Company No: 2643621

Report of the Directors and

Financial Statements

for the Year Ended 31 October 2001

for

GOLDSTAR INSURANCE SERVICES LIMITED



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GOLDSTAR INSURANCE SERVICES LIMITED

Contents of the Financial Statements for the Year Ended 31 October 2001

	Page
Company Information	1
Report of the Directors	2
Report of the Auditors	3
Profit and Loss Account	4
Balance Sheet	5
Cash Flow Statement	6
Notes to the Cash Flow Statement	7
Notes to the Financial Statements	9
Profit and Loss Account	14

GOLDSTAR INSURANCE SERVICES LIMITED

Company Information
for the Year Ended 31 October 2001

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 2001

The directors present their report with the financial statements of the company for the year ended 31 October 2001.

PRINCIPAL ACTIVITIES
The principal activities of the company in the year under review were those of an insuranc 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 £40 per share.

The total distribution of dividends for the year ended 31 October 2001 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 2001 in the issued share capital of the company were as follows:

	31.10.01	1.11.00
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: 10 May 2002

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

We have audited the financial statements of GOLDSTAR INSURANCE SERVICES LIMITED for the year ended 31 October 2001 on pages four to thirteen. 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 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.

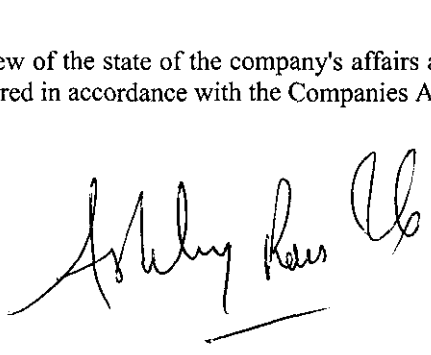
We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has 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 2001 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: 10 May 2002

GOLDSTAR INSURANCE SERVICES LIMITED

Profit and Loss Account
for the Year Ended 31 October 2001

31.10.00			Notes	31.10.01	
£	£			£	£
597,638		**TURNOVER**			606,013
526,131		Administrative expenses			530,969
71,507		**OPERATING PROFIT**	3		75,044
	114	Income from investments		152	
	28,651	Interest receivable and similar income		23,365	
28,765					23,517
100,272					98,561
1,802		Interest payable and similar charges	4		1,802
98,470		**PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**			96,759
18,687		Tax on profit on ordinary activities	5		19,818
79,783		**PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION**			76,941
20,000		Dividends	6		20,000
59,783					56,941
310,080		Retained profit brought forward			369,863
369,863					426,804
-		Purchase of own shares			(251,250)
£369,863		**RETAINED PROFIT CARRIED FORWARD**			£175,554

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 2001

31.10.00			Notes	31.10.01	
£	£			£	£
		FIXED ASSETS:			
58,958		Tangible assets	7		49,913
62,370		Investments	8		62,370
121,328					112,283
		CURRENT ASSETS:			
	13,508	Debtors	9	36,883	
	516,960	Cash at bank and in hand		480,744	
	530,468			517,627	
	262,471	**CREDITORS:** Amounts falling due within one year	10	437,356	
267,997		**NET CURRENT ASSETS:**			80,271
389,325		**TOTAL ASSETS LESS CURRENT LIABILITIES:**			192,554
18,462		**CREDITORS:** Amounts falling due after more than one year	11		16,000
£370,863					£176,554
		CAPITAL AND RESERVES:			
1,000		Called up share capital	13		500
-		Capital redemption reserve	14		500
369,863		Profit and loss account			175,554
£370,863		**SHAREHOLDERS' FUNDS:**	15		£176,554

ON BEHALF OF THE BOARD:

- DIRECTOR

- DIRECTOR

Approved by the Board on 10 May 2002

The notes form part of these financial statements

GOLDSTAR INSURANCE SERVICES LIMITED

Cash Flow Statement
for the Year Ended 31 October 2001

31.10.00				31.10.01	
£	£		Notes	£	£
274,606		**Net cash inflow from operating activities**	1		237,301
26,963		**Returns on investments and servicing of finance**	2		21,715
(30,280)		**Taxation**			(18,687)
(14,222)		**Capital expenditure**	2		(5,295)
(20,000)		**Equity dividends paid**			(20,000)
237,067					**215,034**
(29,000)		**Financing**	2		(251,250)
£208,067		**(Decrease)/Increase in cash in the period**			**£(36,216)**
		Reconciliation of net cash flow to movement in net funds	3		
	208,067	**(Decrease)/Increase in cash in the period**		**(36,216)**	
	2,464	Cash outflow from decrease in debt and lease financing		2,464	
210,531		Change in net funds resulting from cash flows			(33,752)
210,531		**Movement in net funds in the period**			**(33,752)**
285,503		**Net funds at 1 November**			**496,034**
£496,034		**Net funds at 31 October**			**£462,282**

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 October 2001

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

	31.10.01 £	31.10.00 £
Operating profit	75,044	71,507
Depreciation charges	14,340	16,951
(Increase)/Decrease in debtors	(23,375)	97,409
Increase in creditors	171,292	88,739
Net cash inflow from operating activities	237,301	274,606

