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Registration number 4052721

PRIORITY HEALTHCARE LIMITED

DIRECTOR'S REPORT and FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2002

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PRIORITY HEALTHCARE LIMITED

COMPANY INFORMATION

DIRECTOR

David Stewart Crowe

SECRETARY

Vera Allton

COMPANY NUMBER

4052721

REGISTERED OFFICE

5 Highcroft
Nottingham
NG3 5LP

BUSINESS ADDRESS

5 Highcroft
Nottingham
NG3 5LP

BANKERS

NatWest plc
69 Bridge Street
Worksop
Nottinghamshire
S80 1DJ

PRIORITY HEALTHCARE LIMITED

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Priority Healthcare Limited

Director's Report

for the year ended 31 March 2002

The director presents his report together with the company's financial statements for the year ended 31 March 2002.

Principal Activity

The principal activity of the company is that of general insurance broking.

Directors' Interests

	Ordinary shares	
	2002	**2001**
David Stewart Crowe	1	1

Director's responsibilities

Company law requires the director to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these, the director is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

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 on 30 Dec 2002 and signed accordingly by:

David Stewart Crowe
Director

Vera Allton
Secretary

Priority Healthcare Limited

Profit and Loss Account for the Year Ended 31 March 2002

	note	2002	2001
TURNOVER	2		
Commissions		54364	15601
Administrative expenses		36303	16221
Operating Profit/(Loss)	3	18061	(620)
Interest payable and similar charges	4	-	-
Profit/(Loss) on ordinary activites before taxation		18061	(620)
Taxation	7	2880	-
		15181	(620)
Net dividends paid		15180	-
		1	(620)
Retained (Losses) brought forward		(620)	-
Retained (Losses) carried forward		£ (619)	£ (620)

The notes on pages 5 – 8 form an integral part of these financial statements.

Priority Healthcare Limited

Balance Sheet as at 31 March 2002

	note		2002		2001
			£		£
FIXED ASSETS					
TANGIBLE ASSETS	9		3068		840
CURRENT ASSETS					
Debtors	10	5600		3447	
Cash at bank		6463		541	
		12063		3988	
CURRENT LIABILITIES					
Creditors - falling due within one year	11	9836		2896	
NET CURRENT ASSETS			2227		1092
TOTAL ASSETS LESS CURRENT LIABILITIES			5295		1932
CAPITAL and RESERVES					
CALLED UP SHARE CAPITAL	12		2		2
PROFIT and LOSS ACCOUNT			(619)		(620)
LONG TERM LIABILITIES					
Creditors - falling due after one year	11		5912		2550
			5295		1932

The directors' statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

Priority Healthcare Limited

Balance Sheet (cont'd)

Director's Statements required by Section 249B(4)
for the year ended 31 March 2002

In approving these financial statements as director of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 31 March 2002 and

(c) that we acknowledge responsibility for:

(1) ensuring that the company keeps accounting records which comply with Section 221, and
(2) preparing financial statements which give a true and fair view of the state of affairs of the company at the end of the financial period and of its profit or loss for the year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as is applicable to the company

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

The financial statements were approved by the Board on 30 Dec 2002 and signed accordingly by:

David Stewart Crowe
Director

Vera Allton
Secretary

The notes on pages 5 to 8 form an integral part of these financial statements

Priority Healthcare Limited

Notes to the financial statements

for the year ended 31 March 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 the total commissions earned 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:

Office equipment - 15%

.....continued

2. Turnover

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

		2002 £	2001 £
3.	**Operating profit/(loss)**		
	Stated after charging:		
	Depreciation.	518	110
	Formation expenses.	-	107
4.	**Interest payable and similar charges**	nil	nil
5.	**Director's emoluments**		
	Remuneration and other benefits.	7488	nil

6. Pension costs

The company does not operate a pension scheme.

7. Taxation

	Liability based on profits for the year.	2880	nil

8. Dividends

Net dividends of £7590 in the £ were paid to the shareholders during the year.

9. Tangible Assets

	office equipment £	TOTAL £
Cost 01.04.01.	950	950
Additions	2746	2746
At 31.03.02.	3696	3696
Depreciation 01.04.01.	110	110
Charge for the year	518	518
At 31.03.02.	628	628
Net book values		
At 31.03.02.	3068	3068
At 31.03.01.	840	840

10. Debtors

	2002 £	2001 £
Accrued commissions	5600	3345
Prepayment	-	102
	5600	3447

		2002 £	2001 £
11.	**Creditors**		
	Amounts falling due within one year.		
	Trade creditors.	638	653
	Director's loan account.	38	1313
	Accruals and deferred income.	5205	930
	Corporation tax.	2880	-
	Other taxes and social security costs.	1075	-
		9836	2896
	Amounts falling due after one year.		
	Deferred income.	5912	2550
12.	**Share Capital**		
	Authorised - 100 shares of £1. each.		
	Issued and fully paid.	2	2