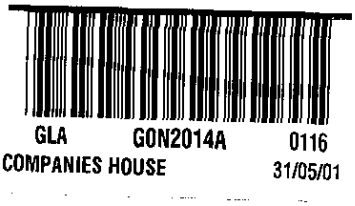


McLAREN, DICK & CO LTD
AND ITS SUBSIDIARIES

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 APRIL 2000

COMPANY No: SC021024



McLAREN, DICK AND COMPANY LIMITED
AND ITS SUBSIDIARIES

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2000

Company Registration Number:	SC021024
Registered Office:	1-4 Atholl Crescent Edinburgh EH3 8LQ
Chief Executive:	I V Muress
Secretary:	P M Tinsley
Bankers:	National Westminster Bank plc
Auditors:	Grant Thornton Registered Auditors Chartered Accountants

McLAREN, DICK AND COMPANY LIMITED
AND ITS SUBSIDIARIES

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2000

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REPORT OF THE DIRECTORS

The Directors present their report together with financial statements for the year ended 30 April 2000.

Principal Activities

The principal activity of the group, which trades under the name of McLarens Toplis, is the profession of chartered loss adjusters.

Business Review

The profit for the year, after taxation and minority interest, amounted to £1,837,781 (1999 - £1,061,911). The directors recommended a dividend of £298,725 (1999 - £224,587), leaving a balance of £1,539,056 (1999 - £837,324) to be transferred to reserves.

On 23 April 1999 the company made an offer to acquire all of the issued share capital of McLarens International Group Limited in consideration for the allotment and issue of shares in McLaren, Dick & Company Limited. The proposals under the offer valued McLarens International Group Limited at the cash equivalent of £1,985,697. The offer closed on 31 August 1999 at which point the company had successfully acquired all of the issued share capital of McLarens International Group Limited. The aim of the restructuring, which was done for commercial reasons, was to bring the two companies into a cohesive group and so bring management and other benefits.

The directors continue to seek opportunities to extend the group's operations and during the year acquired interests in companies based in Finland.

McLarens International Group Ltd extended its operations by acquiring stakes in existing businesses in Chile and Fiji.

After the end of the year a new venture was established in Jamaica.

Directors

The following directors are due to retire by rotation and will offer themselves for re-election. These will be L Bagshaw, P Chart, I P Drury, B Polley, R B George, D P Harrison, F G Johnstone, C Mikkleson, I R Murray, S O Green-Wilkinson, M Quick and S P Taylor.

G Cuthbert, N B Radcliffe and R D Knibb retired from the Board on 30 April 2000

J F Mace retired from the Board on 31 October 2000

S P Taylor was appointed to the Board on 1 November 1999. N P Minett was appointed on 1 May 2000. P Heron, P N Shaw, B J Clark, J I D Rawlins, G G Smallwood, R B Stokes, N Michell were appointed additional Directors on 1 August 2000.

The Directors in office at the end of the year are listed below. All served on the Board throughout the year, apart from those appointed during the year (see previous page). The interests of all directors, and their families, in the shares of the Company were as follows:

	2000	1999
M L Almond	39,029	22,929
L Bagshaw	109,708	60,608
D M Baird	114,895	70,795
M C D Barnes	90,440	46,440
P Chart	-	-
G Cuthbert	114,895	70,795
I P Drury	109,895	70,795
A M Gargolinski	103,907	49,807
R B George	49,410	30,929
P J Golding	15,450	8,500
C D Hall	91,987	53,887
R F Hamilton	110,000	65,093
D P Harrison	78,676	50,076
D A Harrod	75,539	43,439
T E Heward	33,039	14,000
T E M Hope	94,696	57,930
J R Hudson	111,395	70,795
F G Johnstone	81,224	47,904
R D Knibb	101,392	62,292
J F Mace	113,525	69,425
C Mikkelson	74,163	51,973
I V Muress (Chief Executive)	110,000	72,019
I R Murray	105,738	66,638
B J Polley	16,700	7,500
R Preedy	109,895	70,795
M Quick	30,440	11,500
N B Radcliffe	108,437	69,337
C Smith	109,895	70,795
S P Taylor	18,720	12,000
R R Thomson	104,199	63,099
P M Tinsley	109,357	63,257
M Weatherhead	109,391	70,291
A J Whiteside	52,669	30,619
S O Green Wilkinson	50,566	30,316

Directors' responsibilities for the financial statements

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 the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgments 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 the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Employee involvement

It is the policy of the group to keep its employees informed of significant matters likely to affect their interests and of developments within the group, via the Company intranet.

Employment of disabled persons

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retain them in order that their employment with the group may continue.

It is the policy of the group that training, career development and promotion opportunities should be available to all employees.

Charitable contributions

Donations to charitable organisations amounted to £1,885.

