

2809921

UNICOM INSURANCE SERVICES LIMITED

FINANCIAL STATEMENTS

AS AT

31st MAY 2002



HOWARD WADE & JACOB
Chartered Accountants
197-205 High Street
Ponders End Enfield
Middlesex EN3 4DZ

INDEX

Page

1. Director Officers and Advisers
2. Report of the Director
3. Statement of Directors' Responsibilities
4. Balance Sheet
5. Profit and Loss Account
- 6-11. Notes to the Financial Statements
12. Independent Auditors Report

UNICOM INSURANCE SERVICES LIMITED

DIRECTORS OFFICERS AND ADVISERS

Directors	L.D.Middleton D.R.Ratlledge M.R.Tyler
Secretary	Miss A.B. Madigan
Registered Office	Jezebel House 197-205 High Street Ponders End Enfield Middlesex EN3 4DZ
Registered Number	2809921
Date of Incorporation	16th April 1993
Bankers	Barclays Bank PLC Lea Valley Group 2 Turnford Place Great Cambridge Road Herts. EN10 6NH
Auditors	Howard Wade & Jacob Chartered Accountants 197-205 High Street Ponders End Enfield Middlesex EN3 4DZ

UNICOM INSURANCE SERVICES LIMITED**REPORT OF THE DIRECTORS**

The Director has pleasure in presenting his Report to the members of the company together with the financial statements for the year ended 31st May 2002.

TRADING ACTIVITIES

The results for the year are set out on page 5 and the financial position as at 31st May 2002 on page 4 of these accounts. The Director is satisfied with the results but cannot recommend the payment of a dividend.

PRINCIPAL ACTIVITIES

The principal trading activity of the company is that of provision of insurance services to the motor trade which is restricted to the United Kingdom and has remained unchanged throughout this year.

FUTURE PROSPECTS

The Director plans to continue the present activities of the Company for the foreseeable future.

DIRECTOR AND HIS INTEREST

The Director who served during the year and his interest in the share capital of the company were as follows:

	ORDINARY SHARES	
	2002	2001
J.W.Humphreys (resigned 1st November 2001)	-	92
L.D.Middleton (appointed 1st November 2001)	-	-
D.J.Ratlidge (appointed 1st November 2001)	-	-
M.R.Tyler (appointed 1st November 2001)	-	-

L.D.Middleton retires by rotation, and being eligible, offers himself for re-election.

AUDITORS

The auditors, Messrs Howard Wade and Jacob have signified their willingness to continue in office and a proposal for their re-appointment will be made at the next Annual General Meeting.

CLOSE COMPANY STATUS

The Company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

ULTIMATE HOLDING COMPANY

In the opinion of the Directors the ultimate holding company is Tradewise Insurance Company Limited which is incorporated in Gibraltar.

SPECIAL EXEMPTIONS

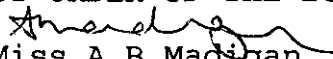
The accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

RESPONSIBILITIES OF THE DIRECTORS

These are set out on page 3 together with any observations thereon.

21st March 2003
Registered Office
197-205 High Street
Ponders End, Enfield
Middlesex EN3 4DZ

BY ORDER OF THE BOARD


Miss A.B. Madigan
Secretary

STATEMENT OF DIRECTORS RESPONSIBILITIES

ATTACHED TO FINANCIAL STATEMENTS

PREPARED FOR THE YEAR ENDED 31st MAY 2002

Company law requires the directors to prepare statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. In preparing those financial statements, the directors are required to

- * select suitable 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.

UNICOM INSURANCE SERVICES LIMITED

BALANCE SHEET

AS AT 31st MAY 2002

	Notes	£	2002	£	£	2001	£
FIXED ASSETS	1c, 5)		12,657			8,857	
CURRENT ASSETS							
Amounts Due from Fellow Subsidiaries		53,727		-			
Debtors	1e, 6)	23,785		158,487			
Taxation recoverable		17,945		-			
Cash at Bank		-		2,115			
Cash in Hand		472		578			
		95,929		161,180			
CREDITORS due within one year							
Creditors	7)	91,080		16,243			
Taxation	8)	-		20,832			
Bank Overdraft		797		-			
		91,877		37,075			
NET CURRENT ASSETS			4,052			124,105	
			£ 16,709		£ 132,962		
Financed by:							
SHAREHOLDERS FUNDS							
Share Capital	9)	100		100			
Reserves	10)	16,609		132,862			
		£ 16,709		£ 132,962			

The accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The notes set out on pages 6 to 11 form an integral part of these financial statements

Signed on behalf of the Board

L.D.Middleton - Director

M.R.Tyler

Approved 21st March 2003

D.R.Ratledge - Director

UNICOM INSURANCE SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st MAY 2002

		2002		2001	
	Notes	£	£	£	£
COMMISSION INCOME	1b)		298,685		385,396
Premium Expenditure			6,413		4,988
NET COMMISSIONS AND BROKERAGE			292,272		380,408
Administration Costs		295,727		269,447	
Selling Costs		68,998		50,358	
Accommodation and Repairs		68,282		31,392	
			433,007		351,197
NET OPERATING INCOME	2)		(140,735)		29,211
OTHER INCOME	11)		45,290		59,388
			(95,445)		88,599
Finance	3)		41,840		(2,372)
LOSS BEFORE TAXATION			(137,285)		90,971
Taxation	4)		(21,032)		21,413
TRANSFER TO / (FROM)					
RESERVES		£	(116,253)	£	69,558

All amounts relate to continuing operations.

The company has no recognised gains or losses other than the results set out above.

The notes set out on pages 6 to 11 form an integral part of these financial statements

UNICOM INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MAY 2002

1. ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements have been prepared under the historic cost convention and where appropriate modified by the revaluation of certain fixed assets and in accordance with statements of standard accounting practice and the Companies Act 1985.

b) Commission Income

Comprises total commissions for the year after deducting taxes levied.

c) Depreciation

Depreciation is provided by the straight line method and is calculated to write off the fixed assets over their useful lives to the company.

The principal rates used were:

	over period of Leases
Leasehold Improvements	
Office Equipment	25%
Motor Vehicles	25%
Furniture and Fixtures	25%
Goodwill	20%

d) Deferred Taxation

Provision is made for the effect of accounts and tax treatment of certain items of revenue and expense to the extent that it is likely that a liability will crystallise.

e) Debtors

Specific provisions are made for bad and doubtful debts.

f) Leases

Assets held under finance lease agreements are included in tangible assets and are amortised in accordance with the depreciation policy. Obligations under such agreements are included in creditors net of finance charges allocated to future accounting periods. Finance charges are taken to the profit and loss account so that the annual rate of charge on the outstanding obligation at the end of each accounting period is approximately constant. Operating lease rental payments are charged directly to the profit and loss account on an accruals basis.

g) Pension Costs

The Company operates two defined contribution pension schemes. The assets of the schemes are held separately from those of the company in an independently administered fund. The pension cost charged represents contributions paid by the company to the fund and amounted to £1,083 (2001 - £600). There were no outstanding or prepaid contributions at the Balance Sheet date.

h) Premiums

The Company collect gross premiums and pass these to the Insurers after deducting commission as specified in (b) above. The amounts of uncollected gross premiums from clients and net premiums due to Insurers are not reflected within these financial statements.

UNICOM INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MAY 2002

	2002	2001
2. NET OPERATING INCOME		
is stated after charging:		
Directors Emoluments	21,207	-
Wages Salaries Sub-Contractors and Commission	211,858	216,863
Staff Pension Scheme	360	600
	<u>£ 233,425</u>	<u>£ 217,463</u>
3. FINANCE		
Bank Charges	1,730	1,346
Bank Interest	2	34
Credit card charges	6,477	8,107
Provision for Bad Debts	30,798	(14,323)
Depreciation of tangible fixed assets	3,711	2,516
Profit on Asset Disposals	(878)	(52)
	<u>£ 41,840</u>	<u>£ (2,372)</u>
4. TAXATION		
Interest on Underpaid Corporation Tax	218	-
U.K. Corporation Tax	(17,945)	21,250
Corporation Tax - Prior Year Adjustment	(3,305)	163
	<u>£ (21,032)</u>	<u>£ 21,413</u>

Corporation Tax has been charged at 20% (2001 20%)

The charge to taxation for the year has been increased/(decreased)
due to the following timing differences:

Accelerated Capital Allowances	<u>£ (447)</u>	<u>£ (500)</u>
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UNICOM INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MAY 2002

