

**ARGENT INSURANCE PRACTICE LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2002**  
**COMPANY NUMBER 2810267**



A COMPANY OF



COX INSURANCE  
HOLDINGS PLC

**ARGENT INSURANCE PRACTICE LIMITED**  
**FINANCIAL STATEMENTS - 31 DECEMBER 2002**

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# **ARGENT INSURANCE PRACTICE LIMITED**

## **DIRECTORS REPORT**

**for the year ended 31 December 2002**

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2002.

## **DIRECTORS**

The directors of the company who served during the period under review were as follows:

Mr C D Charles (resigned 24 December 2002)  
Mr R Dean (resigned 16 October 2002)  
Mr P Dodds (resigned 24 December 2002)  
Mr M Hutton (appointed 24 December 2002)  
Mr J Morley (appointed 24 December 2002)  
Mr D W Mowl (resigned 13 November 2002)  
Mr N Potts (appointed 24 December 2002)  
Mr N A Utley  
Mr M P Whitfield (resigned 17 October 2002)  
Mr M Woods (appointed 24 December 2002)

## **COMPANY SECRETARY**

C J Ringrose

## **PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS**

The principal activity of the Company was that of insurance broking. The directors believe that the business has and will continue to develop satisfactorily.

## **RESULTS AND DIVIDENDS**

The results for the year ended 31 December 2002 are set out on page 6.

A final dividend of 70.6797p per ordinary share amounting to £341,689 (2001 - £nil) is proposed.

## **EMPLOYEES**

During the year all staff were employed by Cox Services Limited, a fellow subsidiary undertaking.

## **DIRECTORS' INTERESTS**

None of the directors had any beneficial interest in the shares of the Company as at 31 December 2002.

Mr N A Utley and Mr J Morley are directors of Cox Insurance Holdings Plc, the Company's ultimate parent company, and their interests are disclosed in the financial statements of that company.

The other directors' interests in the ordinary shares of Cox Insurance Holdings Plc are as follows:

### **Number of shares**

	<b>31 December 2002</b>	<b>24 December 2002</b>
M Hutton	2,333	-

## ARGENT INSURANCE PRACTICE LIMITED

### DIRECTORS REPORT (continued) for the year ended 31 December 2002

#### Number of share options

	24 December 2002	Granted during period	Exercised/ lapsed during period	31 December 2002	Exercise price	Exercisable from	Expiry date
<b>M Hutton</b>							
2001 Scheme	-	85,000	-	85,000	50.00p	May 2005	May 2012
SAYE Scheme	-	21,205	-	21,205	44.80p	Aug 2005	Feb 2006
<b>Total</b>	<b>-</b>	<b>106,205</b>	<b>-</b>	<b>106,205</b>			
<b>N Potts</b>							
1995 Scheme	24,066	-	-	24,066	241.00p	Apr 2004	Apr 2008
1995 Scheme	83,226	-	-	83,226	155.00p	Mar 2002	Mar 2006
1996 Scheme	18,082	-	-	18,082	182.50p	Apr 2003	Apr 2007
1997 Scheme	19,354	-	-	19,354	155.00p	Mar 2002	Apr 2009
2001 Scheme	-	220,000	-	220,000	50.00p	May 2005	May 2012
SAYE Scheme	13,969	-	(13,969)	-	120.80p	June 2004	Nov 2004
SAYE Scheme	-	21,205	-	21,205	44.80p	Aug 2005	Feb 2006
<b>Total</b>	<b>158,697</b>	<b>241,205</b>	<b>(13,969)</b>	<b>385,933</b>			

The share price at 31 December 2002 was 77.00p (2001 – 141.00p). The highest and lowest prices during the period were 147.50p and 36.00p.

#### LIABILITY INSURANCE FOR GROUP DIRECTORS AND OFFICERS

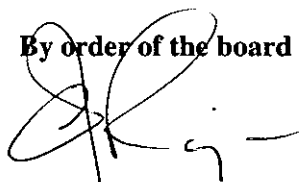
As permitted by the Companies Act 1985, the group has maintained insurance cover for directors and officers against liabilities in relation to the group.

#### AUDITORS

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 23 January 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors.

Elective resolutions have been made by the shareholders of the Company under Section 386 and Section 366a of the Companies Act 1985. This appointment will continue until such time as the elective resolution is withdrawn by the shareholders and their reappointment is considered at the subsequently held Annual General Meeting, the auditors resign, or are removed from office.

