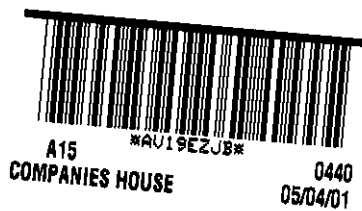


Company No: 2643621

**Report of the Directors and
Financial Statements
for the Year Ended 31 October 2000
for
GOLDSTAR INSURANCE SERVICES LIMITED**



GOLDSTAR INSURANCE SERVICES LIMITED

**Contents of the Financial Statements
for the Year Ended 31 October 2000**

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GOLDSTAR INSURANCE SERVICES LIMITED

**Company Information
for the Year Ended 31 October 2000**

DIRECTORS: Mr N.R. Patel
Mr R.B. Patel
Mr R. Clarke

SECRETARY: Mr.N.R.Patel

REGISTERED OFFICE: Lynton House
304 Bensham Lane
Thornton Heath
Surrey
CR7 7YR

REGISTERED NUMBER: 2643621 (England and Wales)

AUDITORS: Ashley Ross & Co
Chartered Accountants
Registered Auditors
1 Gatton Road
London
SW17 0EX

GOLDSTAR INSURANCE SERVICES LIMITED

Report of the Directors for the Year Ended 31 October 2000

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

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were those of an insurance broker. There were no changes during the year.

REVIEW OF BUSINESS

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

DIVIDENDS

No interim dividend was paid during the year. The directors recommend a final dividend of £2 per share.

The total distribution of dividends for the year ended 31 October 2000 will be £20,000.

DIRECTORS

The directors during the year under review were:

Mr N.R. Patel
Mr R.B. Patel
Mr R Clarke

The beneficial interests of the directors holding office on 31 October 2000 in the issued share capital of the company were as follows:

	31.10.00	1.11.99
Ordinary shares £1 shares		
Mr N.R. Patel	500	500
Mr R.B. Patel	-	-
Mr R Clarke	-	-

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

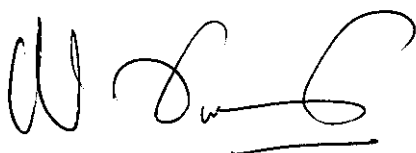
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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, Ashley Ross & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



Mr.N.R.Patel - SECRETARY

Dated: 30 March 2001

GOLDSTAR INSURANCE SERVICES LIMITED

**Report of the Auditors to the Shareholders of
GOLDSTAR INSURANCE SERVICES LIMITED**

We have audited the financial statements on pages four to fourteen which have been prepared under the historical cost convention and the accounting policies set out on page ten.

Respective responsibilities of directors and auditors

As described on page two 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

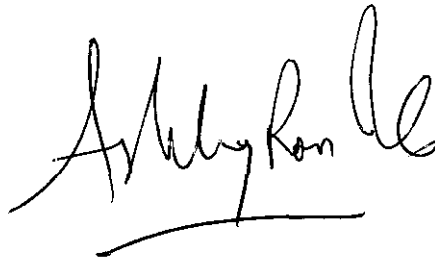
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ashley Ross & Co
Chartered Accountants
Registered Auditors
1 Gatton Road
London
SW17 0EX



Dated: 30 March 2001

GOLDSTAR INSURANCE SERVICES LIMITED

**Profit and Loss Account
for the Year Ended 31 October 2000**

31.10.99			31.10.00	
£	£	Notes	£	£
587,820				597,638
		TURNOVER		
467,471		Administrative expenses		526,131
<u>120,349</u>		OPERATING PROFIT	3	<u>71,507</u>
	54	Income from investments	114	
	23,554	Interest receivable and similar income	28,651	
23,608				<u>28,765</u>
<u>143,957</u>				100,272
		Interest payable and similar charges	4	
<u>-</u>				<u>1,802</u>
143,957		PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		98,470
		Tax on profit on ordinary activities	5	
40,295				<u>18,687</u>
103,662		PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		79,783
20,000		Dividends	6	20,000
<u>83,662</u>				<u>59,783</u>
226,418		Retained profit brought forward		310,080
<u>£310,080</u>		RETAINED PROFIT CARRIED FORWARD		<u>£369,863</u>

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

The notes form part of these financial statements

GOLDSTAR INSURANCE SERVICES LIMITED

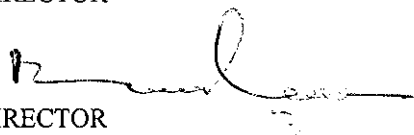
**Balance Sheet
31 October 2000**

31.10.99			31.10.00	
£	£	Notes	£	£
		FIXED ASSETS:		
61,687		Tangible assets		58,958
62,370		Investments		62,370
<u>124,057</u>				<u>121,328</u>
		CURRENT ASSETS:		
	110,917	Debtors	13,508	
	308,893	Cash at bank and in hand	516,960	
	<u>419,810</u>		<u>530,468</u>	
		CREDITORS: Amounts falling		
	182,861	due within one year	262,471	
<u>236,949</u>		NET CURRENT ASSETS:		<u>267,997</u>
<u>361,006</u>		TOTAL ASSETS LESS CURRENT		
		LIABILITIES:		<u>389,325</u>
		CREDITORS: Amounts falling		
49,926		due after more than one year	18,462	
<u>£311,080</u>				<u>£370,863</u>
		CAPITAL AND RESERVES:		
1,000		Called up share capital	1,000	
310,080		Profit and loss account	369,863	
<u>£311,080</u>		SHAREHOLDERS' FUNDS:	<u>£370,863</u>	

