

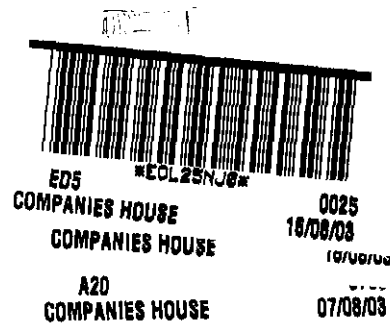
2809921

UNICOM INSURANCE SERVICES LIMITED

FINANCIAL STATEMENTS

AS AT

31ST DECEMBER 2002



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

UNICOM INSURANCE SERVICES LIMITED

INDEX

Page

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

DIRECTORS OFFICERS AND ADVISERS

Directors	L.D. Middleton D.J. Ratledge F.C.C.A M.R. Tyler A.B. Madigan
Secretary	Miss A. B. Madigan
Registered Office	197-205 High Street Ponders End Enfield Middlesex, EN3 4DZ
Registered Number	2809921
Date of Incorporation	16 th April 1993
Bankers	Royal Bank of Scotland PO Box 412 62/63 Threadneedle Street London, EC2R 8LA Barclays Bank Plc Lea Valley Group 2 Turnford Place Great Cambridge Road Herts, EN10 6NH
Auditors	Deloitte & Touche Chartered Accountants & Registered Auditors St Albans

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their Report to the members of the company together with the financial statements for the period ended 31st December 2002.

TRADING ACTIVITIES

The results for the period are set out on page 5 and the financial position as at 31st December 2002 on page 4 of these accounts. The Directors are 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 period.

FUTURE PROSPECTS

The Directors plan to continue the present activities of the Company for the foreseeable future.

DIRECTORS AND THEIR INTERESTS

The Directors who served during the period are shown below. None of the Directors had any interest in the share capital of the company during the current or proceeding periods.

L.D. Middleton

D.J. Ratledge F.C.C.A

M.R. Tyler

A.B. Madigan (appointed 19/11/02)

D.J. Ratledge F.C.C.A retires by rotation, and being eligible, offers himself for re-election.

AUDITORS

The auditors, Messrs Deloitte & Touche 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 immediate and 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.

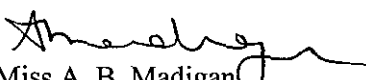
RESPONSIBILITIES OF THE DIRECTORS

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

BY ORDER OF THE BOARD

Registered Office

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


Miss A. B. Madigan
Secretary

STATEMENT OF DIRECTORS RESPONSIBILITIES

ATTACHED TO FINANCIAL STATEMENTS

PREPARED FOR THE PERIOD ENDED 31ST DECEMBER 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNICOM INSURANCE SERVICES LIMITED

We have audited the financial statements of Unicom Insurance Services Limited for the 7 months ended 31 December 2002 which comprise the profit and loss account, the balance sheet, and the related notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 for the above year and consider the implications for our report if we become aware of any apparent misstatements.

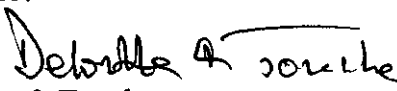
Basis of audit opinion

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 December 2002 and of its loss for the year then ended and have been properly prepared in accordance with the special provisions relating to small companies under section 246 of the Companies Act 1985.


Deloitte & Touche
Chartered Accountants and Registered Auditors

4 July 2003

BALANCE SHEET

AS AT 31ST DECEMBER 2002

		Dec 2002		May 2002	
	Notes	£	£	£	£
<u>FIXED ASSETS</u>					
Tangible Assets	1c, 4)		4,969		12,657
<u>CURRENT ASSETS</u>					
Debtors	1e, 5)	218,183		95,457	
Cash at Bank and in hand		<u>9,490</u>		<u>472</u>	
		218,183		95,929	
<u>CREDITORS amounts falling due within one year 6)</u>		<u>(259,278)</u>		<u>(91,877)</u>	
<u>NET CURRENT ASSETS</u>		<u>(31,605)</u>		<u>4,052</u>	
		<u>£ (26,636)</u>		<u>£ 16,709</u>	