5. FIXED ASSETS

Tangible Assets

	Leasehold Property	Fixtures & Fittings	Office Equipment	Motor Vehicles	Total
Cost or Valuation					
Brought Forward	-	13,197	35,735	4,450	53,382
Additions	-	2,758	-	7,720	10,478
Disposals	-	(2,752)	(7,190)	(4,450)	(14,392)
Carried Forward	-	13,203	28,545	7,720	49,468
Depreciation					
Brought Forward	-	10,319	33,092	1,113	44,524
For Period	-	1,093	961	1,658	3,712
On Disposals	-	(2,752)	(7,190)	(1,483)	(11,425)
Carried Forward	-	8,660	26,863	1,288	36,811
Net Book Value					
2002	£ -	4,543	1,682	6,432	12,657
2001	£ -	2,878	2,642	3,337	8,857
			2002		2001

Intangible Assets

GOODWILL

Cost or Valuation

Brought Forward	10,000	10,000
Additions	-	-
Disposals	-	-
Carried Forward	10,000	10,000
Depreciation		
Opening Depreciation	10,000	10,000
Depreciation for Period	-	-
Depreciation on Disposals	-	-
Carried Forward	10,000	10,000
Net Book Value	£ -	£ -

UNICOM INSURANCE SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MAY 2002

	2002	2001
6. DEBTORS		
Insurance Commissions due	14,761	120,204
Sundry Debtors and Prepaid Expenses	9,024	38,283
	<u>£ 23,785</u>	<u>£ 158,487</u>
7. CREDITORS		
Insurance Creditors	50,881	-
Sundry Creditors And Accruals	36,001	11,902
P.A.Y.E.and N.I.C.Liability	4,198	4,341
	<u>£ 91,080</u>	<u>£ 16,243</u>
8. TAXATION		
Taxation Payable nine months from year end	-	20,832
	<u>£ -</u>	<u>£ 20,832</u>
9. SHARE CAPITAL		
Authorised 100 Ordinary shares of £1 each	<u>£ 100</u>	<u>£ 100</u>
Issued and fully paid 100 Ordinary shares of £1 each	<u>£ 100</u>	<u>£ 100</u>

UNICOM INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MAY 2002

	2002	2001
10. RESERVES		
Revenue Reserve		
Brought Forward	132,862	63,304
Transfer for Year	(116,253)	69,558
	<u>£ 16,609</u>	<u>£ 132,862</u>

11. OTHER INCOME

Accommodation Charges	25,729	25,674
Interest Receivable	19,561	33,714
	<u>£ 45,290</u>	<u>£ 59,388</u>

12. BANK DEBENTURE

Barclays Bank plc have a debenture dated 2nd December 1993 over the assets of the Company.

13. CONTINGENT LIABILITIES

There is a contingent liability to deferred taxation in respect of timing differences not expected to reverse within the foreseeable future relating to the following:

Accelerated Capital Allowances	<u>£ NIL</u>	<u>£ NIL</u>
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14. POST BALANCE SHEET EVENTS

In the opinion of the Directors there are no material post balance sheet events to be reported within these financial statements.

UNICOM INSURANCE SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MAY 2002

15. LEASE COMMITMENTS 2002 2001

Operating Leases

The Company had operating lease commitments to pay during the next year in respect of equipment:

Expiring within one year	-	3,208
Expiring between two and five years	-	1,605
Expiring in more than five years	-	-
	<u>£ -</u>	<u>£ 4,813</u>

Finance Leases

The Company had obligations under leases net of finance charges at the Balance Sheet date as follows:

Payable within one year	-	-
Payable between two and five years	-	-
Payable after five years	-	-
	<u>£ -</u>	<u>£ -</u>

16. RELATED PARTIES

Tradewise MTRR Limited and Tradewise Underwriting Agencies Limited were under common control during the year. The amount due is disclosed as amounts due from fellow subsidiaries.

Commission Earned includes £149,763 in respect of Related Party transactions.

17. GOING CONCERN

Subsequent to the Balance Sheet date the company has received financial support from a fellow subsidiary enabling it to continue to trade.

INDEPENDENT AUDITORS REPORT

TO THE SHAREHOLDERS OF

UNICOM INSURANCE SERVICES LIMITED

We have audited the financial statements of Unicom Insurance Services Limited for the year ended 31st May 2002 which comprise Profit and Loss Account, the Balance Sheet and the related notes. 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 Directors' Responsibilities the company's directors are 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 Directors' 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 directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and considered the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

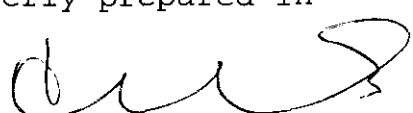
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and 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 company's affairs as at 31st May 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

197-205 High Street
Ponders End
Enfield
Middlesex EN3 4DZ



HOWARD WADE & JACOB
Registered Auditor

21st March 2003