

Abbreviated Financial Statements
for the Year Ended 31 December 2002
for
Executive Benefit Services (UK) Ltd



Executive Benefit Services (UK) Ltd

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for the Year Ended 31 December 2002**

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Executive Benefit Services (UK) Ltd

**Company Information
for the Year Ended 31 December 2002**

DIRECTOR: C. McCann F.L.I.A.

SECRETARY: P Eager LLB NP

REGISTERED OFFICE: 25 Hope Street
Lanark
ML11 7NE

REGISTERED NUMBER: 54039 (Scotland)

AUDITORS: Gerber Landa & Gee
Registered Auditor
Chartered Accountants
11/12 Newton Terrace
Glasgow
G3 7PJ

BANKERS: Clydesdale Bank PLC
Charing Cross
Glasgow
G3 7UL

SOLICITORS: Kerr & Co, Solicitors
23 Nelson Mandela Place
Glasgow
G2 1QY

Executive Benefit Services (UK) Ltd

**Report of the Director
for the Year Ended 31 December 2002**

The director presents his report with the financial statements of the company for the year ended 31 December 2002.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of authorised independent financial advisors.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

The directors recommend a final dividend amounting to £20,700 making the total of dividends for the year of £62,100.

DIRECTORS

The directors during the year under review were:

C. McCann F.L.I.A.

R. McCann

- resigned 6.4.02

The beneficial interest of the director holding office on 31 December 2002 in the issued share capital of the company was as follows:

	31.12.02	1.1.02
Ordinary £1 shares		
C. McCann F.L.I.A.	72,000	72,000

DONATIONS

During the year ended 31 December 2002 the company made charitable donations totalling £2,165 (2001 £1,265).

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Company law requires the director 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 of the company for that period. In preparing those financial statements, the director is 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 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.

AUDITORS

The auditors, Gerber Landa & Gee, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



P Eager LLB NP - SECRETARY

Dated: 3 July 2003

Executive Benefit Services (UK) Ltd

**Report of the Independent Auditors to
Executive Benefit Services (UK) Ltd
Under Section 247B of the Companies Act 1985**

We have examined the abbreviated financial statements on pages four to fifteen, together with the full financial statements of the company for the year ended 31 December 2002 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of director and auditors

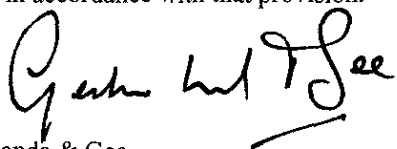
The director is responsible for preparing the abbreviated financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages four to fifteen are properly prepared in accordance with that provision.



Gerber Landa & Gee
Registered Auditor
Chartered Accountants
11/12 Newton Terrace
Glasgow
G3 7PJ

Dated: 3 July 2003

Executive Benefit Services (UK) Ltd

**Abbreviated Profit and Loss Account
for the Year Ended 31 December 2002**

		31.12.02		31.12.01	
	Notes	£	£	£	£
GROSS PROFIT			555,526		748,276
Administrative expenses			554,217		731,606
OPERATING PROFIT	3		1,309		16,670
Income from investments		46		-	
Interest receivable and similar income		6,161	6,207	11,088	11,088
			7,516		27,758
Amounts written off investments	4		900		7,200
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			6,616		20,558
Tax on profit on ordinary activities	5		(2,215)		7,000
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			8,831		13,558
Dividends	6		62,100		87,300
			(53,269)		(73,742)
Retained profit brought forward			257,755		331,497
RETAINED PROFIT CARRIED FORWARD			<u>£204,486</u>		<u>£257,755</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