By order of the board



C J Ringrose  
Secretary

3 April 2003

## **ARGENT INSURANCE PRACTICE LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES for the year ended 31 December 2002**

Company law requires the directors to prepare financial statements for each financial period that 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 a 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.

## **ARGENT INSURANCE PRACTICE LIMITED**

### **INDEPENDENT AUDITORS' REPORT**

**to the shareholders of Argent Insurance Practice Limited**

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes which have been prepared in accordance with the accounting policies set out in the statement of accounting policies.

#### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 Companies Act 1985. 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 records, if we have not received all the information and explanations we require for our audit, or if information 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. The other information comprises only the directors' report.

#### **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.

**ARGENT INSURANCE PRACTICE LIMITED**

**INDEPENDENT AUDITORS' REPORT (continued)**  
**to the shareholders of Argent Insurance Practice Limited**

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in cursive script that reads "PricewaterhouseCoopers LLP".

**PricewaterhouseCoopers LLP**  
**Chartered Accountants and Registered Auditors**  
**London**

**3 April 2003**

# ARGENT INSURANCE PRACTICE LIMITED

## PROFIT AND LOSS ACCOUNT for the year ended 31 December 2002

	Note	31 December 2002 £	31 December 2001 £
TURNOVER	2	3,768,964	3,181,831
Administrative expenses		(3,523,052)	(3,182,783)
OPERATING PROFIT/(LOSS)		245,912	(952)
Other operating income		158,603	90,692
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION	3	404,515	89,740
Gain on current asset investment		59,087	-
Interest receivable		4,796	77,715
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		468,398	167,455
Tax on profit on ordinary activities	5	(181,479)	(99,848)
PROFIT FOR THE FINANCIAL YEAR		286,919	67,607
Dividends	6	(341,689)	-
(LOSS) / RETAINED PROFIT FOR THE FINANCIAL YEAR	18	(54,770)	67,607

All amounts relate to continuing operations.

There are no recognised gains or losses other than the profits 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 tax and the retained profit for the financial period stated above, and their historical cost equivalents.

The notes on pages 8 to 17 form an integral part of these financial statements.

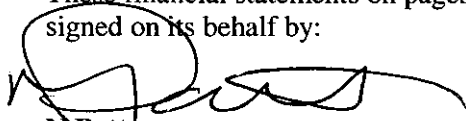


# ARGENT INSURANCE PRACTICE LIMITED

## BALANCE SHEET as at 31 December 2002

	Note	31 December 2002 £	31 December 2001 £
<b>FIXED ASSETS</b>			
Intangible assets	7	2,358,005	2,100,318
Tangible assets	8	164,039	123,126
Investments	9	5,501	5,501
		<hr/>	<hr/>
		2,527,545	2,228,945
<b>CURRENT ASSETS</b>			
Debtors	10	1,803,833	1,444,082
Investments	11	1,469,574	-
Cash at bank and in hand	12	71,627	1,288,308
		<hr/>	<hr/>
		3,345,034	2,732,390
<b>CREDITORS: amounts falling due within one year</b>	13	(5,109,662)	(4,093,419)
		<hr/>	<hr/>
<b>NET CURRENT LIABILITIES</b>		(1,764,628)	(1,361,029)
<b>CREDITORS: amounts falling due after more than one year</b>	14	(35,634)	(45,863)
Provision for liabilities and charges	15	-	(40,000)
		<hr/>	<hr/>
<b>NET ASSETS</b>		727,283	782,053
		<hr/>	<hr/>
Share capital	17	483,433	483,433
Share premium		129,954	129,954
Profit and loss account	18	113,896	168,666
		<hr/>	<hr/>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	19	727,283	782,053
		<hr/>	<hr/>

These financial statements on pages 6 to 17 were approved by the board of directors on 3 April 2003 and signed on its behalf by:

  
N Potts  
Director

3 April 2003

The notes on pages 8 to 17 form an integral part of these financial statements.

# ARGENT INSURANCE PRACTICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2002

### 1. ACCOUNTING POLICIES

#### a. Basis of accounting

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards under the historical cost convention and the accounting policies set out below.

The accounts have been prepared on the going concern basis which the directors believe to be appropriate because another group company has undertaken, if necessary, to make funds available to enable the company to meet its liabilities as they fall due.

#### b. Group accounts

The Company is a wholly owned subsidiary of Cox Insurance Holdings Plc, a UK company that prepares consolidated accounts. In accordance with section 228 of the Companies Act 1985, it has taken advantage of the exemption to prepare and deliver group accounts to the Registrar.