Financed by:

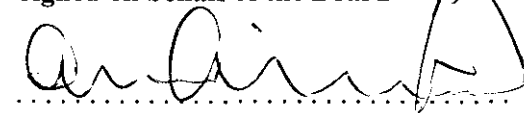
EQUITY SHAREHOLDERS FUNDS

Called up Share Capital	8)	100	100
Profit & Loss Account	9)	<u>(26,736)</u>	<u>16,609</u>
		<u>£ (26,636)</u>	<u>£ 16,709</u>

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

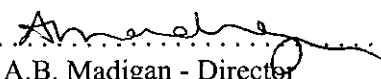


M. R. Tyler - Director

Approved



D. J. Ratledge F.C.C.A - Director



Miss A.B. Madigan - Director

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31ST DECEMBER 2002

		7 months ending 31 Dec 2002		12 months ending 31 May 2002	
	Notes	£	£	£	£
COMMISSION INCOME	1b)		183,112		298,685
Premium Expenditure			<u>(3,688)</u>		<u>(6,413)</u>
NET COMMISSIONS AND BROKERAGE			179,424		292,272
Administrative expenses			<u>(236,566)</u>		<u>(466,638)</u>
<u>NET OPERATING INCOME</u>	2)		(57,142)		(174,366)
Interest receivable and similar income	10)		<u>18,274</u>		<u>45,290</u>
			(38,868)		(129,076)
Interest payable and similar charges			<u>(4,477)</u>		<u>(8,209)</u>
<u>LOSS BEFORE TAXATION</u>			(43,345)		(137,285)
Taxation	3)		<u>-</u>		<u>(21,032)</u>
<u>TRANSFER TO / (FROM) RESERVES</u>			<u>£(43,345)</u>		<u>£(116,253)</u>

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 7 to 11 form an
integral part of these financial statements.**

NOTES TO THE FINANCIAL STATEMENTS**FOR THE PERIOD ENDED 31ST DECEMBER 2002****1. ACCOUNTING POLICIES****a) Basis of Accounting**

The financial statements have been prepared under the historical cost convention and in accordance with United Kingdom applicable accounting standards and the Companies Act 1985.

b) Commission Income

Comprises total commissions for the period 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:

Office Equipment	25%
Motor Vehicles	25%
Furniture and Fittings	25%

d) Deferred Taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

e) Debtors

Specific provisions are made for bad and doubtful debts.

f) Leases

Tangible fixed assets held under finance leases and hire purchase contracts and the related lease obligations are recorded in the balance sheet at the fair value of the leased assets at the inception of the lease. The excess of the lease payments over the recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligations.

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 £1,360 (May 2002 - £360). 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.

NOTES TO THE FINANCIAL STATEMENTSFOR THE PERIOD ENDED 31ST DECEMBER 2002

	Dec 2002	May 2002
2. <u>NET OPERATING INCOME</u>		
Is stated after charging:		
Directors Emoluments	16,981	21,207
Wages Salaries Sub-Contractors and Commission	103,666	211,858
Staff Pension Scheme	1,360	360
Provision for Bad Debts	9,881	30,798
Depreciation of tangible fixed assets	1,870	3,711
Auditor Remuneration	7,500	5,000
Loss/ (Profit) on Asset Disposals	<u>550</u>	<u>(878)</u>

3. i) TAXATION

Interest on Underpaid Corporation Tax	-	
U.K. Corporation Tax	-	(17,945)
Corporation Tax – Prior Year Adjustment	-	<u>(3,087)</u>
Corporation Tax credit	<u>£ -</u>	<u>£(21,032)</u>

Corporation Tax has been charged at 20% (2002 20%)