The notes form part of these financial statements

Executive Benefit Services (UK) Ltd

Abbreviated Balance Sheet
31 December 2002

		31.12.02		31.12.01	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	7		71,562		132,241
Investments	8		900		1,800
			<u>72,462</u>		<u>134,041</u>
CURRENT ASSETS:					
Debtors	9	310,108		290,298	
Cash at bank and in hand		151,472		138,341	
		<u>461,580</u>		<u>428,639</u>	
CREDITORS: Amounts falling due within one year	10	<u>92,988</u>		<u>67,325</u>	
NET CURRENT ASSETS:			<u>368,592</u>		<u>361,314</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			441,054		495,355
PROVISIONS FOR LIABILITIES AND CHARGES:	12		<u>14,968</u>		<u>16,000</u>
			<u>£426,086</u>		<u>£479,355</u>
CAPITAL AND RESERVES:					
Called up share capital	13		100,000		100,000
Other reserves	14		121,600		121,600
Profit and loss account			204,486		257,755
SHAREHOLDERS' FUNDS:	17		<u>£426,086</u>		<u>£479,355</u>

These abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

ON BEHALF OF THE BOARD:



C. McCann F.L.I.A. - DIRECTOR

Approved by the Board on 3 July 2003

The notes form part of these financial statements

Executive Benefit Services (UK) Ltd

**Cash Flow Statement
for the Year Ended 31 December 2002**

		31.12.02	31.12.01
	Notes	£	£
Net cash inflow from operating activities	1	13,959	82,778
Returns on investments and servicing of finance	2	6,207	11,088
Taxation		5,008	(27,820)
Capital expenditure and financial investment	2	51,407	(84,141)
Equity dividends paid		(63,450)	(65,250)
Increase/(Decrease) in cash in the period		<u>£13,131</u>	<u>£(83,345)</u>
Reconciliation of net cash flow to movement in net funds	3		
Increase/(Decrease) in cash in the period		<u>13,131</u>	<u>(83,345)</u>
Change in net funds resulting from cash flows		<u>13,131</u>	<u>(83,345)</u>
Movement in net funds in the period		<u>13,131</u>	<u>(83,345)</u>
Net funds at 1 January		<u>138,341</u>	<u>221,686</u>
Net funds at 31 December		<u>£151,472</u>	<u>£138,341</u>

The notes form part of these financial statements

Executive Benefit Services (UK) Ltd

Notes to the Cash Flow Statement
for the Year Ended 31 December 2002

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31.12.02 £	31.12.01 £
Operating profit	1,309	16,670
Depreciation charges	30,480	49,909
Loss on sale of fixed assets	307	1,794
Profit on sale of fixed assets	(21,515)	-
Commissions on Indemnity Terms	(4,800)	(3,700)
(Increase)/Decrease in debtors	(19,810)	23,510
Increase/(Decrease) in creditors	27,988	(5,405)
Net cash inflow from operating activities	<u>13,959</u>	<u>82,778</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31.12.02 £	31.12.01 £
Returns on investments and servicing of finance		
Interest received	6,161	11,088
Dividends received	46	-
Net cash inflow for returns on investments and servicing of finance	<u>6,207</u>	<u>11,088</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(33,093)	(112,641)
Sale of tangible fixed assets	84,500	18,500
Cash receipts - investmt sales	-	10,000
Net cash inflow/(outflow) for capital expenditure	<u>51,407</u>	<u>(84,141)</u>

The notes form part of these financial statements

Executive Benefit Services (UK) Ltd

Notes to the Cash Flow Statement
for the Year Ended 31 December 2002

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.02 £	Cash flow £	At 31.12.02 £
Net cash:			
Cash at bank and in hand	138,341	13,131	151,472
	<u>138,341</u>	<u>13,131</u>	<u>151,472</u>
Total	<u>138,341</u>	<u>13,131</u>	<u>151,472</u>
Analysed in Balance Sheet			
Cash at bank and in hand	138,341		151,472
	<u>138,341</u>		<u>151,472</u>

The notes form part of these financial statements

**Notes to the Abbreviated Financial Statements
for the Year Ended 31 December 2002**

1. ACCOUNTING POLICIES**Accounting convention**

The financial statements have been prepared under the historical cost convention.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short Leasehold Property Costs	- Straight line over 5 years
Fixtures and fittings	- 15% on cost
Motor vehicles	- 25% on cost

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

Turnover

Turnover represents fees and other income derived from services rendered and commissions received, excluding value added tax.

