CO'S HSE

Registration Number 3039521

Securehealth Limited

Financial Statements

for the year ended 28th February 2001



Davis Grant
Chartered Certified Accountants
And Registered Auditors
Treviot House
186-192 High Road
Ilford
Essex IG1 1LR

Securehealth Limited

Company Information

Directors	A Keeble S Rose C Hopper
Secretary	A Keeble
Company Number	3039521
Registered Office	Treviot House 186-192 High Road Ilford Essex IG1 1LR
Auditors	Davis Grant Treviot House 186-192 High Road Ilford Essex IG1 1LR
Business Address	84a High Street Billericay Essex CM12 9BT
Bankers	Midland Bank Plc 126 High Road Ilford Essex IG1 1DA

Securehealth Limited

Contents

	Page
Directors' Report	1
Auditors' Report	2
Profit and Loss Account	3
Balance Sheet	4
Notes to the Financial Statements	5 - 9

Securehealth Limited

Directors' Report
for the year ended 28th February 2001

The directors present their report and the financial statements for the year ended 28th February 2001.

Principal Activity and Review of the Business
The principal activity of the company, which has remained unchanged during the year, was that of commission agents.

2000/2001 was another year of success for the Securehealth group of companies. The market for our products continues to grow as the NHS is perceived to be unable to deliver an acceptable level of service.

Directors and their Interests
The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	2001	**2000**
A Keeble	300	300
S Rose	300	300
C Hopper	300	300

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and 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
In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Davis Grant be reappointed as auditors of the company will be put to the Annual General Meeting.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on 24/7/01 and signed on its behalf by

A Keeble
Secretary

Securehealth Limited

Auditors' Report to the Shareholders of Securehealth Limited

We have audited the financial statements on pages 3 to 9 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors
As described on page 1 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 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 28th February 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Davis Grant

Davis Grant
Chartered Certified Accountants and
Registered Auditors
Treviot House
186-192 High Road
Ilford
Essex IG1 1LR

24 JUL 2001

Securehealth Limited

Profit and Loss Account
for the year ended 28th February 2001

	Notes	2001 £	2000 £
Turnover	2	6,979,997	4,897,291
Cost of sales		(4,414,726)	(3,046,873)
Gross profit		2,565,271	1,850,418
Administrative expenses		(2,552,816)	(1,764,981)
Operating profit	3	12,455	85,437
Investment income	4	30,000	-
Interest receivable and similar income		12,507	1,441
Interest payable and similar charges		(99)	(40)
Profit on ordinary activities before taxation		54,863	86,838
Tax on profit on ordinary activities	6	(18,396)	(29,017)
Retained profit for the year		36,467	57,821
Retained profit brought forward		105,119	47,298
Retained profit carried forward		141,586	105,119

The notes on pages 5 to 9 form an integral part of these financial statements.

Securehealth Limited

Balance Sheet
as at 28th February 2001

	Notes	2001 £	2001 £	2000 £	2000 £
Fixed Assets					
Tangible assets	7		60,388		66,730
Investments	8		103		100
			60,491		66,830
Current Assets					
Debtors	9	461,421		383,826	
Cash at bank and in hand		258,811		67,430	
		720,232		451,256	
Creditors: amounts falling due within one year	10	(638,237)		(412,067)	
Net Current Assets			81,995		39,189
Total Assets Less Current Liabilities			142,486		106,019
Capital and Reserves					
Called up share capital	11		900		900
Profit and loss account			141,586		105,119
Shareholders' Funds			142,486		106,019

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The financial statements were approved by the Board on 24/7/01 and signed on its behalf by

A Keeble
Director

S Rose
Director

C Hopper
Director

The notes on pages 5 to 9 form an integral part of these financial statements.