Auditors

Grant Thornton offer themselves for re-appointment as auditors of the company, in accordance with Section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD

P M TINSLEY
Secretary

28 May 2001

REPORT OF THE AUDITORS TO THE MEMBERS OF

McLAREN, DICK AND COMPANY LIMITED AND ITS SUBSIDIARIES

We have audited the financial statements on pages 5 to 26 which have been prepared under the accounting policies set out on page 5 and 6.

Respective responsibilities of directors and auditors

As described on page 3, the directors are responsible for the preparation of financial statements in accordance with United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

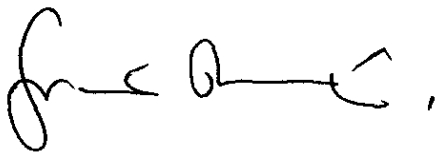
Basis of opinion

We conducted our audit in accordance with 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all 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 affairs of the company and the group at 30 April 2000 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
EDINBURGH

28 May 2001

PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

The principal accounting policies of the group have remained unchanged from the previous year and are set out below.

Basis of consolidation

The group financial statements consolidate those of the company and of its subsidiary undertakings drawn up to 30 April 2000. The profit attributable to members of the company is after deducting the proportion attributable to outside shareholders. The results of subsidiary undertakings acquired during the year have been included from the date of acquisition.

Goodwill arising on consolidation, representing the difference between the fair value of the consideration given over the fair values of the identifiable net assets acquired is capitalised and is amortised over its estimated useful economic life.

Associated undertakings

Undertakings other than subsidiary undertakings and joint ventures, in which the group has an investment of at least 20% of the shares and over which it exerts significant influence, are treated as associates.

The group and company balance sheet shows the investment in associated undertakings at cost less amounts written off.

Fee income

Fee income is recognised when a fee is rendered.

Turnover

Turnover is the total amount of fees rendered during the year for professional services provided excluding VAT.

Depreciation

Depreciation is calculated to write down the cost or valuation of all tangible fixed assets by equal installments over their expected useful lives. The rates generally applicable are:

Freehold premises	50 years
Leasehold premises	Period of lease
Cars	3 - 4 years
Office furniture & equipment	4 - 10 years

Work in progress

A number of overseas subsidiary companies have work in progress which consists of expenses incurred on projects not completed at the Balance Sheet date, together with an estimated proportion of salary and overhead expenses relating to such projects. This work in progress is stated at the lower of cost and net realisable value.

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. Unprovided deferred tax is disclosed as a contingent liability.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. The financial statements of foreign subsidiaries and associates are translated at the rate of exchange ruling at the balance sheet date. The exchange differences arising from the retranslation of the opening net investment in subsidiaries and associates are taken directly to reserves. All other exchange differences are dealt with through the profit and loss account.

Pensions

Defined Benefit Scheme

Pension costs charged against profits are based on actuarial methods and assumptions designed to spread the anticipated pension cost over employee working lives on a systematic and rational basis. These contributions are invested in a fund independent from the assets of the group.

Defined Contribution Scheme

The pension costs charged against profits represent the amount of contributions payable to the scheme in respect of the accounting period.

Leased assets

Assets held under finance leases or hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

McLAREN, DICK AND COMPANY LIMITED
AND ITS SUBSIDIARIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2000

	Note	2000 £	1999 £
Turnover			
Continuing operations		**73,424,737**	67,909,162
Acquisitions		**7,225,927**	-
	1	**80,650,664**	67,909,162
			-
Operating charges	2	**77,446,987**	66,545,037
Operating profit			
Continuing operations		**2,721,089**	1,364,125
Acquisitions		**482,588**	-
		3,203,677	1,364,125
Net interest	3	**(354,356)**	5,387
		2,849,321	1,369,512
Share of profit of associated undertakings			
Acquisitions		**89,450**	-
Profit on ordinary activities before taxation	1	**2,938,771**	1,369,512
Tax on profit on ordinary activities	5	**1,089,305**	306,516
Profit on ordinary activities after taxation		**1,849,466**	1,062,996
Minority interest - Equity		**11,685**	1,085
Dividends - Equity	7	**298,725**	224,587
Profit retained	16	**1,539,056**	837,324

The accompanying accounting policies and notes form an integral part of these financial statements.