#### c. Cash flow statement

The Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996) as a result of the Company being a wholly owned subsidiary of Cox Insurance Holdings Plc, the ultimate parent company.

#### d. Related parties

The Company is exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions that are part of the Cox Insurance Holdings Plc group.

#### e. Turnover

Brokerage and fees are recognised on the earlier of cover commencing or when the client pays the premium either in full or by way of a deposit.

#### f. Other operating income

This consists of profit commission, commission for premium financing arrangements and run-off life commission. These are recognised when received.

#### g. Tangible fixed assets

Tangible fixed assets are stated at cost less amounts depreciated. Depreciation is provided at rates calculated to write off the cost less estimated residual value in equal annual instalments over the estimated useful economic lives of the tangible fixed assets. The rates of depreciation are, on a straight line basis, as follows:

Motor vehicles	25% per annum
Furniture and equipment	25% per annum
Fixtures and fittings	20% per annum
Freehold building	2% per annum

#### h. Investments

Shares in subsidiary undertakings are stated at cost less provisions for any permanent impairment in value. Income is recognised in the year in which it becomes receivable.

# ARGENT INSURANCE PRACTICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2002

### 1. ACCOUNTING POLICIES (continued)

#### i. Current asset investments

Current asset investments are stated at the lower of cost and market value.

#### j. Goodwill

Purchased goodwill is stated at cost less amounts amortised. The cost of goodwill is amortised over the estimated useful life of the asset. The estimated lives of each goodwill asset acquired are separately considered on the basis of the merits of the underlying business. In the first full year following the year of acquisition an impairment review is performed. The value of the goodwill and life of the asset is reviewed and amended as necessary. The current amortisation rate of goodwill is 5% per annum on a straight line basis.

#### k. Trade debtors and trade creditors

Insurance Brokers normally act as agents in placing the insurable risks of their clients with insurers and, as such, generally are not liable as principals for amounts arising from such transactions. Notwithstanding these legal relationships, debtors and creditors arising from insurance broking transactions are shown as assets and liabilities. This recognises that the insurance broker is entitled to retain the investment income on any cash flows arising from these transactions.

Balances arising from insurance broking transaction included under debtors and creditors are only offset to the extent permitted under the provisions of Financial Reporting Standard Number 5 'Reporting the substance of transactions'.

#### l. Tax

Corporation tax is provided on taxable profits at the current rate.

### 2. TURNOVER

Turnover represents net income from insurance broking business and legal representation fees receivable, all originating from within the United Kingdom.

### 3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The operating profit is arrived at after charging/(crediting):

	31 December 2002	31 December 2001
Depreciation of owned assets	18,864	38,115
Amortisation of goodwill	130,357	122,547
Profit on disposal of fixed assets	(2,600)	(4,044)

## ARGENT INSURANCE PRACTICE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2002

#### 3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (continued)

Certain costs, including staff related costs, auditors' remuneration and operating leases, are borne by Cox Services Limited ("CSL"), a fellow subsidiary undertaking.

Disclosure of the full amount is shown in the notes to the financial statements of CSL. The amount recharged to the Company by CSL during 2002 was £413,327 (2001 - £313,545). In addition, a management charge was made by CSL in respect of staff related costs of £1,823,562 (2001 - £1,702,013).

#### 4. DIRECTORS' EMOLUMENTS

Mr N A Utley and Mr J Morley were remunerated for their services to the Group as a whole and their remuneration is included in the financial statements of Cox Insurance Holdings Plc, the Company's ultimate parent company.

The emoluments of Mr C D Charles are paid by Cox Services Limited. The recharge from Cox Services Limited to Argent Insurance Practice in respect of his services as a director of the Company amounted to £16,888 (2001 - £nil) which is included in the aggregate directors' emoluments below:

The directors' emoluments, excluding pension contributions, during the year amounted to £191,975 (2001 - £156,812).

The company operates a number of pension schemes. Payments in respect of the directors during the year amounted to £15,657 (2001 - £18,364).

There was 1 (2001 - 1) director in the Company's defined benefit scheme and 6 (2001 - 5) directors in the Company's defined contribution scheme during the year.