Indemnity Commission

Insurance commissions received on indemnity terms are credited to the profit and loss account when received and are stated net of any commissions repaid in the year.

Provision is made by the directors for the potential liability for repayment of this commission.

2. STAFF COSTS

	31.12.02	31.12.01
	£	£
Wages and salaries	127,124	260,737
Social security costs	14,610	31,471
Other pension costs	30,000	68,000
	<u>171,734</u>	<u>360,208</u>

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

	31.12.02	31.12.01
Administrative staff	<u>6</u>	<u>7</u>

Executive Benefit Services (UK) Ltd

**Notes to the Abbreviated Financial Statements
for the Year Ended 31 December 2002**

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.12.02	31.12.01
	£	£
Depreciation - owned assets	30,480	49,909
(Profit)/Loss on disposal of fixed assets	(21,208)	1,794
Auditors' remuneration	7,000	6,750
Compensation to staff for loss of office	<u>70,250</u>	<u>-</u>
Directors' emoluments	49,500	124,500
Directors' pension contributions to money purchase schemes	14,000	55,500
Compensation to directors for loss of office	<u>25,000</u>	<u>-</u>

The number of directors to whom retirement benefits were accruing was as follows:

	1	2
	=	=
Money purchase schemes	=	=

4. AMOUNTS WRITTEN OFF INVESTMENTS

	31.12.02	31.12.01
	£	£
Amount written off investment	<u>900</u>	<u>7,200</u>

5. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the profit on ordinary activities for the year was as follows:

	31.12.02	31.12.01
	£	£
Current tax:		
UK corporation tax	-	7,000
Adjustment in respect of previous years	<u>(5,983)</u>	<u>-</u>
Total current tax	<u>(5,983)</u>	<u>7,000</u>
Deferred tax:		
Deferred taxation	3,768	-
Tax on profit on ordinary activities	<u>(2,215)</u>	<u>7,000</u>

UK corporation tax was charged at 20% in 2001.

Executive Benefit Services (UK) Ltd

**Notes to the Abbreviated Financial Statements
for the Year Ended 31 December 2002**

5. TAXATION - continued

Factors affecting the tax (credit)/charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.02 £	31.12.01 £
Profit on ordinary activities before tax	<u>6,616</u>	<u>20,558</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2001 - 20%)	1,323	4,112
Effects of:		
Capital allowances in excess of depreciation	(6,657)	(715)
Expenses not deductible for tax purposes	1,174	3,196
Chargeable gain set against available losses	(584)	(380)
Provision adjustment	(1,230)	787
Franked investment income	<u>(9)</u>	<u>-</u>
Current tax (credit)/charge	<u>(5,983)</u>	<u>7,000</u>

6. DIVIDENDS

	31.12.02 £	31.12.01 £
Equity shares:		
Interim	41,400	65,250
Final	<u>20,700</u>	<u>22,050</u>
	<u>62,100</u>	<u>87,300</u>

Executive Benefit Services (UK) Ltd

**Notes to the Abbreviated Financial Statements
for the Year Ended 31 December 2002**

7. TANGIBLE FIXED ASSETS

	Short Leasehold Property Costs	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£
COST:				
At 1 January 2002	22,342	124,889	135,303	282,534
Additions	13,565	6,528	13,000	33,093
Disposals	-	(4,194)	(135,303)	(139,497)
At 31 December 2002	35,907	127,223	13,000	176,130
DEPRECIATION:				
At 1 January 2002	2,234	85,016	63,043	150,293
Charge for year	7,859	8,096	14,525	30,480
Eliminated on disposals	-	(1,887)	(74,318)	(76,205)
At 31 December 2002	10,093	91,225	3,250	104,568
NET BOOK VALUE:				
At 31 December 2002	25,814	35,998	9,750	71,562
At 31 December 2001	20,108	39,873	72,260	132,241