McLAREN, DICK AND COMPANY LIMITED
AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

AT 30 APRIL 2000

	Note	2000 £	1999 £
Fixed assets			
Intangible assets	8	**(863,586)**	-
Tangible assets	9	**5,624,108**	5,603,153
Investments	10	**2,375,649**	908,167
		7,136,171	6,511,320
Current assets			
Work in progress	11	**1,494,765**	-
Debtors	12	**23,761,970**	18,583,275
Cash at bank and in hand		**1,444,777**	32,487
		26,701,512	18,615,762
Creditors amounts falling due within one year	13	**(24,377,055)**	(19,703,765)
Net current assets/liabilities		**2,324,457**	(1,088,003)
Total assets less current liabilities		**9,460,628**	5,423,317
Creditors amounts falling due after more than one year	14	**(231,869)**	(57,369)
Minority interest - Equity		**(364,833)**	(59,373)
		8,863,926	5,306,575
Capital and reserves			
Called up share capital	17	**5,304,278**	3,205,658
Profit and loss account	16	**2,845,075**	2,100,917
Equity shareholders' funds		**8,863,926**	5,306,575

The financial statements were approved by the Board of Directors on 28 May 2001.

..... DIRECTOR
P M TINSLEY

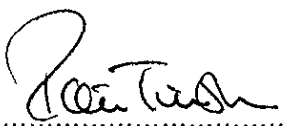
The accompanying accounting policies and notes form an integral part of these financial statements.

McLAREN, DICK AND COMPANY LIMITED
AND ITS SUBSIDIARIES

BALANCE SHEET AT 30 APRIL 2000

	Note	2000 £	1999 £
Fixed assets			
Tangible assets	9	**4,942,080**	5,520,632
Investments	10	**3,101,681**	1,309,706
		8,043,761	6,830,338
Current assets			
Debtors	12	**20,914,294**	17,938,619
Cash at bank and in hand		**30,733**	32,487
		20,945,027	17,971,106
Creditors amounts falling due within one year	13	**(20,749,677)**	(19,452,434)
Net current assets / (liabilities)		**195,350**	(1,481,328)
Total assets less current liabilities		**8,239,111**	5,349,010
Creditors amounts falling due after more than one year	14	**(89,758)**	(57,369)
		8,149,353	5,291,641
Capital and reserves			
Called up share capital	17	**5,304,278**	3,205,658
Profit and loss account	16	**2,845,075**	2,085,983
Equity shareholders' funds		**8,149,353**	5,291,641

The financial statements were approved by the Board of Directors on 28 May 2001.



..... DIRECTOR
P M TINSLEY

The accompanying accounting policies and notes form an integral part of these financial statements.

McLAREN, DICK AND COMPANY LIMITED
AND ITS SUBSIDIARIES

CONSOLIDATED CASHFLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2000

	Note	2000	1999
		£	£
Net cash inflow from operating activities	18	**1,003,887**	972,357
Returns on investments and servicing of finance			
Interest received		**79,454**	82,133
Interest paid		**(433,810)**	(76,746)
Net cash inflow from returns on investments and servicing of finance		**(354,356)**	5,387
Taxation		**(196,818)**	(1,125,403)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		**(2,638,020)**	(3,737,062)
Sale of tangible fixed assets		**454,484**	512,186
Net cash outflow from capital expenditure and financial investment		**(2,183,536)**	(3,224,876)
Acquisitions and disposals			
Purchase of investments		**-**	(138,116)
Purchase of subsidiary undertakings and other businesses		**-**	(278,317)
Net cash outflow from acquisitions and disposals		**-**	(416,433)
Equity dividend paid		**(224,587)**	(215,403)
Management of liquid resources			
Movement in short term deposits		**75,933**	(248,707)
Financing			
Issues of share capital		**112,923**	108,560
Capital element of finance lease rentals		**(28,351)**	(22,248)
Minority interest		**(704,363)**	796
Net cash inflow from financing		**(619,791)**	87,108
Decrease in cash	19	**(2,499,268)**	(4,165,970)

McLAREN, DICK AND COMPANY LIMITED
AND ITS SUBSIDIARIES

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 30 APRIL 2000

	2000	1999
	£	£
Profit for the financial year	**1,539,056**	837,324
Currency translation differences on assets	**(80,325)**	21,346
Total recognised gains and losses for the year	**1,458,731**	858,670

The accompanying accounting policies and notes form an integral part of these financial statements.

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and profit before taxation are attributable to one class of business, loss adjusting.

	2000 £	1999 £
Turnover	**80,650,664**	67,909,162
Profit before taxation	**2,938,771**	1,369,512

The analysis of turnover by origin is shown below. The analysis of turnover by destination and analysis of profit before taxation and net assets by segment have not been disclosed.