ON BEHALF OF THE BOARD:



- DIRECTOR



- DIRECTOR

Approved by the Board on 30 March 2001

The notes form part of these financial statements

GOLDSTAR INSURANCE SERVICES LIMITED

**Cash Flow Statement
for the Year Ended 31 October 2000**

31.10.99			31.10.00	
£	£	Notes	£	£
59,986	Net cash inflow from operating activities	1		274,606
23,608	Returns on investments and servicing of finance	2		26,963
(25,121)	Taxation			(30,280)
(84,418)	Capital expenditure and financial investment	2		(14,222)
(70,000)	Equity dividends paid			(20,000)
<u>(95,945)</u>				<u>237,067</u>
-	Financing	2		(29,000)
<u>£(95,945)</u>	Increase/(Decrease) in cash in the period			<u>£208,067</u>
	Reconciliation of net cash flow to movement in net funds	3		
	Increase/(Decrease) in cash in the period		208,067	
(95,945)	Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		<u>2,464</u>	
(119,335)	Change in net funds resulting from cash flows			<u>210,531</u>
<u>(119,335)</u>	Movement in net funds in the period			<u>210,531</u>
404,838	Net funds at 1 November			<u>285,503</u>
<u>£285,503</u>	Net funds at 31 October			<u>£496,034</u>

The notes form part of these financial statements

GOLDSTAR INSURANCE SERVICES LIMITED

Notes to the Cash Flow Statement for the Year Ended 31 October 2000

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31.10.00 £	31.10.99 £
Operating profit	71,507	120,349
Depreciation charges	16,951	7,615
Decrease/(Increase) in debtors	97,409	(104,188)
Increase in creditors	88,739	36,210
	<u>274,606</u>	<u>59,986</u>
Net cash inflow from operating activities	<u><u>274,606</u></u>	<u><u>59,986</u></u>

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

	31.10.00 £	31.10.99 £
Returns on investments and servicing of finance		
Interest received	28,651	23,554
Interest element of hire purchase payments	(1,802)	-
Dividends received	114	54
	<u>26,963</u>	<u>23,608</u>
Net cash inflow for returns on investments and servicing of finance	<u><u>26,963</u></u>	<u><u>23,608</u></u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(14,222)	(32,417)
Cash payments - investmt purch	-	(52,001)
	<u>(14,222)</u>	<u>(84,418)</u>
Net cash outflow for capital expenditure	<u><u>(14,222)</u></u>	<u><u>(84,418)</u></u>
Financing		
Loan repayments in year	(29,000)	-
	<u>(29,000)</u>	<u>-</u>
Net cash outflow from financing	<u><u>(29,000)</u></u>	<u><u>-</u></u>

The notes form part of these financial statements

GOLDSTAR INSURANCE SERVICES LIMITED

Notes to the Cash Flow Statement for the Year Ended 31 October 2000

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.11.99 £	Cash flow £	At 31.10.00 £
Net cash:			
Cash at bank and in hand	308,893	208,067	516,960
	<u>308,893</u>	<u>208,067</u>	<u>516,960</u>
Debt:			
Hire purchase	(23,390)	2,464	(20,926)
	<u>(23,390)</u>	<u>2,464</u>	<u>(20,926)</u>
Total	<u>285,503</u>	<u>210,531</u>	<u>496,034</u>
Analysed in Balance Sheet			
Cash at bank and in hand	308,893		516,960
Hire purchase			
within one year	(2,464)		(2,464)
after one year	(20,926)		(18,462)
	<u>285,503</u>		<u>496,034</u>

The notes form part of these financial statements

GOLDSTAR INSURANCE SERVICES LIMITED

Notes to the Financial Statements for the Year Ended 31 October 2000

1. ACCOUNTING POLICIES

Accounting convention

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

Turnover

This comprises of the net brokerage received by the company in the ordinary course of business from various insurance companies.

Tangible fixed assets

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

Furniture	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Equipment	- 25% on reducing balance

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. STAFF COSTS

	31.10.00	31.10.99
	£	£
Wages and salaries	270,824	197,959
Other pension costs	27,000	24,250
	<u>297,824</u>	<u>222,209</u>

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

	31.10.00	31.10.99
General business administration	<u>12</u>	<u>12</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	31.10.00	31.10.99
	£	£
Depreciation - owned assets	16,951	7,615
Auditors' remuneration	<u>6,433</u>	<u>6,169</u>
Directors' emoluments	<u>91,800</u>	<u>48,100</u>

GOLDSTAR INSURANCE SERVICES LIMITED

**Notes to the Financial Statements
for the Year Ended 31 October 2000**

4. INTEREST PAYABLE AND SIMILAR CHARGES

	31.10.00	31.10.99
	£	£
Hire purchase	1,802	-
	<u>1,802</u>	<u>-</u>

5. TAXATION

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

	31.10.00	31.10.99
	£	£
UK corporation tax	18,687	30,295
Under provision prior year	-	10,000
	<u>18,687</u>	<u>40,295</u>

UK corporation tax has been charged at 20% (1999 - 20%).

