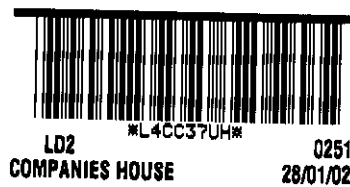


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COLUMBUS FINANCIAL ADVISERS LIMITED

Financial Statements

31 March 2001



DIRECTORS

**L C Seely
C C Walker
M R A Carlton
M W Delmar-Morgan**

SECRETARY

H Fleming

REGISTERED OFFICE

**43 Cantelupe Road
East Grinstead
West Sussex
RH19 3BL**

BANKERS

**Barclays Bank plc
PO Box 2165
Crawley
West Sussex
RH10 1YX**

AUDITORS

**Moore Stephens
Chartered Accountants
St Paul's House
Warwick Lane
London
EC4P 4BN**

The directors present their report and accounts for the year ended 31 March 2001.

RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £6,378 (2000 - £15,200), which is to be transferred to accumulated losses.

The directors do not recommend the payment of a dividend.

REVIEW OF THE BUSINESS

The Company's principal activity during the year was the provision of financial services. It was regulated by the PIA (Personal Investment Authority Limited) until 1st December 2001 when it became regulated by the FSA (Financial Services Authority). The directors anticipate a return to operating profit in the coming year.

The directors do not anticipate any major changes to the nature of the business during the coming year. Charitable donations of £350 were made during the year.

DIRECTORS AND THEIR INTERESTS

The Directors during the year and their interest in the share capital of the company were as follows:

	<u>At 31 March 2001</u>	<u>At 1 April 2000</u>
	Ordinary Shares	Ordinary Shares
L C Seely	385,000	385,000
C C Walker	275,000	275,000
M R A Carlton	155,295	155,295
M W Delmar-Morgan	-	-

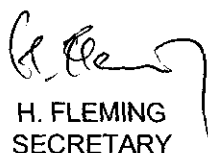
CLOSE COMPANY

The company is a close company within the provisions of the Income and Corporation Taxes Act, 1988.

AUDITORS

Moore Stephens are willing to continue in office, a resolution to reappoint them as auditors will be put to the members at the annual general meeting.

BY ORDER OF THE BOARD


H. FLEMING
SECRETARY

16 January 2002

COLUMBUS FINANCIAL ADVISERS LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the financial year. The directors consider that in preparing the financial statements the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgement and estimates and confirm that all applicable accounting standards have been followed. The financial statements have been prepared on a going concern basis.

The directors have responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985. The directors also have responsibility for safeguarding the assets of the company and for the prevention and detection of fraud and other irregularities.

**REPORT OF THE AUDITORS TO THE MEMBERS OF
COLUMBUS FINANCIAL ADVISERS LIMITED**

We have audited the financial statements on pages 5 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective Responsibilities of Directors and Auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. 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 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 affairs of the company as at 31 March 2001 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

St. Paul's House
Warwick Lane
London EC4P 4BN

Moore Stephens

MOORE STEPHENS

Chartered Accountants
Registered Auditors

25 January 2002

COLUMBUS FINANCIAL ADVISERS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2001**

	Note	2001	2000
TURNOVER	2	2,958,456	2,246,794
Cost of sales		2,010,948	1,471,287
		<hr/>	<hr/>
Gross profit		947,509	775,507
Administrative expenses		954,180	764,406
		<hr/>	<hr/>
OPERATING (LOSS)/PROFIT	3	(6,671)	11,101
Bank interest receivable		18,858	11,449
Bank and loan interest payable		(120)	(850)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		12,067	21,700
TAXATION	5	5,689	6,500
		<hr/>	<hr/>
PROFIT FOR FINANCIAL YEAR		6,378	15,200
		<hr/>	<hr/>
ACCUMULATED LOSSES			
At 1 April 2000		(60,686)	(75,886)
Profit for the financial year		6,378	15,200
		<hr/>	<hr/>
At 31 March 2001		(54,308)	(60,686)

There are no realised gains or losses other than those included in the profit and loss account.

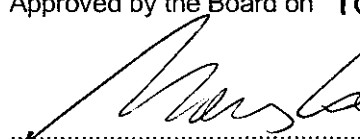
The notes on pages 8 to 13 form part of these accounts.

