	
	31 March 2002	31 March 2001
K.A.P. Relf	25	25
Mrs C. J. Relf - resigned 31 July 2001	-	-

AUDITORS

A resolution will be proposed at the Annual General Meeting to re-appoint Hilton Sharp & Clarke as auditors.

On behalf of the Board



K.A.P. Relf
Director

Registered office:
30 New Road
Brighton
East Sussex
BN1 1BN

PEMBROKE FINANCIAL SERVICES LIMITED

DIRECTOR'S RESPONSIBILITIES

Company law requires the director 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 director is required to:

1. select suitable accounting policies and then apply them consistently;
2. make judgments and estimates that are reasonable and prudent;
3. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
PEMBROKE FINANCIAL SERVICES LIMITED

We have audited the financial statements of Pembroke Financial Services Limited for the year ended 31 March 2002 which comprise pages 4 to 10. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Director's Responsibilities the company's directors is responsible for the preparation of the 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 Director's Report 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 director's remuneration and transactions with the company is not disclosed.

We read the Director's Report and consider the implications for our audit report if we become aware of any apparent misstatements within it.

Basis of 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 judgments 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 March 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Hilton Sharp Clarke

HILTON SHARP & CLARKE
Chartered Accountants and Registered Auditor

Date: 29.8.2002

PEMBROKE FINANCIAL SERVICES LIMITED

PROFIT AND LOSS ACCOUNT
Year ended 31 MARCH 2002

	Note	2002 £	2001 £
TURNOVER	1	429,761	347,901
Administrative expenses		<u>(395,317)</u>	<u>(262,002)</u>
OPERATING PROFIT	2	34,444	85,899
Interest receivable and similar income	5	834	2,808
Interest payable and similar charges	6	<u>(90)</u>	<u>(216)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		35,188	88,491
Taxation	7	<u>(7,238)</u>	<u>(16,908)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		27,950	71,583
DIVIDENDS	8	<u>-</u>	<u>(68,000)</u>
PROFIT FOR THE FINANCIAL YEAR		27,950	3,583
Retained profit brought forward		<u>52,101</u>	<u>48,518</u>
RETAINED PROFIT CARRIED FORWARD		<u>£ 80,051</u>	<u>£ 52,101</u>

The notes on pages 6 to 10 form part of these financial statements.

The company has no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the accumulated profit for the year stated above and their historical cost equivalents.

There were no discontinued operations during the year.

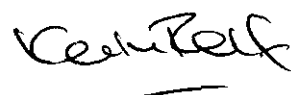
PEMBROKE FINANCIAL SERVICES LIMITED

BALANCE SHEET
At 31 MARCH 2002

	Note	£	2002 £	£	2001 £
FIXED ASSETS					
Tangible assets	9		7,565		8,413
CURRENT ASSETS					
Debtors	10	63,386		48,516	
Cash at bank and in hand		61,721		101,659	
			<u>125,107</u>	<u>150,175</u>	
CREDITORS: amounts falling due within one year	11	(52,521)		(106,387)	
			<u>72,586</u>	<u>43,788</u>	
NET CURRENT ASSETS					
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>£ 80,151</u>	<u>£ 52,201</u>	
CAPITAL AND RESERVES					
Called up share capital	12		100		100
Profit and loss account			80,051		52,101
			<u>80,151</u>	<u>52,201</u>	
EQUITY SHAREHOLDERS' FUNDS	13		<u>£ 80,151</u>	<u>£ 52,201</u>	

The notes on pages 6 to 10 form part of these financial statements.

Approved by the board on: 22.8.2002



K.A.P. RELF
Director

PEMBROKE FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 MARCH 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 comprises fees and commissions on brokerage and is recognised on the date on which the related policy is written.

Depreciation of tangible fixed assets

Tangible fixed assets are being depreciated so as to write them off over their expected useful lives at the following annual rates:

Computer equipment	33 1/3 % straight line
Office fixtures	20% straight line
Leasehold improvements	over period of lease

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held in a separately administered fund. Contributions are charged to the profit and loss account as they fall due.

2. OPERATING PROFIT

The operating profit is stated after charging:

	2002 £	2001 £
Depreciation of tangible assets - owned	6,417	8,091
- held under finance leases	-	272
Directors' emoluments (note 4)	74,685	58,343
Auditors' remuneration - audit fees	3,750	3,750
- non audit fees	2,871	2,536
Car and equipment rental	5,901	5,901
Operating lease rentals		
- land and buildings	8,750	7,250
	<u>8,750</u>	<u>7,250</u>

PEMBROKE FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 31 MARCH 2002

3. STAFF COSTS

The average number of persons employed by the company during the year, excluding directors, was 2 (2001: 2).