	2000 £	1999 £
United Kingdom	**71,368,325**	65,818,704
Europe	**2,056,412**	2,090,458
Rest of the world	**7,225,927**	-
	80,650,664	67,909,162

The operating profit on ordinary activities is stated after charging:

		2000 £	1999 £
Auditors' remuneration:			
Audit services		**120,800**	64,776
Non-audit services		**48,203**	35,100
Depreciation:			
Tangible fixed assets		**3,316,535**	3,155,685
Amortisation of goodwill		**(215,896)**	203,384
Operating lease rentals	- plant & machinery	**254,700**	150,522
	- leasehold premises	**3,361,925**	2,759,275

2 OPERATING CHARGES

	2000 £	1999 £
Staff costs	**52,431,613**	45,281,665
Depreciation	**3,316,535**	3,155,685
Other operating charges	**21,698,839**	18,107,687
	77,446,987	66,545,037

3 NET INTEREST

	2000 £	1999 £
On bank loans, overdrafts and other loans	**(433,810)**	(76,746)
Other interest receivable and similar income	**79,454**	82,133
	(354,356)	5,387

4 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	2000 £	1999 £
Wages and salaries	**42,702,922**	35,992,024
Social security costs	**4,104,164**	3,702,921
Pension costs (Note 24)	**5,624,527**	5,586,720
	52,431,613	45,281,665

The average number of employees of the group during the year was as follows:

	2000 Number	1999 Number
Adjusters	**1,050**	793
Administrative staff	**845**	780
	1,895	1,573

Remuneration in respect of directors, was as follows:

	2000 £	1999 £
Directors' fees	**238,000**	224,000
Management remuneration	**4,520,023**	4,731,005
Pension contributions	**692,190**	983,575
	5,450,213	5,938,580

During the year, 31 directors (1999 - 29 directors) participated in a defined benefit pension scheme.

The amounts set out above include remuneration in respect of the highest paid director as follows:

	2000 £	1999 £
Highest paid director	**251,315**	292,276

The highest paid director's accrued pension at 30 April 2000 was £55,091.

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

The group taxation charge is based on the profit for the year and represents:

	2000 £	1999 £
United Kingdom corporation tax @ 30% (1999 - 31%)	**849,000**	263,733
Group relief	**-**	3,605
Overseas taxation	**240,305**	39,178
	1,089,305	306,516

6 PROFIT FOR THE FINANCIAL YEAR

The parent company has taken advantage of section 230 of the Companies Act 1985 and has not included its own profit and loss account in these financial statements. The group profit after dividends for the year includes a profit of £850,731 (1999 - £685,938), which is dealt with in the financial statements of the company.

7 DIVIDENDS

	2000 £	1999 £
Proposed dividend of 6.3p per share (paid 7 January 2001) (1999 - 7.2p per share)	**298,725**	224,587

8 INTANGIBLE FIXED ASSETS

	The Group		The Company	
	2000	1999	**2000**	1999
	£	£	**£**	£
Goodwill	-	-	-	-
Negative goodwill	(863,586)	-	-	-
	(863,586)	-	-	-

The Group	**Goodwill on Consolidation £**	**Purchased goodwill £**	**Total £**
Cost at 1 May 1999	-	500,884	500,884
Additions	(1,079,482)	-	(1,079,482)
Cost at 30 April 2000 year end	(1,079,482)	500,884	(578,598)
Amortisation			
At 1 May 1999	-	500,884	500,884
Provided/released in the year	(215,896)	-	(215,896)
At 30 April 2000 year end	(215,896)	500,884	284,988
Net book amount at 30 April 2000	(863,586)	-	(863,586)
Net book amount at 30 April 1999	-	-	-

The Company	**Purchased goodwill £**
Cost at 1 May 1999	297,500
Additions	-
Cost at 30 April 2000	297,500
Amortisation	
At 1 May 1999	297,500
Provided in the year	-
At 30 April 2000	297,500
Net book amount at 30 April 2000	-
Net book amount at 30 April 1999	-

INTANGIBLE FIXED ASSETS (CONTINUED)

	Date of acquisition	Period of amortisation	Goodwill at original cost	
			The Group	The Company
			£	£
Acquired during the year:				
McLaren International Group Limited	August 1999	5 years	(1,079,482)	-

Negative goodwill acquired during the year relates to the acquisition in August 1999 of McLarens International Group Limited.

9 TANGIBLE FIXED ASSETS

	Land & Buildings				
The Group	Freehold £	Short Term Leases £	Office furniture/ equipment £	Motor vehicles £	Total £
Cost					
At 1 May 1999	72,340	140,281	8,410,513	9,229,827	17,852,961
Additions	-	6,851	920,088	2,012,202	2,939,141
Acquisitions	-	108,055	610,322	614,946	1,333,323
Disposals	-	(38,402)	(1,527,464)	(1,134,106)	(2,699,972)
Exchange difference	-	1,996	(44,440)	(29,292)	(71,736)
At 30 April 2000	72,340	218,781	8,369,019	10,693,577	19,353,717
Depreciation					
At 1 May 1999	10,151	138,189	6,122,216	5,979,252	12,249,808
Acquisitions	-	58,634	294,746	331,201	684,581
Provided in the year	724	4,809	1,082,589	2,228,413	3,316,535
Disposals	-	(30,046)	(1,369,391)	(1,082,245)	(2,481,682)
Exchange difference	-	1,348	(27,323)	(13,658)	(39,633)
At 30 April 2000	10,875	172,934	6,102,837	7,442,963	13,729,609
Net book amount at 30 April 2000	61,465	45,847	2,266,182	3,250,614	5,624,108
Net book amount at 30 April 1999	62,189	2,092	2,288,297	3,250,575	5,603,153