#### 5. TAX ON PROFIT ON ORDINARY ACTIVITIES

##### (a) Analysis of charge in period

	31 December 2002 £	31 December 2001 £
Current tax:		
UK corporation tax on profits of the period	183,175	99,560
Adjustments in respect of previous periods	(1,696)	288
	<hr/>	<hr/>
Tax on profit on ordinary activities	181,479	99,848
	<hr/>	<hr/>

**ARGENT INSURANCE PRACTICE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 December 2002**

**5. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)**

**b) Factors affecting tax charge for period**

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (30%).

The differences are explained below:

	31 December 2002 £	31 December 2001 £
Profit on ordinary activities before taxation	468,398	167,455
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2001 – 30%)	140,519	50,237
Effects of:		
Expenses not deductible for tax purposes	36,997	37,586
Depreciation for period in excess of capital allowances	5,659	11,737
Adjustments to tax charge in respect of previous periods	(1,696)	288
Current tax charge for period (note 5(a))	181,479	99,848

**6. DIVIDENDS**

	31 December 2002 £	31 December 2001 £
Proposed dividend: 70.6797p per share (2001 - £nil)	341,689	-

**ARGENT INSURANCE PRACTICE LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 December 2002****7. INTANGIBLE FIXED ASSETS**

	<b>31 December 2002 £ Goodwill</b>
<b>Cost</b>	
At 31 December 2001	2,379,079
Additions	388,044
	<hr/>
<b>At 31 December 2002</b>	<b>2,767,123</b>
	<hr/>
<b>Amortisation</b>	
At 31 December 2001	278,761
Amortised during the year	130,357
	<hr/>
<b>At 31 December 2002</b>	<b>409,118</b>
	<hr/>
<b>Net book value</b>	
At 31 December 2001	2,100,318
	<hr/>
<b>At 31 December 2002</b>	<b>2,358,005</b>
	<hr/> <hr/>

**ARGENT INSURANCE PRACTICE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 December 2002**

**8. TANGIBLE FIXED ASSETS**

	Land and buildings £	Motor vehicles £	Furniture, equipment, fixtures and fittings £	Total £
<b>Cost</b>				
At 31 December 2001	101,196	26,803	122,209	250,208
Additions	-	-	59,777	59,777
Disposals	-	(4,145)	-	(4,145)
<b>At 31 December 2002</b>	<b>101,196</b>	<b>22,658</b>	<b>181,986</b>	<b>305,840</b>
<b>Depreciation</b>				
At 31 December 2001	6,000	26,803	94,279	127,082
Charge for the year	2,024	-	16,840	18,864
Disposals	-	(4,145)	-	(4,145)
<b>At 31 December 2002</b>	<b>8,024</b>	<b>22,658</b>	<b>111,119</b>	<b>141,801</b>
<b>Net Book Value</b>				
At 31 December 2001	95,196	-	27,930	123,126
<b>At 31 December 2002</b>	<b>93,172</b>	<b>-</b>	<b>70,867</b>	<b>164,039</b>

**9. FIXED ASSETS INVESTMENTS**

	Shares in group undertakings £
<b>Cost and net book value</b>	
At 31 December 2001 and 31 December 2002	<b>5,501</b>

# ARGENT INSURANCE PRACTICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2002

### 9. FIXED ASSETS INVESTMENTS (continued)

Name of company	Country of registration	Holding	Proportion of voting rights and shares held	Nature of business
Paddock Underwriting Agencies Limited	England and Wales	1,000 Ordinary shares	100%	Dormant

### 10. DEBTORS

	31 December 2002 £	31 December 2001 £
Trade debtors	1,793,833	1,220,858
Other debtors	-	209,871
Prepayments and accrued income	10,000	13,353
	<hr/>	<hr/>
	1,803,833	1,444,082

### 11. CURRENT ASSET INVESTMENTS

	31 December 2002 £	31 December 2001 £
Money market deposits	1,469,574	-
	<hr/>	<hr/>

The market value of the money market deposit is not materially different from the carrying value.

### 12. CASH AT BANK AND IN HAND

Included in this balance is an amount of £63,641 (2001 - £1,178,864), which arises from Insurance Broking transactions. These amounts are held in designated Insurance Broking Accounts on behalf of the client, for onward payment to the insurers.