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

Accelerated Capital Allowances	<u>£ -</u>	<u>£ (447)</u>
--------------------------------	------------	----------------

ii) Factors affecting tax charge from the current period:

Loss on ordinary activities before tax	(43,435)	(137,285)
Tax at 20% thereon	(8,669)	(27,457)
Effects of:		
Expenses not deductible for tax purposes	39	-
Capital Allowances in excess of depreciation	241	(434)
Utilisation of tax losses	8,389	9,946
Prior period adjustments		(3,087)

Corporation Tax credit	<u>£ -</u>	<u>£(21,032)</u>
------------------------	------------	------------------

iii) Factors that may affect the future of the tax charge

A deferred tax asset has not been recognised in respect of timing differences related to accelerated capital allowances and trading losses as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £18,752. The asset would be recovered if sufficient taxable profits were to be realised in the future against which the asset could be offset.

NOTES TO THE FINANCIAL STATEMENTS**FOR THE PERIOD ENDED 31ST DECEMBER 2002****4. FIXED ASSETS**

Tangible Assets

	Fixtures & Fittings £	Office Equipment £	Motor Vehicles £	Total £
Cost or Valuation				
Brought Forward at 1 June 2002	13,203	28,545	7,720	49,468
Additions	132	-	-	132
Disposals	-	-	(7,720)	(7,720)
Carried Forward at 31 December 2003	13,335	28,545	-	41,880
Depreciation				
Brought Forward 1 June 2003	8,660	26,863	1,288	36,811
For Period	995	393	482	1,870
On Disposals	-	-	(1,770)	(1,770)
Carried Forward 31 December 2003	9,655	27,256	-	36,911
Net Book Value				
31 Dec 2002	£ 3,680	1,289	-	4,969
31 May 2002	£ 4,543	1,682	6,432	12,657

NOTES TO THE FINANCIAL STATEMENTSFOR THE PERIOD ENDED 31ST DECEMBER 2002

	Dec 2002 £	May 2002 £
5. DEBTORS		
Insurance debtors	116,782	14,761
Amounts owed by group undertakings	74,894	53,727
Taxation recoverable	17,945	17,945
Other debtors	<u>8,562</u>	<u>9,024</u>
	£ <u>218,183</u>	£ <u>95,457</u>
6. CREDITORS		
Overdraft	-	797
Insurance Creditors	211,918	50,881
Amounts owed to group undertakings	20,000	-
Taxation and Social Security	4,993	4,198
Other Creditors	<u>22,367</u>	<u>36,001</u>
	£ <u>259,278</u>	£ <u>91,877</u>
7. TAXATION		
Taxation Payable nine months from year end	£ <u>-</u>	£ <u>-</u>
8. 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>

NOTES TO THE FINANCIAL STATEMENTS**FOR THE PERIOD ENDED 31ST DECEMBER 2002**

	Dec 2002 £	May 2002 £
9. RESERVES		
Profit & Loss Account Brought Forward	16,609	132,862
Loss for the Period	(43,345)	(116,253)
	<u>£ (26,736)</u>	<u>£ 16,609</u>
10. INTEREST RECEIVABLE AND SIMILAR INCOME		
Accommodation Charges	5,981	25,729
Interest Receivable	<u>12,293</u>	<u>19,561</u>
	<u>£ 18,274</u>	<u>£ 45,290</u>

11. BANK DEBENTURE

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

12. 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>
--------------------------------	--------------	--------------

13. 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.

14. RELATED PARTIES

The company is controlled by Tradewise Insurance Company Limited and is included in the consolidated financial statement of Tradewise Insurance Company Limited, which are publicly available. Consequently, this company has taken advantage of the exemption from disclosing related party transactions with entities that are part of the Tradewise Insurance Company Limited group under the terms of financial reporting standard 8.

15. GOING CONCERN

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

16. ULTIMATE PARENT

In the opinion of the directors the company's immediate and ultimate parent company and controlling entity is Tradewise Insurance Company which is incorporated in Gibraltar.