The Company	Land & Buildings Freehold £	Land & Buildings Short Term Leases £	Office furniture/ equipment £	Motor vehicles £	Total £
Cost					
At 1 May 1999	72,340	140,281	8,199,382	9,229,827	17,641,830
Additions	-	-	789,309	1,905,194	2,694,503
Acquisitions	-	-	-	-	-
Disposals	-	-	(1,459,205)	(1,111,461)	(2,570,666)
Exchange difference	-	(359)	(11,949)	(19,004)	(31,312)
At 30 April 2000	72,340	139,922	7,517,537	10,004,556	17,734,355
Depreciation					
At 1 May 1999	10,151	138,189	5,993,607	5,979,251	12,121,198
Provided in the year	724	1,046	948,643	2,119,130	3,069,543
Disposals	-	-	(1,308,915)	(1,067,206	(2,376,121)
Exchange difference	-	(359)	(9,780)	(12,206)	(22,345)
At 30 April 2000	10,875	138,876	5,623,555	7,018,969	12,792,275
Net book amount at 30 April 2000	61,465	1,046	1,893,982	2,985,587	4,942,080
Net book amount at 30 April 1999	62,189	2,092	2,205,775	3,250,576	5,520,632

The figures stated above include assets held under Finance Leases and similar hire purchase contracts, as follows:

	The Group £	The Company £
Net book amount at 30 April 2000	188,621	-
Net book amount at 30 April 1999	97,045	97,045
Depreciation provided in the year	43,587	-

10 FIXED ASSETS INVESTMENTS

The Group	Related investment at cost £	Investment in Associated Companies £	Amounts owed by Associated companies £	Total £
Cost and net book amount at 1 May 1999	724,638	153,730	29,799	908,167
Loss on exchange	-	(5,720)		(5,720)
Additions	-	1,708,392	306,164	2,014,556
Transfer on consolidation	(724,638)	-		(724,638)
Share of profits		37,019		37,019
Current account movement	-	-	146,265	146,265
Cost and net book amount at 30 April 2000	-	1,893,421	482,228	2,375,649

The Company	Related investment at cost £	Shares in group undertakings £	Amounts owed by group and associated undertakings £	Associated companies £	Total £
Cost					
At 1 May 1999	724,638	939,612	-	138,116	1,802,366
Additions	-	1,985,697	-	25,448	2,011,145
Disposals		(43,722)	-		(43,722)
Current account movement	-		(448)		(448)
At 30 April 2000	724,638	2,881,587	(448)	163,564	3,769,341
Provision against investment	175,000	492,660	-	-	667,660
Net book amount					
At 30 April 2000	549,638	2,388,927	(448)	163,564	3,101,681
Net book amount					
At 30 April 1999	724,638	446,952	-	138,116	1,309,706

At 30 April 2000 the company held more than 20% of the allotted share capital of the following companies:

			Proportion held		
Subsidiary undertakings	**Country of Registration**	**Class of share capital**	**By parent company**	**By the group**	**Nature of business**
McLarens Overseas Ltd	England	Ordinary	100%	-	Loss-adjusting
McLarens European Partners NV	Netherlands	Ordinary	63%	-	Loss-adjusting
McLarens Toplis France SA	France	Ordinary	100%	-	Loss-adjusting
McLarens Toplis Belgium SA	Belgium	Ordinary	100%	-	Non-trading
Peter Momber SPRL	Belgium	Ordinary	-	100%	Loss-adjusting
McLarens International Group Ltd	England	Ordinary	100%	-	Loss-adjusting
McLarens International Ltd	Hong Kong	Ordinary		100%	Loss-adjusting
McLarens Hong Kong Ltd	Hong Kong	Ordinary	-	71%	Loss-adjusting
McLarens Asia Ltd	Hong Kong	Ordinary	-	100%	Loss-adjusting
McLarens Singapore Pty Ltd	Singapore	Ordinary	-	70%	Loss-adjusting
McLarens Asia Pacific Ltd	Taiwan	Ordinary	-	100%	Non-trading
McLarens Australia Pty Ltd	Australia	Ordinary	-	69%	Loss-adjusting
McLarens Holdings Pty Ltd	Australia	Ordinary	-	69%	Loss-adjusting
McLarens Caribbean Limited	Barbados	Ordinary	-	60%	Loss-adjusting
MATO Insurance Services (Middle East) Limited	Cyprus	Ordinary	-	60%	Loss-adjusting
Toplis & Harding (South Pacific) Ltd	Fiji	Ordinary	-	73%	Loss-adjusting
McLarens Toplis (Vanuatu) Ltd	Vanuatu	Ordinary	-	69%	Loss-adjusting
McLarens Toplis Latin America SA	Panama	Ordinary	-	60%	Loss-adjusting
McLarens Toplis Argentina SA	Argentina	Ordinary	-	57%	Loss-adjusting
McLarens Toplis Colombia Ltda	Colombia	Ordinary	-	80%	Loss-adjusting

