

Securehealth Limited
Financial Statements
for the year ended 28th February 2002



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	HSBC 126 High Road Ilford Essex IG1 1DA

Securehealth Limited

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Securehealth Limited

Directors' Report for the year ended 28th February 2002

The directors present their report and the financial statements for the year ended 28th February 2002.

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.

2001/2002 was another year of success for the Securehealth group of companies. The market for our products continues to grow as the perception that the NHS is unable to deliver an acceptable level of service has continued.

Directors and their Interests

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

	Ordinary shares	
	2002	2001
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 30 APR 2002 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 of Securehealth Limited for the year ended 28th February 2002 which comprise the Profit and Loss account, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with the 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 the information specified by law regarding directors remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement 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 28th February 2002 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

Dated:

30 APR 2002

Securehealth Limited

Profit and Loss Account for the year ended 28th February 2002

		2002	2001
	Notes	£	£
Turnover	2	6,714,946	6,979,997
Cost of sales		(3,912,512)	(4,414,726)
Gross profit		2,802,434	2,565,271
Administrative expenses		(4,666,472)	(2,552,816)
Other operating income		1,955,123	-
Operating profit	3	91,085	12,455
Investment income	4	-	30,000
Interest receivable and similar income		17,709	12,507
Interest payable and similar charges		(287)	(99)
Profit on ordinary activities before taxation		108,507	54,863
Tax on profit on ordinary activities	7	(28,314)	(18,396)
Retained profit for the year		80,193	36,467
Retained profit brought forward		141,586	105,119
Retained profit carried forward		221,779	141,586

The notes on pages 5 to 10 form an integral part of these financial statements.

Securehealth Limited

Balance Sheet
as at 28th February 2002

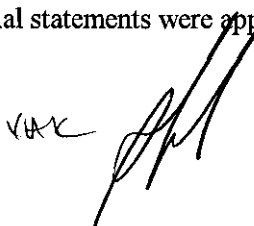
		2002		2001	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	8		31,109		60,388
Investments	9		103		103
			<u>31,212</u>		<u>60,491</u>
Current Assets					
Debtors	10	442,482		461,421	
Cash at bank and in hand		303,972		258,811	
		<u>746,454</u>		<u>720,232</u>	
Creditors: amounts falling due within one year	11	<u>(554,987)</u>		<u>(638,237)</u>	
Net Current Assets			<u>191,467</u>		<u>81,995</u>
Total Assets Less Current Liabilities			<u>222,679</u>		<u>142,486</u>
Capital and Reserves					
Called up share capital	12		900		900
Profit and loss account			221,779		141,586
Shareholders' Funds			<u>222,679</u>		<u>142,486</u>

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).

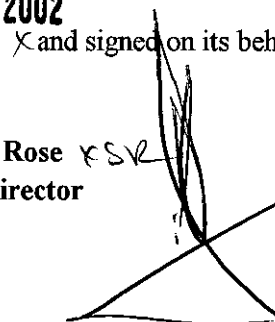
30 APR 2002

The financial statements were approved by the Board on ☒ and signed on its behalf by

A Keeble
Director

 ☒

S Rose
Director

 ☒

C Hopper
Director

 ☒

The notes on pages 5 to 10 form an integral part of these financial statements.

Securehealth Limited

Notes to the Financial Statements for the year ended 28th February 2002

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. Pensions

The company operates a defined contribution scheme covering the employees. The employees also contribute to the scheme. The pension costs charged in the financial statements represent the contribution payable by the company during the year.

1.6. 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

	2002 £	2001 £
Operating profit is stated after charging:		
Depreciation and other amounts written off intangible assets	2,262	2,262
Depreciation and other amounts written off tangible assets	37,841	68,851
Auditors' remuneration	9,340	10,011

Securehealth Limited

Notes to the Financial Statements for the year ended 28th February 2002

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4. Income from investments	2002 £	2001 £
Income from subsidiary undertakings	-	30,000

5. Directors' emoluments	2002 £	2001 £
Remuneration	2,866,110	1,063,601

6. Pension costs

The company operates a defined contribution scheme covering the employees. The employees also contribute to the scheme. The pension costs charged in the financial statements represent the contribution payable by the company during the year. Pension costs amounted to £30,789 (2001 £-NIL)

7. Taxation	2002 £	2001 £
UK current year taxation		
UK Corporation Tax	28,314	18,396

Securehealth Limited

**Notes to the Financial Statements
for the year ended 28th February 2002**

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8. Tangible fixed assets

	Land and buildings	Other tangible assets	Total
	£	£	£
Cost or valuation			
At 1st March 2001	13,590	200,163	213,753
Additions	-	10,823	10,823
At 28th February 2002	<u>13,590</u>	<u>210,986</u>	<u>224,576</u>
Depreciation			
At 1st March 2001	6,011	147,354	153,365
Charge for the year	3,428	36,674	40,102
At 28th February 2002	<u>9,439</u>	<u>184,028</u>	<u>193,467</u>
Net book values			
At 28th February 2002	<u>4,151</u>	<u>26,958</u>	<u>31,109</u>
At 28th February 2001	<u>7,579</u>	<u>52,809</u>	<u>60,388</u>

9. Fixed Asset Investments

	Group Undertakings and Participating Interests	Total
	£	£
Cost		
At 1st March 2001		
At 28th February 2002	<u>103</u>	<u>103</u>
Net book values		
At 28th February 2002	<u>103</u>	<u>103</u>
At 28th February 2001	<u>103</u>	<u>103</u>

Securehealth Limited

Notes to the Financial Statements for the year ended 28th February 2002

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9.1. 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	Percentage of Shares
Subsidiary undertaking				
Securehealth (Sales) Limited	Great Britain	Commission agents	Ordinary £1 Shares	100
Securehealth (UK) Limited	Great Britain	Dormant company	Ordinary £1 Shares	100

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	2,308	114
Securehealth (UK) Limited	(852)	-

10. Debtors

	2002 £	2001 £
Trade debtors	377,238	367,724
Amounts owed by group undertakings	21,996	36,090
Amount owed by connected companies	1,265	2,116
Other debtors	2,232	-
Prepayments and accrued income	39,751	55,491
	<u>442,482</u>	<u>461,421</u>

11. Creditors: amounts falling due within one year

	2002 £	2001 £
Trade creditors	344,103	340,628
Corporation tax	28,314	15,895
Other taxes and social security costs	80,052	246,896
Other creditors	90,000	-
Accruals and deferred income	12,518	34,818
	<u>554,987</u>	<u>638,237</u>

Securehealth Limited

Notes to the Financial Statements for the year ended 28th February 2002

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12. Share capital	2002	2001
	£	£
Authorised		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
900 Ordinary shares of £1 each	<u>900</u>	<u>900</u>

13. Financial commitments

At 28th February 2002 the company had annual commitments under non-cancellable operating leases as follows:

	Land and Buildings	Land and buildings
	2002	2001
	£	£
Expiry date:		
Between one and five years	<u>96,521</u>	<u>85,420</u>

14. 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 2002 was £nil (2001 £nil).

The company provides on-going support to Securehealth (Sales) Limited, for its operational needs.

Securehealth Limited

Notes to the Financial Statements for the year ended 28th February 2002

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15. Related party transactions

During the year ended 28th February 2002 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	3,440,829	(14,094)	273,942	21,996
Securehealth (UK) Limited	-		-	851
Securehealth Dental Insurance Services Limited	-		-	414

The relationships between the related parties are:

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