COLUMBUS FINANCIAL ADVISERS LIMITED

BALANCE SHEET AT 31 MARCH 2001

	Note	2001	2000
Called up share capital not paid		7,338	7,338
FIXED ASSETS			
Tangible assets	6	28,686	33,611
Investments	7	75	-
		<u>36,099</u>	<u>40,949</u>
CURRENT ASSETS			
Debtors	8	458,905	342,122
Cash at bank and in hand		372,321	277,722
		<u>831,226</u>	<u>619,844</u>
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	9	596,480	493,326
NET CURRENT ASSETS		<u>234,746</u>	<u>126,518</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£270,845</u>	<u>£167,467</u>
		270,845	-
PROVISION FOR LIABILITY AND CHARGES		97,000	-
NET ASSETS		<u>£173,845</u>	<u>£167,467</u>
CAPITAL AND RESERVES			
Called-Up Share Capital	11	228,153	228,153
Profit and Loss Account		(54,308)	(60,686)
		<u>173,845</u>	<u>167,467</u>

Approved by the Board on 16 January 2002



M R A CARLTON
DIRECTOR

The notes on pages 8 to 13 form part of these accounts.

COLUMBUS FINANCIAL ADVISERS LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2001**

	Note	2001 £	2000 £
NET CASH FLOW FROM OPERATING ACTIVITIES	17	97,834	(88,372)
 RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid	(120)	(850)	
Interest received	18,858	11,449	
		<hr/>	<hr/>
Net cash flow from returns on investments and servicing of finance		18,738	10,599
TAXATION		(5,807)	(7,444)
 INVESTING ACTIVITIES			
Purchase of tangible fixed assets	(16,091)	(12,748)	
Purchase of investment securities	(75)	-	
		<hr/>	<hr/>
Net cash (outflow) from investing activities		(16,166)	(12,748)
		<hr/>	<hr/>
Net cash flow before financing		94,599	(97,965)
 FINANCING			
Loans redeemed		-	(8,000)
		<hr/>	<hr/>
Net cash flow from financing		-	(8,000)
		<hr/>	<hr/>
INCREASE/(DECREASE) IN CASH IN THE YEAR	18	94,599	(105,965)
		<hr/>	<hr/>
 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
Increase/(decrease) in cash in the year	18	94,599	(105,965)
Cash outflow due to the repayment of debt		-	8,000
		<hr/>	<hr/>
Movement in net funds		94,599	(97,965)
Net funds at 1 April 2000		277,722	375,687
		<hr/>	<hr/>
Net funds at 31 March 2001		£372,321	£277,722
		<hr/>	<hr/>

COLUMBUS FINANCIAL ADVISERS LIMITED

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2001**

1. ACCOUNTING POLICIES

(a) Accounting Convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

(b) Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value of each asset over its expected economic useful life, as follows:-

Computer system	-	over three years
Office furniture	-	over four years
Fixtures and fittings	-	over four years
Office equipment	-	over four years

2. TURNOVER

Turnover represents the commissions earned from the principal activity of providing financial services. Full credit is taken for initial commissions due on all business debited in the year irrespective of the period of the policy. Renewal commission is accounted for when received. Provision is made for commissions on indemnity terms which are repayable in the year together with further provision based on previous experience.

Turnover amounting to Nil (2000 £Nil) originated from countries outside the United Kingdom.

3. OPERATING PROFIT

	2001	2000
This is stated after charging:-		
Directors' emoluments (see note 4)	852,279	628,318
Auditors remuneration	10,616	6,169
Depreciation	21,016	16,979
Operating leases - land and buildings	20,987	36,320
- other	5,478	-

COLUMBUS FINANCIAL ADVISERS LIMITED

**NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 MARCH 2001**

4. EMPLOYEES	2001	2000
Directors' Remuneration		
Normal Emoluments	839,128	601,853
Pension contributions	13,151	26,465
	<hr/>	<hr/>
	£852,279	£628,318

The emoluments of the highest paid director amounted to £574,371.
The pension contributions relate to three Directors under Money Purchase Schemes.

Staff costs (including Directors)	2001	2000
Wages and salaries	1,170,910	848,102
Social security costs	140,003	100,654
Pension contributions	24,758	38,406
	<hr/>	<hr/>
	£1,335,671	£987,162

The average weekly number of employees during the year was made up as follows:-

Technical	3	3
Administration	18	16
	<hr/>	<hr/>
	21	19

5. TAXATION	2001	2000
Corporation tax	5,689	6,500
	<hr/>	<hr/>
	£5,689	£6,500

COLUMBUS FINANCIAL ADVISERS LIMITED

**NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 MARCH 2001**

6. TANGIBLE FIXED ASSETS

	Computer and Office Equipment	Office Furniture Fixtures & Fittings	Total
Cost:			
At 1 April 2000	58,190	27,464	85,654
Additions	15,101	990	16,091
Disposals	-	(170)	(170)
	<hr/>	<hr/>	<hr/>
At 31 March 2001	73,291	28,284	101,575
	<hr/>	<hr/>	<hr/>
Depreciation:			
At 1 April 2000	40,861	11,182	52,043
Charge for year	11,977	9,039	21,016
Released on disposal	-	(170)	(170)
	<hr/>	<hr/>	<hr/>
At 31 March 2001	52,838	20,051	72,889
	<hr/>	<hr/>	<hr/>
Net book value:			
At 31 March 2001	£20,453	£8,233	£28,686
	<hr/>	<hr/>	<hr/>
At 1 April 2000	£17,329	£16,282	£33,611
	<hr/>	<hr/>	<hr/>

7. INVESTMENTS

	Total
Cost	
At 1 April 2000	-
Additions	75
	<hr/>
At 31 March 2001	75
	<hr/>

On 5 January 2001, the company purchased 1,500 options to purchase class C shares in Integrated Financial Arrangements PLC at £0.05 per option.