All the above have been consolidated in the group financial accounts.

At 30 April 2000 the group and the company had interests in the following associated undertakings:

Name of associate	Country of incorporation	Class of share capital	Proportion held By parent Company	Proportion held By the group	Nature of business
Skadekonsult AB	Sweden	Ordinary	-	30%	Loss-adjusting
OY Finnclaims AB	Finland	Ordinary	-	33.3%	Loss-adjusting
McLarens Toplis (Netherlands) BV	Netherlands	Ordinary	25%	-	Loss-adjusting
Wright Adjusting Pty Ltd	South Africa	Ordinary	20%	-	Loss-adjusting
McLarens (Thailand) Ltd	Thailand	Ordinary	-	49%	Loss-adjusting
PT McLarens Indonesia Ltd	Indonesia	Ordinary	-	40%	Loss-adjusting
McLarens Chartered Inc	Philippines	Ordinary	-	40%	Loss-adjusting
McLarens Toplis North America Inc	USA	Ordinary	-	24%	Loss-adjusting
McLarens Toplis Inc	USA	Ordinary	-	50%	Loss-adjusting
McLarens Toplis Mexico SA de CV	Mexico	Ordinary	-	35%	Loss-adjusting
McLarens Toplis Peru SA	Peru	Ordinary	-	40%	Loss-adjusting
McLarens Toplis Puerto Rico Inc	Puerto Rico	Ordinary	-	29%	Loss-adjusting

Financial Statements prepared for associates are drawn up as follows:

Names of associate	Date
Skadekonsult AB	31 December 1999
OY Finnclaims AB	31 December 1999
McLarens Toplis (Netherlands) BV	31 December 1999
Wright Adjusting Pty Ltd	28 February 2000
McLarens (Thailand) Ltd	30 April 2000
PT McLarens Indonesia Ltd	30 April 2000
McLarens Chartered Inc	30 April 2000
McLarens Toplis North America Inc	30 June 2000
McLarens Toplis Inc	Non-trading
McLarens Toplis Mexico SA de CV	31 December 1999
McLarens Toplis Peru SA	31 December 1999
McLarens Toplis Puerto Rico	30 June 2000

The group's share of the results, assets and liabilities of McLarens Toplis North America Inc was:

	2000	1999
	£	£
Turnover	**5,194,855**	5,018,004
Profit before tax	**188,689**	373,546
Taxation	**-**	58,227
Profit after tax	**188,689**	315,319
Fixed assets	**571,280**	275,043
Current assets	**2,833,514**	2,946,527
Liabilities due within one year	**1,728,717**	1,815,801
Liabilities due after one year or more	**358,885**	172,281

11 WORK IN PROGRESS

	The Group		The Company	
	2000	1999	2000	1999
	£	£	£	£
Professional work in progress	**1,494,765**	-	-	-

12 DEBTORS

	The Group		The Company	
	2000	1999	2000	1999
	£	£	£	£
Trade debtors	**21,363,007**	14,511,758	**17,686,166**	13,855,054
Other debtors	**88,161**	97,011	**88,161**	97,011
Prepayments and accrued income	**2,310,802**	786,049	**1,134,607**	654,345
Pension contributions	**-**	1,357,790	**-**	1,357,790
Amounts due from related companies	**-**	1,830,667	**2,005,360**	1,974,419
	23,761,970	18,583,275	**20,914,294**	17,938,619

The amounts due from related companies are due in excess of one year.

