

Registered No. 2208249

FAMILY EQUITY PLAN LIMITED

**FINANCIAL STATEMENTS
1999**



A40
COMPANIES HOUSE

AX81UG62

0689
03/05/00

DIRECTORS' REPORT

The Directors present their Annual Report and the audited financial statements for the year ended 31st December 1999.

Review of business

The Company's principal activities during the year were Personal Equity Plan management and Individual Savings Account management, which started on 6th April 1999. The Directors believe that the present level of activity will be sustained for the foreseeable future. The Company is regulated by the Personal Investment Authority and

Results and dividends

The profit for the year was £119,365 (1998: £158,529). The Directors do not recommend the payment of a dividend in 1999 (1998: £nil).

Directors

The Directors of the Company for the financial year ended 31st December 1999 are listed below:

J R Reeve	Chairman
J W Adams	Chief Executive
K Meeres	Company Secretary

No Director had any interest in the shares of the Company at 31st December 1999.

Elective resolutions

There are elective resolutions in force to dispense with :-

- a) the laying of accounts and reports before the Company in general meeting,
- b) the holding of Annual General Meetings, and
- c) the obligation to appoint auditors annually.

DIRECTORS' REPORT
Continued

Statement of Directors' responsibilities

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 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, subject to any material departures disclosed and explained in the financial statements; and
- * 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.

By order of the Board.

K Meeres
Secretary



Date: 24th March 2000

16 West Street
Brighton
East Sussex
BN1 2RL

REPORT OF THE AUDITORS TO THE MEMBERS OF
FAMILY EQUITY PLAN LIMITED

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective Responsibilities of Directors and Auditors

The directors are responsible for preparing the Annual Report. As described on page 2, this includes standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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 specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

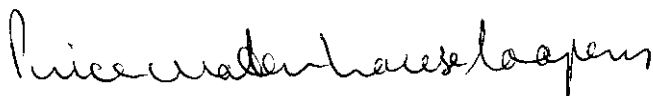
Basis of Audit Opinion

We conducted our audit in accordance with 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 at 31st December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
LONDON

Date: 24th March 2000

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1999

	Notes	1999 £	1998 £
Continuing operations			
Turnover	2	452,078	348,766
Cost of sales		<u>(39,846)</u>	<u>(27,078)</u>
Gross profit		412,232	321,688
Administrative expenses		<u>(344,962)</u>	<u>(195,101)</u>
Profit on ordinary activities before interest and taxation		67,270	126,587
Interest Received		39,656	54,652
Interest payable and similar charges	3	<u>(1,221)</u>	<u>(4)</u>
Profit on ordinary activities before taxation	4	105,705	181,235
Tax on ordinary activities	5	13,660	(22,706)
Retained profit for the year	12,13	<u><u>119,365</u></u>	<u><u>158,529</u></u>


The Company has no recognised gains and losses other than those included in the movements on the Profit and Loss account above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

BALANCE SHEET
AS AT 31ST DECEMBER 1999

	Notes	1999 £	1998 £
CURRENT ASSETS			
Debtors		61,687	5,297
Cash at bank		596,229	535,966
		<u>657,916</u>	<u>541,263</u>
CREDITORS:			
Amounts falling due within one year	9	<u>(36,222)</u>	<u>(38,934)</u>
NET CURRENT ASSETS		<u>621,694</u>	<u>502,329</u>
CAPITAL AND RESERVES			
Called up share capital	10	1,465,000	1,465,000
Profit and loss account	11	(843,306)	(962,671)
Equity shareholders' funds	12	<u>621,694</u>	<u>502,329</u>

The financial statements on pages 4 to 8 were approved by the Board of Directors on 24th March 2000.


J W Adams
Chief Executive

K Meeres
Secretary



The notes on pages 6 to 8 form part of these accounts.

