
Hawsons Wealth Management Limited

Financial Statements

For the year ended 31st December 2002



Registered Office

Pegasus House
463a Glossop Road
Sheffield
S10 2QD

Directors

I A Gibson
C I Hill
P J Kennan
R W Marsh
M J Weatherall (Chairman)

Secretary

P A Lindley

Auditors

P M & M
Oakmount
6 East Park Road
Blackburn
BB1 8BW

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The directors submit their report together with the audited financial statements for the year ended 31st December 2002.

Directors' Statement

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 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 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.

Results and Dividends

The profit on ordinary activities before taxation amounted to £111,319. After deducting taxation and dividends the profit of £89,402 has been transferred to reserves.

The directors do not propose a final dividend (2001: propose £180 per share) on the "A" Ordinary and "B" Ordinary shares.

Principal Activity and Business Review

The principal activity of the company continues to be the provision of financial services products and advice.

The directors are satisfied with the result for the year and are confident for the future.

Directors and their Interests

The present directors of the company all of whom served throughout the year are listed on the Company Information page.

The present directors of the company held no shares in the company at any time during the year. C I Hill, P J Kennan, R W Marsh and M J Weatherall are partners in Hawsons, a partnership that owns the entire issued share capital of the company.

Auditors

The Auditors, P M and M, have indicated that they are willing to be re-appointed at the forthcoming Annual General Meeting.

By Order of the Board:

A handwritten signature in black ink, appearing to read 'P A Lindley', written in a cursive style.

P A Lindley
Secretary

7 April 2003

Hawsons Wealth Management Limited

Independent Auditor's report to the Shareholders

on the Financial Statements for the year ended 31st December 2002

We have audited the financial statements of Hawsons Wealth Management Limited for the year ended 31st December 2002 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement 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 consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of 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 31st December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PM&M

P M & M

Chartered Accountants
Registered Auditor

7 April 2003

Oakmount
6 East Park Road
Blackburn
BB1 8BW

Hawsons Wealth Management Limited**Profit and Loss Account****For the year ended 31st December 2002**

	Notes	2002 £	2002 £	2001 £	2001 £
Turnover	2		219,824		144,483
Administrative expenses					
Staff costs	4	91,612		42,477	
Depreciation		4,844		2,513	
Other operating charges		14,287		78,368	
			110,743		123,358
Operating profit	3		109,081		21,125
Bank interest receivable			2,238		1,094
Profit on ordinary activities before taxation			111,319		22,219
Tax on profit on ordinary activities	5		21,917		3,674
Profit on ordinary activities after taxation			89,402		18,545
Dividends	6		-		18,000
Retained profit for year	11		89,402		545

All amounts relate to continuing activities.

There have been no recognised gains or losses, other than the results for the financial year, and all profits or losses have been accounted for on an historical cost basis.

Balance Sheet

as at 31st December 2002

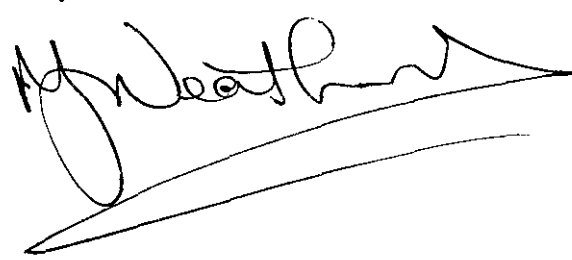
	Notes	2002 £	2002 £	2001 £	2001 £
Fixed assets					
Tangible fixed assets	7		11,705		16,549
Current assets					
Debtors	8	30,954		24,569	
Cash at bank		118,580		21,044	
		<u>149,534</u>		<u>45,613</u>	
Creditors: Amounts falling due within one year	9	<u>71,192</u>		<u>61,517</u>	
Net current assets (liabilities)			78,342		(15,904)
Total assets less current liabilities			<u>90,047</u>		<u>645</u>
Capital and reserves					
Called up share capital	10		100		100
Profit and loss account	11		89,947		545
Equity shareholders' funds			<u>90,047</u>		<u>645</u>

These accounts were approved by the board on 7 April 2003

P J Kennan



M J Weatherall



Directors

Hawsons Wealth Management Limited**Cash Flow Statement****For the year ended 31st December 2002**

	Notes	2002 £	2001 £
Cash Flow from Operating Activities	13	116,915	29,398
Returns on Investments and Servicing of Finance	14	2,238	1,094
Taxation		(3,617)	(10)
Capital Expenditure and Financial Investment	14	-	(18,660)
Equity Dividends Paid		(18,000)	-
Increase in Cash in the year	15	<u>97,536</u>	<u>11,822</u>
Reconciliation of Net Cash Flow to movement in Net Funds			
Increase in Cash in the year		97,536	11,822
Net Funds at 1st January 2002		21,044	9,222
Net Funds at 31st December 2002	15	<u>118,580</u>	<u>21,044</u>

The notes on pages 7 to 12 form part of these financial statements.

1. Principal accounting policies***Accounting convention***

The financial statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention.

Turnover

Turnover is the total amount receivable by the company for services provided excluding value added tax.

Depreciation

Depreciation is calculated to write down the cost, less estimated residual value, of all tangible fixed assets over their expected useful lives. The rates generally applicable are :

Fixtures and fittings	20% of cost
Motor vehicles	25% of cost

Deferred taxation

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise.

Pension costs

Contributions to defined contribution pension schemes are charged to the profit and loss account in the year in which they become payable.

2. Turnover

The turnover and profit on ordinary activities before taxation for the year was derived from the company's principal activity, the provision of financial services products and advice, which was carried out wholly in the UK.