6. DIVIDENDS

	31.10.00	31.10.99
	£	£
Equity shares:		
Final - Ordinary £1 share	20,000	20,000
	<u>20,000</u>	<u>20,000</u>

7. TANGIBLE FIXED ASSETS

	Totals	Furniture	Motor vehicles	Equipment
	£	£	£	£
COST:				
At 1 November 1999	121,245	44,595	30,390	46,260
Additions	14,222	-	-	14,222
	<u>135,467</u>	<u>44,595</u>	<u>30,390</u>	<u>60,482</u>
At 31 October 2000	135,467	44,595	30,390	60,482
DEPRECIATION:				
At 1 November 1999	59,558	24,336	270	34,952
Charge for year	16,951	3,039	7,530	6,382
	<u>76,509</u>	<u>27,375</u>	<u>7,800</u>	<u>41,334</u>
At 31 October 2000	76,509	27,375	7,800	41,334
NET BOOK VALUE:				
At 31 October 2000	58,958	17,220	22,590	19,148
At 31 October 1999	61,687	20,259	30,120	11,308

GOLDSTAR INSURANCE SERVICES LIMITED

**Notes to the Financial Statements
for the Year Ended 31 October 2000**

8. FIXED ASSET INVESTMENTS

	£	
COST:		
At 1 November 1999		
and 31 October 2000		<u>62,370</u>
NET BOOK VALUE:		
At 31 October 2000		<u><u>62,370</u></u>
At 31 October 1999		<u><u>62,370</u></u>
	31.10.00	31.10.99
	£	£
Investments listed on recognised stock exchange	9,028	9,028
Unlisted investments	<u>53,342</u>	<u>53,342</u>
	<u><u>62,370</u></u>	<u><u>62,370</u></u>

Market value of listed investments at 31 October 2000 - £34,258 (1999 - £21,477).

**9. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.10.00	31.10.99
	£	£
Prepayments & accrued income	2,937	6,220
Debtors-Insurance Companies	10,571	4,697
Loan	-	100,000
	<u>13,508</u>	<u>110,917</u>

**10. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.10.00	31.10.99
	£	£
Hire purchase contracts (see note 13)	2,464	2,464
Insurance companies	94,023	74,711
Indemnity commission-deferred	60,000	40,989
Proposed Final-Ordinary£1share	20,000	20,000
Corporation Tax Payable	18,702	30,295
Accrued expenses	<u>67,282</u>	<u>14,402</u>
	<u><u>262,471</u></u>	<u><u>182,861</u></u>

GOLDSTAR INSURANCE SERVICES LIMITED

Notes to the Financial Statements for the Year Ended 31 October 2000

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

	31.10.00 £	31.10.99 £
Shareholders' loans (see note 12)	-	29,000
Hire purchase contracts (see note 13)	18,462	20,926
	<u>18,462</u>	<u>49,926</u>

12. LOANS AND OVERDRAFTS

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

	31.10.00 £	31.10.99 £
Amounts falling due between two and five years:		
Shareholders' loans	-	29,000
	<u>-</u>	<u>29,000</u>

Shareholders' loans: Three years notice is required for the repayment of these loans.

13. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	31.10.00 £	31.10.99 £
Gross obligations repayable:		
Within one year	4,266	4,266
Between one and five years	20,264	24,532
	<u>24,530</u>	<u>28,798</u>
Finance charges repayable:		
Within one year	1,802	1,802
Between one and five years	1,802	3,606
	<u>3,604</u>	<u>5,408</u>
Net obligations repayable:		
Within one year	2,464	2,464
Between one and five years	18,462	20,926
	<u>20,926</u>	<u>23,390</u>

14. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.10.00 £	31.10.99 £
1,000	Ordinary shares	£1	1,000	1,000
			<u>1,000</u>	<u>1,000</u>

GOLDSTAR INSURANCE SERVICES LIMITED

**Notes to the Financial Statements
for the Year Ended 31 October 2000**

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.10.00	31.10.99
	£	£
Profit for the financial year	79,783	103,662
Dividends	(20,000)	(20,000)
Net addition to shareholders' funds	59,783	83,662
Opening shareholders' funds	311,080	227,418
Closing shareholders' funds	370,863	311,080
Equity interests	370,863	311,080

16. CASH AT BANK AND IN HAND

BANK ACCOUNTS		£	£
Office Accounts	- Current	26507	39433
	- Treasury	350000	150000
Insurance Broking Accounts			
Client Accounts	- Current	97007	77707
	- Reserve	43279	41636
Cash in hand	-	167	117
		516960	308893