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	The Group		The Company	
	2000	1999	2000	1999
	£	£	£	£
Bank overdraft	**5,528,733**	2,278,925	**4,741,003**	2,485,056
Trade creditors	**2,321,420**	1,376,834	**1,061,257**	1,046,424
Corporation tax	**917,821**	25,334	**816,842**	13,371
Social security & other taxes	**3,090,717**	3,209,210	**3,090,717**	3,209,210
Proposed dividends	**298,725**	224,587	**298,725**	224,587
Other creditors	**8,490,712**	8,315,515	**7,268,221**	8,294,730
Accruals & deferred income	**3,495,296**	4,228,594	**3,289,206**	4,090,739
Amounts due under finance leases	**233,631**	44,766	**183,706**	44,766
Amounts due to group and associated undertakings	**-**	-	**-**	43,551
	24,377,055	19,703,765	**20,749,677**	19,452,434

The bank overdraft is secured by a standard security over the company's freehold property and by a floating charge debenture

14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	The Group		The Company	
	2000	1999	**2000**	1999
	£	£	**£**	£
Amounts due under finance leases and hire purchase contracts	**231,869**	57,369	**89,758**	57,369

15 BORROWINGS

Borrowings are repayable as follows:

	The Group		The Company	
	2000	1999	**2000**	1999
	£	£	**£**	£
Within one year				
Bank overdraft	**5,528,733**	2,278,925	**1,241,003**	2,485,056
Finance leases	**233,631**	44,766	**183,706**	44,766
After one and within two years				
Finance leases	**231,869**	44,766	**89,758**	44,766
After two and within five years				
Finance leases	**-**	12,603	**-**	12,603
	5,994,233	2,381,060	**1,514,467**	2,587,191

16 RESERVES AND RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

The Group	**Share capital £**	**Profit and loss account £**	**Total £**
Profit for the financial year	-	1,539,056	1,539,056
Shares issued	2,098,620	-	2,098,620
(Loss) on exchange	-	(80,325)	(80,325)
Net increase in shareholder's funds	2,098,620	1,458,731	3,557,351
Shareholders' funds at 1 May 1999	3,205,658	2,100,917	5,306,575
Shareholders' funds at 30 April 2000	5,304,278	3,559,648	8,863,926
The company			
Profit for the financial year	-	850,731	850,731
Shares issued	2,098,620	-	2,098,620
(Loss) on exchange	-	(91,639)	(91,639)
Net increase in shareholders' funds	2,098,620	759,092	2,857,712
Shareholders' funds at 1 May 1999	3,205,658	2,085,983	5,291,641
Shareholders' funds at 1 April 2000	5,304,278	2,845,075	8,149,353

17 SHARE CAPITAL

	2000 £	1999 £
Authorised		
Ordinary shares of £1 each	**6,000,000**	4,000,000
Allotted, Called Up and Fully paid		
Ordinary shares of £1 each	**5,304,278**	3,205,658

During the year the company made an allotment of 112,923 Ordinary £1 shares which were issued at par for cash and issued 1,985,697 shares at par in respect of the share exchange for McLarens International Group Ltd, as noted in the Directors' Report.

18 NET CASH INFLOW FROM OPERATING ACTIVITIES

	2000 £	1999 £
Operating profit	**3,203,677**	1,364,125
Depreciation	**3,316,535**	3,155,685
Goodwill written off	**(215,896)**	203,384
Profit on sale of fixed assets	**(236,194)**	(327,759)
Decrease in work in progress	**134,799**	-
(Increase) in debtors	**(2,820,432)**	(2,820,409)
Decrease in creditors	**(2,336,100)**	(624,278)
Exchange movements	**(42,502)**	21,609
Net cash inflow from operating activities	**1,003,887**	972,357

19 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2000 £	1999 £
(Decrease) in cash in the year	**(2,499,268)**	(4,165,970)
Cash outflow from financing	**28,351**	22,248
Cash (outflow)/inflow from (decrease)/increase in liquid resources	**(75,933)**	248,707
Change in net debt resulting from cashflows	**(2,546,850)**	(3,895,015)
Inception of finance leases	**(391,716)**	(124,383)
Cash arising from acquisitions	**899,786**	-
Overdraft arising from acquisitions	**(162,103)**	-
Net funds at 1 May 1999	**(2,348,573)**	1,670,825
Net debt at 30 April 2000	**(4,549,456)**	(2,348,573)

20 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 May 1999 £	Cash flow £	Acquisitions £	Non cash items £	At 30 April 2000 £
Cash in hand and at bank	32,487	166,077	899,786	-	1,098,350
Bank overdraft	(2,701,285)	(2,665,345)	(162,103)	-	(5,528,733)
	(2,668,798)	(2,499,268)	737,683	-	(4,430,383)
Finance leases	(102,135)	28,351	-	(391,716)	(465,500)
Current asset investments	422,360	(75,933)	-	-	346,427
	(2,348,573)	(2,546,850)	737,683	(391,716)	(4,549,456)

21 ACQUISITIONS

On 31 August 2000 the group acquired 1,418,355 ordinary shares of £1 in McLarens International Group Limited being 100% of its nominal share capital for a consideration of £1,985,697, satisfied by the issue of 1,985,697 ordinary shares at £1. Goodwill arising on the acquisition of McLaren International Group has been capitalised. The purchase of McLarens International Group has been accounted for by the acquisition method of accounting.