3. Operating profit

	2002	2001
	£	£

Operating profit is stated after charging:

Management charge payable to wbs Granville Limited	(5,826)	45,214
Management charge payable to Hawsons	-	5,507
Amounts payable to the auditors in respect of audit services	2,000	2,000
Depreciation - owned assets	4,844	2,513
	<u> </u>	<u> </u>

4. Directors and employees	2002	2001
	£	£
Staff costs during the year were as follows:		
Wages and salaries	79,182	37,500
Social security costs	8,504	4,977
Other pension costs	3,926	-
	<u>91,612</u>	<u>42,477</u>
The average monthly number of employees, including directors, during the year was as follows:		
	2002	2001
	Number	Number
Directors	5	5
Administration	1	1
	<u>6</u>	<u>6</u>
Remuneration in respect of directors was as follows:	2002	2001
	£	£
Aggregate emoluments	70,459	31,681
Company pension contributions to defined contribution schemes	3,286	-
	<u>73,745</u>	<u>31,681</u>
Retirement benefits are accruing to 1 (2001 : nil) director under a defined contribution pension scheme.		
5. Tax on profit on ordinary activities	2002	2001
	£	£
UK Corporation tax	22,000	3,700
Prior year adjustments - corporation tax	(83)	(26)
	<u>21,917</u>	<u>3,674</u>
Reconciliation of tax charge	2002	2001
	£	£
Profit on ordinary activities before taxation	111,319	22,219
	<u></u>	<u></u>
Profit on ordinary activities multiplied by the small companies rate of corporation tax in the UK of 19.25% (2001 : 20%)	21,425	4,444
Effect of marginal relief	-	(708)
Corporation tax buffer	231	77
Capital allowances in excess of depreciation	344	(113)
Adjustment in respect of prior years	(83)	(26)
	<u>21,917</u>	<u>3,674</u>

Hawsons Wealth Management Limited

Notes to the Financial Statements

For the year ended 31st December 2002

6.	Dividends		2002 £	2001 £
	"A" Ordinary - £nil (2001 - £180) per share proposed		-	9,000
	"B" Ordinary - £nil (2001 - £180) per share proposed		-	9,000
			-	18,000
7.	Tangible fixed assets	Fixtures and fittings £	Motor vehicles £	Total £
	Cost			
	At beginning and end of year	895	18,660	19,555
	Depreciation			
	At beginning of year	673	2,333	3,006
	Charged for the year	179	4,665	4,844
	At end of year	852	6,998	7,850
	Net book value			
	At end of year	43	11,662	11,705
	At beginning of year	222	16,327	16,549
8.	Debtors		2002 £	2001 £
	Trade debtors		2,028	1,058
	Other debtors		-	1,542
	Prepayments and accrued income		28,926	21,969
			30,954	24,569
9.	Creditors : Amounts falling due within one year		2002 £	2001 £
	Trade creditors		522	6,021
	Other taxation and social security		2,568	-
	Other creditors		42,336	30,221
	Corporation tax		22,000	3,700
	Accruals and deferred income		3,766	3,575
	Proposed dividends		-	18,000
			71,192	61,517

Hawsons Wealth Management Limited

Notes to the Financial Statements

For the year ended 31st December 2002

10. Share capital	2002 £	2001 £
Authorised		
50 "A" Ordinary shares of £1 each	50	50
50 "B" Ordinary shares of £1 each	50	50
	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
50 "A" Ordinary shares of £1 each	50	50
50 "B" Ordinary shares of £1 each	50	50
	<u>100</u>	<u>100</u>

The "A" Ordinary shares of £1 each and "B" Ordinary shares of £1 each carry different rights to dividends. The former shares carry the right to 50% of profits available for distribution up to £100,000 and 60% thereafter whilst the latter carry the right to 50% of profits available for distribution up to £100,000 and 40% thereafter. In all other respects the shares are identical and rank pari passu.

11. Profit and loss account	£
At beginning of year	545
Retained profit for year	89,402
At end of year	<u>89,947</u>

12. Reconciliation of the movement in shareholders' funds	2002 £	2001 £
Profit for the financial year	89,402	545
Shareholders' funds at beginning of year	645	100
Shareholders' funds at end of year	<u>90,047</u>	<u>645</u>

13. Reconciliation of operating profit to operating cash flows	2002	2001
	£	£
Operating profit	109,081	21,125
Depreciation charges	4,844	2,513
(Increase)/decrease in debtors	(6,385)	58,402
Increase/(decrease) in creditors	9,375	(52,642)
Net cash inflow from operating activities	<u>116,915</u>	<u>29,398</u>
14. Analysis of cash flows for headings netted in the cash flow statement		
Returns on investments and servicing of finance	2002	2001
	£	£
Interest received	2,238	1,094
Net cash inflow for returns on investments and servicing of finance	<u>2,238</u>	<u>1,094</u>
Capital expenditure and financial investment	2002	2001
	£	£
Purchase of tangible fixed assets	-	(18,660)
Net cash outflow for capital expenditure and financial investment	<u>-</u>	<u>(18,600)</u>
15. Analysis of Changes in Net Funds		
	At 1st January 2002	Cash flows 2002 £
Cash in hand and at bank	<u>21,044</u>	<u>118,580</u>

16. Related party transactions

Details of related party transactions occurring during the period are as follows :

Name of related party	Nature of relationship	Transaction details	Transaction amount £	Year end (creditor) £
Hawsons	Shareholder	Management charge	-	(295)
wbs Granville Limited	Shareholder to 13th July 2001	Management charge	(5,826)	-

17. Controlling party

At the year end the company's immediate and ultimate controlling party was Hawsons.