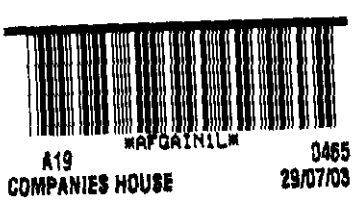
Company Registration No. 3742521

THOMSON'S BENEFIT CONSULTANTS LIMITED

Report and Financial Statements

31 December 2002



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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

T R Best
D J Gardner
N R Goodhew
C D V Isard
D C N Longmuir
R S J Thomason

SECRETARY

R S J Thomason

REGISTERED OFFICE

1 King Street
Manchester
M2 6AW

BANKERS

Bank of Scotland
19-21 Spring Gardens
Manchester
M2 1FB

SOLICITORS

Kuit, Steinart, Levy & Company
3 St Mary's Parsonage
Manchester
M3 2RD

Eversheds
Eversheds House
70 Great Bridgewater Street
Manchester

AUDITORS

Deloitte & Touche
Chartered Accountants
Manchester

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the 15 months ended 31 December 2002.

ACTIVITIES

The company's principal activity during the period was that of providing financial planning advice to both corporate and private clients.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

During the period the company changed its accounting reference date to 31 December. The company has performed well during the period.

RESULTS AND DIVIDENDS

The retained profit for the year of £494,529 (2001: £351,204) has been transferred to reserves.

The directors do not recommend the payment of a dividend (2001 - £Nil).

DIRECTORS AND THEIR INTERESTS

The current board of directors is shown on page 1. The directors who served during the period were as follows:

T R Best
D J Gardner
N R Goodhew
C D V Isard
D C N Longmuir
S Morris (resigned 3 May 2002)
R S J Thomason

None of the directors have an interest in the ordinary share capital of the company or the immediate parent company.

AUDITORS

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

Secretary

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss of the company 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;
- state whether applicable accounting standards have been followed;
- 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.

Deloitte
& Touche

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THOMSON'S BENEFIT CONSULTANTS LIMITED

We have audited the financial statements of Thomson's Benefit Consultants Limited for the 15 month period ended 31 December 2002 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 14. 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 financial period 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 profit for the 15 month period then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Chartered Accountants and Registered Auditors

Manchester

4 Nov 2003

PROFIT AND LOSS ACCOUNT
15 months ended 31 December 2002

	Note	15 months ended 31 December 2002 £	8 months ended 30 September 2001 £
TURNOVER	2	6,710,125	4,433,986
Net operating expenses		(5,953,753)	(3,854,613)
OPERATING PROFIT	4	756,372	579,373
Interest receivable and similar income	5	2,830	1,377
Interest payable and similar charges	6	-	(47,246)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		759,202	533,504
Tax on profit on ordinary activities	7	(264,673)	(182,300)
RETAINED PROFIT FOR THE FINANCIAL PERIOD	13	494,529	351,204

All of the above results relate to continuing activities.

There were no recognised gains or losses or movements in shareholders' funds other than the profit for the period (2001 – same).

BALANCE SHEET
31 December 2002

	Note	£	31 December 2002 £	£	30 September 2001 £
FIXED ASSETS					
Tangible assets	8		-		3,254
CURRENT ASSETS					
Debtors					
- due within one year	9	2,382,013		1,302,404	
- due after one year	9	-		255,990	
Cash at bank and in hand		60,751		149,768	
		2,442,764		1,708,162	
CREDITORS: amounts falling due within one year	10	(847,031)		(1,345,212)	
NET CURRENT ASSETS			1,595,733		362,950
TOTAL ASSETS LESS CURRENT LIABILITIES			1,595,733		366,204
PROVISIONS FOR LIABILITIES AND CHARGES	11		(250,000)		(5,000)
			1,345,733		361,204
CAPITAL AND RESERVES					
Called up share capital	12		255,000		10,000
Share premium	13		245,000		-
Profit and loss account	13		845,733		351,204
EQUITY SHAREHOLDERS' FUNDS			1,345,733		361,204

These financial statements set out on pages 5 to 12 were approved by the Board of Directors on 31 March 2003.

Signed on behalf of the Board of Directors

- Director

- Director

NOTES TO THE ACCOUNTS
15 months ended 31 December 2002

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with the Companies Act 1985 and applicable accounting standards. The particular accounting policies adopted by the directors are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Revenue

Revenue represents commissions and fee income including commission on indemnity terms, receivable in the period. Provision is made at a minimum of 2.5% of the commissions received on indemnity terms during the last 15 months.

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

FRS 19 'Deferred tax' has been implemented in the period. There was no impact on prior year or current period figures.

Leases

Operating lease rentals are charged to income in equal annual amounts over the lease term.

Pension costs

The company pays a contribution into the personal pension schemes of directors and certain employees. Contributions are charged to the profit and loss account in the period in which they are paid.

Related party transactions

The company has taken advantage of the exemption included in Financial Reporting Standard No. 8 "Related Party Disclosures" (para 3) for wholly owned subsidiaries not to disclose transactions with entities that are part of the group or investees of the group qualifying as related parties.

Cashflow statements

Under the provisions of Financial Reporting Standard No 1 (1996 Revised), the company has not prepared a cash flow statement because its parent undertaking, Thomson's Group Plc, which is incorporated in England and Wales, has prepared consolidated financial statements which include the financial statements of the company for the period and contain a consolidated cash flow statement.

NOTES TO THE ACCOUNTS
15 months ended 31 December 2002

2. TURNOVER

Turnover represents amounts derived from the provision of services which fall within the company's ordinary activities after deduction of value added tax. The turnover and pre-tax profit, all of which arises in the United Kingdom, is attributable to one activity, the provision of financial services.