The option may be exercised 10 business days following the earlier of 5 January 2005, the date of floatation or the date of the sale of the company.

The exercise price is £1 per option.

COLUMBUS FINANCIAL ADVISERS LIMITED

**NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 MARCH 2001**

8. DEBTORS	2001	2000
Trade debtors	424,687	322,815
Prepayments	20,051	19,016
Sundry debtors	14,167	291
	<u>£458,905</u>	<u>£349,460</u>
9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2001	2000
Trade creditors	243,371	239,186
Corporation Tax	5,610	5,728
Tax, Social Security payable and other creditors	269,652	215,109
Amount owed to associate company	-	589
Amount Owed to affiliate company	653	170
Accruals	77,194	32,544
	<u>£596,480</u>	<u>£493,326</u>
10. PROVISIONS FOR LIABILITIES AND CHARGES		Total
Cost		
At 1 April 2000		-
Provision for year		97,000
		<u>97,000</u>
At 31 March 2001		97,000
<p>Following a pension review, ten pensions were highlighted where possible redress was required. Full provision for the professional Indemnity Insurance excess has been provided.</p>		
11. SHARE CAPITAL	2001	2000
Authorised:		
Ordinary Shares of £1 each	-	-
Ordinary Shares of 1p each	41,024	41,024
Deferred Shares of 1p each	217,800	217,800
	<u>£ 258,824</u>	<u>£ 258,824</u>
Allotted, Called-Up and Fully Paid		
Ordinary Shares of £1 each	-	-
Ordinary Shares of 1p each	2,200	2,200
Deferred Shares of 1p each	217,800	217,800
Allotted, Called-Up and Partly Paid		
Ordinary Shares of 1p each	8,153	8,153
	<u>£228,153</u>	<u>£228,153</u>

The Deferred shares of 1p each are entitled, on liquidation, to return of an amount equivalent to nominal value and have no other participation right. Such right is subject to a minimum return to Ordinary shareholders on liquidation of £1,000 per share. Accordingly, the holders of Deferred 1p shares have no participation in existing shareholders' funds.

COLUMBUS FINANCIAL ADVISERS LIMITED

**NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2001**

The movement in equity shareholder funds during the year is represented by:

	<u>2001</u>	<u>2000</u>
Opening shareholder funds	167,467	152,267
Profit for year	6,378	15,200
Closing shareholder funds	<u>£173,845</u>	<u>£167,467</u>

12. PENSION

The company has made payments to money purchase schemes on behalf of directors and employees amounting to £24,758 (2000 £38,406).

13. OPERATING LEASES

The company has the following commitments under operating leases which expire:

	<u>Land and Buildings</u>	<u>Other Equipment</u>	<u>Total</u>
Within one year	8,503	2,284	10,787
In two to five years	-	2,555	2,555
	<u>8,503</u>	<u>4,839</u>	<u>13,342</u>

14. CONTINGENT LIABILITIES

At 31 March 2001 the Company had no contingent liabilities that fall to be disclosed (2000 - Nil).

15. TRANSACTIONS WITH DIRECTORS

During the year policies were negotiated for directors and their connected persons in accordance with normal trading terms, together with commission participation arrangements.

16. ULTIMATE CONTROLLING PARTY

The directors own 80% of the ordinary share capital in issue. Columbus Financial Services Limited own 20% of the ordinary share capital and all of the deferred shares in issue.

**17. RECONCILIATION OF OPERATING PROFIT
TO OPERATING CASH FLOW**

	<u>2001</u>	<u>2000</u>
Operating (Loss)/Profit	(6,671)	11,101
Depreciation charges	21,017	16,979
(Increase) in debtors	(116,784)	(263,888)
Increase in creditors	200,272	147,436
Net cash flow from operating activities	<u>£97,834</u>	<u>(£88,372)</u>

COLUMBUS FINANCIAL ADVISERS LIMITED

**NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2001**

18. ANALYSIS OF FUNDS

	1 April 2000	Cash Flow	31 March 2001
Cash at Bank	277,722	94,599	372,321
	<u>£277,722</u>	<u>£94,599</u>	<u>£372,321</u>