The profit after taxation and minority interests of McLaren International Group for the period from 1 May 1999, the beginning of the subsidiary's financial year to the date of acquisition, was £133,431. The profit after taxation and minority interests for the year ended 30 April 1999 was £326,870.

The assets and liabilities of McLaren International Group Limited acquired were as follows:

	Book value £	Other adjustments £	Fair Value £
Fixed assets			
Tangible	558,141	-	558,141
Investments	2,351,787	-	2,351,787
Current assets			
Stocks	1,629,564	-	1,629,564
Debtors	2,358,263	-	2,358,263
Bank and cash	899,786	-	899,786
Total assets	7,797,541	-	7,797,541
Creditors			
Bank overdrafts	162,103	-	162,103
Trade creditors	379,094	-	379,094
Other creditors	2,262,900	(133,431)	2,129,469
Accruals	1,013,994	-	1,013,994
Minority interests	998,138	-	998,138
Provisions			
Taxation	49,564	-	49,564
Total liabilities	4,865,793	(133,431)	4,732,362
Net assets	2,931,748	(133,431)	3,065,179
Negative goodwill			(1,079,482)
			1,985,697
Satisfied by:			
Issue of shares			1,985,697

Other adjustments reflect the net trading movement in the period prior to acquisition.

The subsidiary undertaking acquired during the year on a share for share basis made the following contribution to and utilisation of group cash flow from the date of acquisition to 30 April 2000:

ACQUISITIONS (CONTINUED)

	2000 £
Net cash inflow/outflow from operating activities	472,382
Returns on investment and servicing of finance	(55,943)
Taxation	(104,388)
Capital expenditure and financial investment	(121,660)
Financing	(21,114)
Increase/decrease in cash	169,277

Analysis of net outflow of cash in respect of the purchase of the subsidiary undertaking(s):

	2000 £
Cash at bank and in hand acquired	899,786
Bank overdrafts	(162,103)
	737,683

22 CAPITAL COMMITMENTS

Neither the group nor the company had any capital commitments at 30 April 2000 or 30 April 1999.

23 CONTINGENT LIABILITIES

The company has provided bank guarantees in respect of the overdraft facilities of the following group companies:

	Amount
McLarens Australia Pty Ltd	Aus$300,000
McLarens International Ltd	US$150,000
McLarens Hong Kong Ltd	HK$500,000
McLarens Singapore Ltd	Sing$400,000
Wright Adjusting Pty Ltd (trading as McLarens Toplis South Africa)	750,000 Rand

In aggregate, this approximates to bank guarantees of £500,000.

24 PENSIONS

Defined Benefit scheme

The group operates a defined benefit pension scheme for the benefit of directors and employees. The assets of the scheme are administered by trustees in a fund independent from the assets of the companies.

PENSIONS (CONTINUED)

Pension costs are assessed in accordance with the advice of a qualified actuary using a market based approach. The assumptions which have the most significant effect on the results of the valuation are that the real rate of return on investments will be 1.7% and the real rate of increase in earnings will be 1.5%pa above inflation. The most recent actuarial valuation was carried out as at 1 May 1999.

The actuary has advised that the assets of the scheme were more than sufficient to cover the accrued liabilities based on members' salaries at the valuation date based on the assumptions and methodology used for the purposes of the minimum funding requirement. The solvency level calculated on this basis was 105%.

When allowance is made for future salary increases the existing assets were sufficient to cover 99% of the value accrued benefits. The employers' current contribution rate is 24.1% (1999 - 20.2%) of pensionable earnings.

The market value of scheme assets at 30 April 2000 was £92.1M (1999 £86.9 million).

The scheme is closed to new entrants from May 1997 and the group now operates a Defined Contribution Scheme for staff. The assets of the scheme are administered by trustees in a Fund independent from those of the company.

25 LEASING COMMITMENTS

Operating lease payments amounting to £3,368,229 (1999: £3,762,687) are due within one year. The leases to which these amounts relate expire as follows:

	2000		1999	
	Leasehold Premises £	Other £	Leasehold Premises £	Other £
In one year or less	**244,227**	**744,268**	44,260	325,064
Between one and five years	**649,226**	**887,633**	386,135	560,592
In five years or more	**2,468,471**	**1,309**	2,446,636	-
	3,361,924	**1,633,210**	2,877,031	885,656

26 TRANSACTIONS WITH RELATED PARTIES

The group trades on normal commercial terms with McLarens International Group Limited and its subsidiaries ("MIG") which was controlled by a majority of common shareholders in the company until its acquisition in August 1999. The presentation of information for the period prior to that date is not considered to be meaningful.