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

- a) The financial statements have been prepared in accordance with Companies Act 1985 and applicable Accounting Standards issued in the United Kingdom. The financial statements have been prepared under the historical cost convention.
- b) The Company has taken advantage of the exemption permitted by the FRS 1 (Revised) 'Cash Flow Statements' and has elected not to prepare the cash flow statement.

2. TURNOVER

All turnover comprises fees and commissions derived from Personal Equity Plan and Individual Savings Account management in the United Kingdom and is stated exclusive of VAT.

3. INTEREST PAYABLE AND SIMILAR CHARGES

	1999 £	1998 £
On bank loans and overdrafts and other loans	1,221	4

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1999 £	1998 £
Profit on ordinary activities before taxation is		
after charging:		
Auditors' remuneration for :		
Audit services	4,780	3,716
Non audit services	5,038	4,118

5. TAXATION

	1999 £	1998 £
Corporation tax		
Current year provision	-	13,660
Over provision in prior year	(13,660)	(637)
Surrenders of tax losses from fellow group companies		
Under provision in prior year	-	9,683
	(13,660)	22,706

No provision has been made for corporation tax in the current year due to the utilisation of trading losses brought forward. (1998: 31% less marginal relief)

The company has trading losses carried forward of approximately £788,619. The Directors do not consider it prudent to recognise a deferred tax asset. The amount of unprovided deferred tax asset is estimated to be approximately £236,500.

NOTES TO THE ACCOUNTS (Continued)

6. DIRECTORS' EMOLUMENTS

The current directors received no emoluments during the year in respect of their services since they are remunerated as members of the Committee of Management of the Company's parent (1998: £nil).

7. EMPLOYEES

There are no employees directly employed by the Company (1998: nil). A service charge payable by the Company to the parent includes a portion for salary and staff related costs.

8. DEBTORS

	1999	1998
Amounts falling due within one year:	£	£
Amounts due from fellow subsidiary	50,150	192
Other debtors	8,537	5,105
Corporation tax paid in advance	3,000	-
	<u>61,687</u>	<u>5,297</u>

9. CREDITORS

	1999	1998
Amounts falling due within one year:	£	£
Amounts owed to parent company	19,704	11,241
Corporation tax payable	-	13,660
Other creditors	2,414	2,655
Accruals and deferred income	14,104	11,378
	<u>36,222</u>	<u>38,934</u>

10. SHARE CAPITAL

	1999	1998
	£	£
Authorised:-		
1,500,000, £1 ordinary shares	<u>1,500,000</u>	<u>1,500,000</u>
Allotted, called up and fully paid		
1,465,000, £1 ordinary shares	<u>1,465,000</u>	<u>1,465,000</u>

NOTES TO THE ACCOUNTS **(Continued)**

11. PROFIT AND LOSS ACCOUNT

	1999 £	1998 £
Balance at 1st January	(962,671)	(1,121,200)
Profit for the year	119,365	158,529
	<hr/>	<hr/>
Balance at 31st December	(843,306)	(962,671)
	<hr/>	<hr/>

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1999 £	1998 £
Opening shareholders' funds	502,329	343,800
Profit for the year	119,365	158,529
	<hr/>	<hr/>
Closing shareholders' funds	621,694	502,329
	<hr/>	<hr/>

13. RELATED PARTY TRANSACTIONS

The company has taken advantage of an exemption from FRS8 not to disclose transactions with Family Assurance Friendly Society Limited's group undertakings. Balances with Family Assurance Friendly Society Limited's group undertakings are shown in notes 8 and 9.

The Directors of Family Equity Plan Limited and its key management had no material transactions with the Company during 1999.

14. ULTIMATE PARENT

The immediate and ultimate parent company is Family Assurance Friendly Society Limited, a Friendly Society incorporated in England and Wales in accordance with the Friendly Societies Act 1992. Copies of the ultimate parent's consolidated financial statements may be obtained from:

The Secretary
Family Assurance Friendly Society Limited
16-17 West Street
Brighton
East Sussex
BN1 2RL