8. FIXED ASSET INVESTMENTS

	£	
COST:		
At 1 January 2002		
and 31 December 2002		9,000
		<u> </u>
PROVISIONS:		
At 1 January 2002		7,200
Provision during year		900
		<u> </u>
At 31 December 2002		8,100
		<u> </u>
NET BOOK VALUE:		
At 31 December 2002		900
		<u> </u>
		<u> </u>
At 31 December 2001		1,800
		<u> </u>
		<u> </u>
	31.12.02	31.12.01
	£	£
Investments listed on recognised stock exchange	900	1,800
	<u> </u>	<u> </u>

Market value of listed investments at 31 December 2002 - £900 (2001 - £4,614).

Executive Benefit Services (UK) Ltd

**Notes to the Abbreviated Financial Statements
for the Year Ended 31 December 2002**

9. DEBTORS

	31.12.02 £	31.12.01 £
Amounts falling due within one year:		
Trade debtors	4,090	13,069
Amount owed by Related Party	191,496	191,496
Prepayments & accrued income	12,789	25,492
Taxation Debtor	12,983	-
Other debtors	63,750	35,241
	<u>285,108</u>	<u>265,298</u>
Amounts falling due after more than one year:		
Other debtors	<u>25,000</u>	<u>25,000</u>
Aggregate amounts	<u>310,108</u>	<u>290,298</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.02 £	31.12.01 £
Dividend proposed	20,700	22,050
Social security & other taxes	13,720	20,127
Taxation	-	975
Accruals & deferred income	58,568	24,173
	<u>92,988</u>	<u>67,325</u>

11. OBLIGATIONS UNDER LEASING AGREEMENTS

The following payments are committed to be paid within one year:

	Land and buildings operating leases 31.12.02 £	31.12.01 £
Expiring: Between one and five years	<u>15,000</u>	<u>15,000</u>

12. PROVISIONS FOR LIABILITIES AND CHARGES

	31.12.02 £	31.12.01 £
Deferred taxation	3,768	-
Commissions on Indemnity Terms	11,200	16,000
	<u>14,968</u>	<u>16,000</u>

Executive Benefit Services (UK) Ltd

**Notes to the Abbreviated Financial Statements
for the Year Ended 31 December 2002**

12. PROVISIONS FOR LIABILITIES AND CHARGES - continued

	Deferred tax
	£
Movement in year	<u>3,768</u>
Balance at 31 December 2002	<u><u>3,768</u></u>

13. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.02 £	31.12.01 £
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>

14. OTHER RESERVES

	31.12.02 £	31.12.01 £
Share premium account	<u>121,600</u>	<u>121,600</u>

15. PENSION COMMITMENTS

The company contributes to defined contribution pension schemes for its directors and certain of its employees. During the year contributions paid by the company amounted to £30,000 (2001: £68,000).

16. TRANSACTIONS WITH DIRECTORS

The following loans to directors subsisted during the year ended 31 December 2002:

	£
C. McCann F.L.I.A.	
Balance outstanding at start of year	2,700
Balance outstanding at end of year	30,000
Maximum balance outstanding during year	<u>30,000</u>
 R. Mc Cann	
Balance outstanding at start of year	1,400
Balance outstanding at end of year	-
Maximum balance outstanding during year	<u>1,400</u>

The above loans are interest free and have no fixed repayment date.

Executive Benefit Services (UK) Ltd

Notes to the Abbreviated Financial Statements
for the Year Ended 31 December 2002

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.02	31.12.01
	£	£
Profit for the financial year	8,831	13,558
Dividends	(62,100)	(87,300)
Net reduction of shareholders' funds	(53,269)	(73,742)
Opening shareholders' funds	479,355	553,097
Closing shareholders' funds	426,086	479,355
Equity interests	426,086	479,355