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	15 months ended 31 December 2002	8 months ended 30 September 2001
	£	£
Directors' emoluments		
Total emoluments	414,397	465,429
Aggregate contributions in respect of defined contribution pension scheme	43,840	-
	No	**No**
Number of directors who are members of the defined contribution pension scheme	4	-
Highest paid director		
Remuneration	145,865	117,597
Contributions in respect of defined contribution pension scheme	*	-
Average number of persons employed	**No**	**No**
Management and administration	36	29
Technical	21	18
	57	47
	£	**£**
Staff costs during the year (including directors)		
Wages and salaries	2,701,603	1,656,894
Social security costs	276,756	185,632
Pension costs	72,832	46,618
	3,051,191	1,889,144

Although the employees are legally employed by a fellow Group undertaking, their day to day activities are performed on behalf of the Company and their costs are recharged to the Company and disclosed as staff costs above.

4. OPERATING PROFIT

Operating profit is stated after charging:	15 months ended 31 December 2002	8 months ended 30 September 2001
	£	£
Depreciation	-	296
Management charge	60,138	687,420

Auditors' remuneration has been borne by a fellow group undertaking in both periods.

NOTES TO THE ACCOUNTS
15 months ended 31 December 2002

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	15 months ended 31 December 2002 £	8 months ended 30 September 2001 £
Bank interest	2,830	1,377

6. INTEREST PAYABLE AND SIMILAR CHARGES

	15 months ended 31 December 2002 £	8 months ended 30 September 2001 £
Group interest	-	47,246

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	15 months ended 31 December 2002 £	8 months ended 30 September 2001 £
United Kingdom corporation tax at 30% (2001 – 30%) based on the profit for the period	264,673	182,300

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows.

	15 months ended 31 December 2002 £	8 months ended 30 September 2001 £
Profit on ordinary activities before tax	759,202	533,504
Tax on profit on ordinary activities at standard UK corporation tax rate of 30% (2001 – 30%)	227,761	160,051
Effects of:		
Expenses not deductible for tax purposes	46,872	12,289
Other deferred tax items	(9,960)	9,960
Current tax charge	264,673	182,300

NOTES TO THE ACCOUNTS
15 months ended 31 December 2002

8. TANGIBLE FIXED ASSETS

	Short-term leasehold property £
Cost	
As at 1 October 2001	3,550
Transfers to fellow group companies	(3,550)
As at 31 December 2002	-
Depreciation	
At 1 October 2001	296
Transfers to fellow group companies	(296)
At 31 December 2002	-
Net book value	
At 31 December 2002	-
At 30 September 2001	3,254

9. DEBTORS

	31 December 2002 £	30 September 2001 £
Trade debtors	1,382,441	711,267
Amounts owed by group companies	999,130	790,579
Prepayments and accrued income	-	56,548
Other debtors	442	-
	2,382,013	1,558,394

Amounts owed by group companies includes £nil (2001 - £255,990) which is due in more than one year.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2002 £	30 September 2001 £
Trade creditors	246,189	39,590
Amounts owed to group companies	393,309	1,032,817
Other creditors	-	22,714
Corporation tax	130,673	182,300
Other taxation and social security	76,860	50,793
Accruals and deferred income	-	16,998
	847,031	1,345,212

NOTES TO THE ACCOUNTS
15 months ended 31 December 2002

11. PROVISIONS FOR LIABILITIES AND CHARGES

	Commission on indemnity terms £
Balance at 1 October 2001	5,000
Charged to profit and loss account	250,000
Utilised in the period	(5,000)
Balance at 31 December 2002	250,000

Commission on indemnity terms

Provision is made at a minimum of 2.5% of commissions received on indemnity terms during the period and at such additional amounts as the directors consider is required for the business transacted by the company.

The provision for commissions on indemnity terms represents 10% of commissions received on indemnity terms during the period (2001 - 10%).

During the year, 74 insurance policies within 63 group schemes (2001 – 74) for which commission was received on indemnity terms lapsed and £17,600 (2001 - £5,100) of commission was repaid to suppliers.

Deferred tax

There is no deferred taxation in the current period or prior year.

12. CALLED UP SHARE CAPITAL

	31 December 2002 £	30 September 2001 £
Authorised		
255,000 (30 September 2001- 10,000) ordinary shares of £1 each	10,000	10,000
Called up, allotted and fully paid		
255,000 (30 September 2001 - 10,000) ordinary shares of £1 each	255,000	10,000

On 21 August 2002, 245,000 ordinary shares of £1 each were allotted. The shares allotted had a nominal value of £245,000 and consideration received was £490,000.

13. COMBINED STATEMENT OF MOVEMENTS IN SHAREHOLDERS' FUNDS AND STATEMENT OF MOVEMENT ON RESERVES

	Share capital £	Share premium account £	Profit & loss account £	Total £
At 1 October 2001	10,000	-	351,204	361,204
Profit for the financial period	-	-	494,529	494,529
Issue of share capital	245,000	245,000	-	490,000
At 31 December 2002	255,000	245,000	845,733	1,345,733

NOTES TO THE ACCOUNTS
15 months ended 31 December 2002

14. ULTIMATE PARENT COMPANY

The immediate parent company is Thomson's Group plc, a company registered in England and Wales. Copies of the financial statements of the immediate parent company can be obtained from Companies House, Crown Way, Maindy, Cardiff CF4 3UZ.

The ultimate parent company is AWD Holding AG, a company registered in Germany. AWD Holding AG heads the largest group in which Thomson's Benefit Consultants Limited is a member and for which group accounts are prepared. Copies of the financial statements of the ultimate parent company can be obtained from Kirchborster Strasse 2, 30659 Hanover, Germany.