Staff costs, including directors, amounted to:

	2002 £	2001 £
Wages and salaries	116,784	97,313
Social security costs	13,809	7,511
Pension costs	10,356	1,616
	<u>£ 140,949</u>	<u>£ 106,440</u>

4. DIRECTOR'S REMUNERATION

	2002 £	2001 £
For services as director	60,000	54,934
Pension costs	8,085	-
Social security costs	6,600	3,409
	<u>£ 74,685</u>	<u>£ 58,343</u>

5. INTEREST RECEIVABLE

	2002 £	2001 £
Bank interest	<u>£ 834</u>	<u>£ 2,808</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2002 £	2001 £
Interest and charges on bank overdraft	81	154
Interest on late paid tax	9	53
On finance leases	-	9
	<u>£ 90</u>	<u>£ 216</u>

PEMBROKE FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 MARCH 2002

7. TAXATION

	2002 £	2001 £
Based on profits for the year:		
UK Corporation Tax at 20.0% (2001: 20%)	7,250	16,996
In respect of prior years:		
Corporation tax Overprovided	(12)	(88)
	<u>£ 7,238</u>	<u>£ 16,908</u>

8. DIVIDENDS

	2002 £	2001 £
Ordinary dividends paid during the year	<u>£ -</u>	<u>£ 68,000</u>

9. TANGIBLE ASSETS

	Leasehold Improvements £	Office Fixtures and Computer Equipment £	Total £
Cost			
At 1 April 2001	7,724	48,147	55,871
Additions	<u>-</u>	<u>5,569</u>	<u>5,569</u>
At 31 March 2002	<u>£ 7,724</u>	<u>£ 53,716</u>	<u>£ 61,440</u>
Depreciation			
At 1 April 2001	6,751	40,707	47,458
Charge for year	<u>973</u>	<u>5,444</u>	<u>6,417</u>
At 31 March 2002	<u>£ 7,724</u>	<u>£ 46,151</u>	<u>£ 53,875</u>
Net Book Value			
At 31 March 2002	<u>£ -</u>	<u>£ 7,565</u>	<u>£ 7,565</u>
At 31 March 2001	<u>£ 973</u>	<u>£ 7,440</u>	<u>£ 8,413</u>

PEMBROKE FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 31 MARCH 2002

10. DEBTORS

	2002 £	2001 £
Trade debtors	56,542	42,800
Other debtors	4,751	2,059
Directors' loan account	579	262
Prepayments and accrued income	1,514	3,395
	<u>£ 63,386</u>	<u>£ 48,516</u>

11. CREDITORS: amounts falling due within one year

	2002 £	2001 £
Amounts owed to parent undertaking	13,500	76,073
Other creditors	686	145
Corporation tax	7,247	16,961
Other taxation and social security	2,255	1,861
Accruals and deferred income	28,833	11,347
	<u>£ 52,521</u>	<u>£ 106,387</u>

12. CALLED UP SHARE CAPITAL

	2002 £	2001 £
Authorised		
1,000,000 ordinary shares of £1 each	<u>£ 1,000,000</u>	<u>£ 1,000,000</u>
Allotted, called up and fully paid		
100 ordinary shares of £1 each	<u>£ 100</u>	<u>£ 100</u>

13. RECONCILIATION OF THE MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Profit for the financial year	27,950	71,583
Dividends	-	(68,000)
Net addition to shareholders' funds	<u>27,950</u>	<u>3,583</u>
Opening shareholders' funds	<u>52,201</u>	<u>48,618</u>
Closing shareholders' funds	<u>£ 80,151</u>	<u>£ 52,201</u>

PEMBROKE FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 MARCH 2002

14. OTHER COMMITMENTS

At 31 March 2002 the company had the following commitments under operating leases expiring:

	Other leases		Land and buildings	
	2002	2001	2002	2001
	£	£	£	£
Within 1 year	5,900	-	-	7,000
Between 2 and 5 years	-	5,900	-	-
	<u>5,900</u>	<u>5,900</u>	<u>-</u>	<u>-</u>

The company is currently in negotiations to renew its premises lease.

15. TRANSACTIONS WITH DIRECTORS

During the year, in the normal course of business, the company paid introductory fees of £64,433 to Mrs C.J. Relf. These fees were of an on-going nature and charged on an arms length basis.

16. ULTIMATE PARENT COMPANY

The directors regard Lastcraft Limited, registered in England, as the company's ultimate parent company.

17. PENSION SCHEME

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. The pension cost charge represents contributions payable by the company to the fund and amounted to £10,356 (2001 - £1,616).

18. RELATED PARTY TRANSACTIONS

The company's ultimate parent company is Lastcraft Limited.

R.S. Snell is a director of Lastcraft Limited and Snell and Wilcox Limited. At 31 March 2002 an amount of £4,651 was owing from Snell and Wilcox Limited.