Notes to the Financial Statements for the year ended 28th February 2001

1. Accounting Policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

1.2. Turnover

Turnover represents commissions received by the company in respect of medical policies sold during the year.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Leasehold properties	-	Straight Line over the life of the lease
Fixtures, fittings and equipment	-	25% Written down value
Computers	-	50% straight line

1.4. Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.5. Group accounts

The company is entitled to the exemption under Section 248 of the Companies Act 1985 from the obligation to prepare group accounts.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3. Operating profit

	2001 £	2000 £
Operating profit is stated after charging:		
Depreciation and other amounts written off intangible assets	2,262	1,394
Depreciation and other amounts written off tangible assets	68,851	52,046
Auditors' remuneration	10,011	6,620

4. Income from investments

	2001 £	2000 £
Income from subsidiary undertakings	30,000	-

..... continued

5. Directors' emoluments

	2001	2000
	£	£
Remuneration	1,063,601	892,500

6. Taxation

	2001	2000
	£	£
UK current year taxation		
UK Corporation Tax	18,396	29,017

7. Tangible fixed assets

	Land and buildings	Other tangible assets	Total
	£	£	£
Cost			
At 1st March 2000	9,527	139,455	148,982
Additions	4,063	60,708	64,771
At 28th February 2001	13,590	200,163	213,753
Depreciation			
At 1st March 2000	2,818	79,434	82,252
Charge for the year	3,194	67,919	71,113
At 28th February 2001	6,012	147,353	153,365
Net book values			
At 28th February 2001	7,578	52,810	60,388
At 28th February 2000	6,709	60,021	66,730

..... continued

8. Fixed Asset Investments

	Group Undertakings and Participating Interests	Total
	£	£
Cost		
At 1st March 2000	100	100
Additions	3	3
At 28th February 2001	103	103
Net book values		
At 28th February 2001	103	103
At 28th February 2000	100	100

8.1. Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies:

Company	Country of registration or incorporation	Nature of business	Shares held Class	Number of Shares
Subsidiary undertaking				
Securehealth (Sales) Limited	Great Britain	Commission agents	Ordinary	100
Securehealth (UK) Limited	Great Britain	Dormant company	Ordinary	3

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit/(loss) for the year
	£	£
Securehealth (Sales) Limited	2,309	92,001
Securehealth (UK) Limited	(851)	(366)

..... continued

9. Debtors

	2001 £	2000 £
Trade debtors	367,724	274,990
Amounts owed by group undertakings	36,530	86,646
Amount owed by connected companies	1,676	14,904
Other debtors	-	291
Prepayments and accrued income	55,491	6,995
	461,421	383,826

10. Creditors: amounts falling due within one year

	2001 £	2000 £
Trade creditors	340,628	197,963
Amounts owed to connected companies	-	690
Corporation tax	15,895	29,017
Other taxes and social security costs	246,896	-
Directors' accounts	-	179,548
Accruals and deferred income	34,818	4,849
	638,237	412,067

11. Share capital

	2001 £	2000 £
Authorised		
100,000 Ordinary shares of £1 each	100,000	100,000
Allotted, called up and fully paid		
900 Ordinary shares of £1 each	900	900

..... continued

12. Financial commitments

At 28th February 2001 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2001	2000
	£	£
Expiry date:		
Between one and five years	85,420	62,293

13. Contingent liabilities

The company has given an unlimited bank guarantee, dated 1st May 1997, in favour of its wholly owned subsidiary, Securehealth (Sales) Limited. The bank overdraft of Securehealth (Sales) Limited as at 28th February 2001 was £nil (2000 £Nil).

The company has also given on-going support to its subsidiary, Securehealth (Sales) Limited, for its operational needs.

14. Related party transactions

During the year ended 28th February 2001 Securehealth Limited had transactions with the following related parties:

	Commissions to related party	Expenses recharged to related party	Amounts owed to related party	Amounts owed from related party
Securehealth (Sales) Limited	3,922,167	4,444	336,380	36,090
Securehealth (UK) Limited	-	1,419	-	440
Securehealth Dental Insurance Services Limited	-	(13,228)	-	1675

The relationships between the related parties are:

	%	Common Directors
Securehealth (Sales) Limited	100	Yes
Securehealth (UK) Limited	100	Yes
Securehealth Dental Insurance Services Limited	Nil	Yes