# ARGENT INSURANCE PRACTICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2002

### 13. CREDITORS: Amounts falling due within one year

	31 December 2002 £	31 December 2001 £
Bank overdraft	513,304	-
Trade creditors	2,122,390	1,796,714
Amounts owed to group undertakings	1,508,455	1,669,240
Proposed dividend	341,689	-
Corporation tax	175,786	45,725
Accruals and deferred income	442,728	580,581
Bank loan (see note 13)	5,310	1,159
	<hr/>	<hr/>
	5,109,662	4,093,419
	<hr/>	<hr/>

### 14. CREDITORS: Amounts falling due after more than one year

	31 December 2002 £	31 December 2001 £
Bank loan	35,634	45,863
	<hr/>	<hr/>
Maturity of debt:		
in one year (see note 12)	5,310	1,159
in 2-5 years	24,725	16,226
in more than 5 years	10,909	29,637
	<hr/>	<hr/>
	40,944	47,022
	<hr/>	<hr/>

The bank loan was taken out in 1999 and is set at 2% over base rate. It is repayable over 10 years and is secured on property at Lombard Street, Newark.

### 15. PROVISION FOR LIABILITIES AND CHARGES

	31 December 2002 £	31 December 2001 £
Provision for pensions miss-selling	-	40,000
	<hr/>	<hr/>

# ARGENT INSURANCE PRACTICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2002

### 16. CONTINGENT LIABILITIES

The Company has jointly guaranteed the bank borrowings of Cox Insurance Holdings Plc, the Company's ultimate parent company, with fellow subsidiary undertakings amounting to £75,000,000 (2001 – nil).

### 17. CALLED UP SHARE CAPITAL

	31 December 2002 £	31 December 2001 £
Authorised: 483,433 ordinary shares of £1 each	483,433	483,433
Allotted, issued and fully paid: 483,433 ordinary shares of £1 each	483,433	483,433

### 18. PROFIT AND LOSS ACCOUNT

	31 December 2002 £	31 December 2001 £
Balance at 1 January	168,666	101,059
(Loss)/ retained profit for the financial year	(54,770)	67,607
<b>Balance at 31 December</b>	<b>113,896</b>	<b>168,666</b>

# ARGENT INSURANCE PRACTICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2002

### 19. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	31 December 2002 £	31 December 2001 £
Profit for the year	286,919	67,607
Dividends	(341,689)	-
Net (deduction)/addition to shareholders' funds	(54,770)	67,607
Opening equity shareholders' funds	782,053	714,446
Closing equity shareholders' funds	727,283	782,053

### 20. POST BALANCE SHEET EVENTS

On 16 January 2003 the immediate parent company changed from Christopherson Heath Group Ltd to Hainault Securities Ltd as part of a group restructure.

### 21. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking and controlling party is Cox Insurance Holdings Plc, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Cox Insurance Holdings Plc's consolidated financial statements can be obtained from the company secretary at Library House, New Road, Brentwood, Essex, CM14 4GD.

# FOR THE INFORMATION OF THE DIRECTORS

## ARGENT INSURANCE PRACTICE LIMITED

### PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2002

	31 December 2002		31 December 2001	
	£	£	£	£
INCOME FROM BROKERAGE		3,768,964		3,181,831
OTHER OPERATING INCOME				
Commission receivable		158,603		90,692
INTEREST RECEIVABLE		<u>63,883</u>		<u>77,715</u>
		3,991,450		3,350,238
LESS EXPENSES				
Directors' remuneration and benefits			-	
Wages and salaries	1,823,562		1,702,013	
Rent and rates	263,991		219,691	
Light, heat and power	16,040		18,166	
Telephone	136,670		163,309	
Printing, postage and stationery	117,877		126,013	
Advertising	64,720		82,971	
Insurance	4,589		15,372	
Legal and professional fees	34,742		6,233	
Audit fees			-	
Accountancy fees			200	
Hire of equipment	18,742		19,278	
Repairs and renewals	20,159		21,956	
Motor and travel	96,030		92,134	
Bank charges	42,880		38,692	
Subscriptions and donations	5,341		2,914	
Staff welfare	1,649		1,386	
Computer expenses	103,367		67,283	
Consultancy fees	11,262		15,959	
Training costs	6,814		4,589	
Entertaining	4,060		5,259	
Cleaning and sundry expenses	25,395		33,295	
Interest payable and similar charges	1,880		-	
Amortisation of Goodwill	130,357		122,547	
Depreciation	18,864		38,115	
(Profit)/loss on sale of fixed assets	(2,600)		(4,644)	
Bad debt charge	80,834		5,004	
Irrecoverable VAT	82,500		71,503	
Recharges from group companies	<u>413,327</u>		<u>313,545</u>	
		<u>3,523,052</u>		<u>3,182,783</u>
NET PROFIT FOR THE PERIOD		<u>468,398</u>		<u>167,455</u>