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

	31.10.01 £	31.10.00 £
Returns on investments and servicing of finance		
Interest received	23,365	28,651
Interest element of hire purchase payments	(1,802)	(1,802)
Dividends received	152	114
Net cash inflow for returns on investments and servicing of finance	21,715	26,963
Capital expenditure		
Purchase of tangible fixed assets	(5,295)	(14,222)
Net cash outflow for capital expenditure	(5,295)	(14,222)
Financing		
Loan repayments in year	-	(29,000)
Purchase of own shares	(251,250)	-
Net cash outflow from financing	(251,250)	(29,000)

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 October 2001

3. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.11.00 £	Cash flow £	At 31.10.01 £
Net cash:			
Cash at bank and in hand	516,960	(36,216)	480,744
	516,960	(36,216)	480,744
Debt:			
Hire purchase	(20,926)	2,464	(18,462)
	(20,926)	2,464	(18,462)
Total	496,034	(33,752)	462,282
Analysed in Balance Sheet			
Cash at bank and in hand	516,960		480,744
Hire purchase			
within one year	(2,464)		(2,462)
after one year	(18,462)		(16,000)
	496,034		462,282

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 October 2001

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

	31.10.01	31.10.00
	£	£
Wages and salaries	282,995	270,824
Other pension costs	12,000	27,000
	294,995	297,824

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

	31.10.01	31.10.00
General business administration	16	12

3. OPERATING PROFIT

The operating profit is stated after charging:

	31.10.01	31.10.00
	£	£
Depreciation - owned assets	14,340	16,951
Auditors' remuneration	6,433	6,433
Directors' emoluments	79,592	91,800

4. INTEREST PAYABLE AND SIMILAR CHARGES

	31.10.01	31.10.00
	£	£
Hire purchase	1,802	1,802

5. TAXATION

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

	31.10.01 £	31.10.00 £
Current tax:		
UK corporation tax	19,818	18,687

UK corporation tax has been charged at 20% (2000 - 20%).

6. DIVIDENDS

	31.10.01 £	31.10.00 £
Equity shares:		
Final - Ordinary £1 share	20,000	20,000

7. TANGIBLE FIXED ASSETS

	Totals	Furniture	Motor vehicles	Equipment
	£	£	£	£
COST:				
At 1 November 2000	135,467	44,595	30,390	60,482
Additions	5,295	-	-	5,295
At 31 October 2001	140,762	44,595	30,390	65,777
DEPRECIATION:				
At 1 November 2000	76,509	27,375	7,800	41,334
Charge for year	14,340	2,583	5,647	6,110
At 31 October 2001	90,849	29,958	13,447	47,444
NET BOOK VALUE:				
At 31 October 2001	49,913	14,637	16,943	18,333
At 31 October 2000	58,958	17,220	22,590	19,148

8. FIXED ASSET INVESTMENTS

	£
COST:	
At 1 November 2000 and 31 October 2001	62,370
NET BOOK VALUE:	
At 31 October 2001	62,370
At 31 October 2000	62,370

8. **FIXED ASSET INVESTMENTS - continued**

	31.10.01	31.10.00
	£	£
Investments listed on recognised stock exchange	9,028	9,028
Unlisted investments	53,342	53,342
	62,370	62,370

Market value of listed investments at 31 October 2001 - £25,474 (2000 - £34,258).

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

	31.10.01	31.10.00
	£	£
Other debtors	19,000	-
Prepayments & accrued income	2,937	2,937
Debtors-Insurance Companies	14,946	10,571
	36,883	13,508

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

	31.10.01	31.10.00
	£	£
Hire purchase contracts (see note 12)	2,462	2,464
Insurance companies	136,904	94,023
Indemnity commission-deferred	35,000	60,000
Other creditors	125,000	-
Proposed Final-Ordinary£1share	20,000	20,000
Corporation Tax Payable	19,833	18,702
Accrued expenses	98,157	67,282
	437,356	262,471

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

	31.10.01	31.10.00
	£	£
Hire purchase contracts (see note 12)	16,000	18,462

12. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	31.10.01	31.10.00
	£	£
Gross obligations repayable:		
Within one year	2,462	4,266
Between one and five years	16,000	20,264
	18,462	24,530
Finance charges repayable:		
Within one year	-	1,802
Between one and five years	-	1,802
	-	3,604
Net obligations repayable:		
Within one year	2,462	2,464
Between one and five years	16,000	18,462
	18,462	20,926

13. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	31.10.01 £	31.10.00 £
1,000	Ordinary shares	£1	1,000	1,000

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.10.01 £	31.10.00 £
1,000	Ordinary shares	£1	500	1,000

14. CAPITAL REDEMPTION RESERVE

	31.10.01	31.10.00
	£	£
Capital Redemption Reserve	500	-

Notes to the Financial Statements
for the Year Ended 31 October 2001

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.10.01	31.10.00
	£	£
Profit for the financial year	76,941	79,783
Dividends	(20,000)	(20,000)
	56,941	59,783
Purchase of own shares	(251,250)	-
Net (reduction)/addition to shareholders' funds	(194,309)	59,783
Opening shareholders' funds	370,863	311,080
Closing shareholders' funds	176,554	370,863
Equity interests	176,554	370,863

16. CASH AT BANK AND IN HAND

		£	£
BANK ACCOUNTS			
Office Accounts	- Current	30066	26507
26507			
	- Treasury	275876	350000
Insurance Broking Accounts			
Client Accounts	- Current	154885	97007
	- Reserve	19850	43279
Cash in hand	-	67	167
		480744	516960