

EASYPAY INSURANCE SERVICES LTD

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2002

REGISTERED NUMBER - 3238598



Essell

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EASYPAY INSURANCE SERVICES LTD

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2002

CONTENTS

Directors' Report	Page 1
Profit and Loss Account	Page 2
Balance Sheet	Page 3
Notes to the Financial Statements	Pages 4 - 6

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EASYPAY INSURANCE SERVICES LTD
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2002

Directors:

A A Beenshill
R Mason
A P Burnett
C J Stanger-Leathes

Registered Office:

29 Howard Street
North Shields
Tyne & Wear
NE30 1AR

Bankers:

National Westminster Bank plc
69 Bedford Way
North Shields
Tyne & Wear
NE29 6QB

Solicitors:

Robinson & Murphy
13 Grey Street
Newcastle upon Tyne
NE1 6EE

Accountants:

Essell
29 Howard Street
North Shields
Tyne & Wear
NE30 1AR

Lloyds Insurance Brokers:

R L Davison & Co Ltd
Bury House
31 Bury Street
London
EX3A 5AH

EASYPAY INSURANCE SERVICES LIMITED**DIRECTORS' REPORT**

The Directors present their Report and the unaudited Financial Statements for the year ended 31 August 2002. The Financial Statements do not include the results of the only subsidiary Company, Direct Claims (UK) Limited, as the Directors have taken advantage of the Group's qualification as a small group and have not prepared consolidated accounts.

PRINCIPAL ACTIVITIES

The Company's principal activity is that of an Insurance Agent.
The subsidiary Company, Direct Claims UK Ltd, was dormant throughout the year.

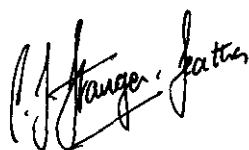
DIRECTORS

The Directors who served throughout the year to 31 August 2002, and their beneficial interest in the Company's issued Ordinary Share Capital, were as follows:-

	Number of Shares	
	2002	2001
A A Beenshill	1	1
R Mason	1	1
A Burnett	1	1
C J Stanger-Leathes	1	1

This report has been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.

By order of the Board



C J Stanger-Leathes
Secretary

23 October 2002

EASYPAY INSURANCE SERVICES LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2002**

	2002 £	2001 £
TURNOVER (Note 2)	1,917,127	1,264,594
Administrative Expenses	<u>1,058,459</u>	<u>831,581</u>
OPERATING PROFIT BEFORE INTEREST RECEIVABLE (Note 3)	858,669	433,013
Interest Receivable	<u>3,530</u>	<u>5,307</u>
OPERATING PROFIT BEFORE INTEREST PAYABLE	862,199	438,320
Interest Payable	<u>165</u>	<u>1,076</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	862,033	437,244
Tax on Profit on Ordinary Activities (Note 10)	<u>236,941</u>	<u>102,100</u>
PROFIT AFTER TAXATION	625,092	335,144
DISTRIBUTION (Note 11)	620,000	280,000
RETAINED PROFIT FOR THE YEAR (Note 8)	<u><u>5,092</u></u>	<u><u>55,144</u></u>

The Company has no recognised gains or losses other than those included in the profit for the period.

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

All of the Company's operations are classed as continuing.

A statement of the movement on reserves appears in note 8 to the financial statements.

The notes on pages 4 to 6 form part of these financial statements.

BALANCE SHEET AS AT 31 AUGUST 2002

	2002	2001
	£	£
FIXED ASSETS		
Tangible Assets (Note 4)	130,920	107,521
CURRENT ASSETS		
Debtors (Note 5)	167,883	41,509
Cash at Bank and in Hand	349,364	262,641
	<u>517,248</u>	<u>304,150</u>
CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR (Note 6)		
	614,419	383,104
	<u>614,419</u>	<u>383,104</u>
NET CURRENT LIABILITIES	(97,171)	(78,954)
	<u>33,749</u>	<u>28,567</u>
CAPITAL AND RESERVES		
Called up Share Capital (Note 7)	8	8
Profit and Loss Account (Note 8)	33,741	28,649
	<u>33,749</u>	<u>28,567</u>

For the period ended 31 August 2002, the Company was entitled to exemption from the requirement to have an audit under the provisions of Section 249A(1) of the Companies Act 1985. No notice has been deposited with the Company under Section 249B(2) of that Act requiring an audit to be carried out.


The Directors acknowledge their responsibilities for :-

- 1) ensuring that the Company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
- 2) preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of its loss for the financial period in accordance with the requirements of Section 226 of the Companies Act 1985 and which otherwise comply with the requirements of that Act relating to financial statements so far as they are applicable to the Company.

These accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities.

In the Directors' opinion the Company is entitled to those exemptions as a small company.

Approved by the Board
C J Stanger-Leathes


Director

23 October 2002

The notes on pages 4 to 6 form part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2002

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

The Financial Statements have been prepared in accordance with applicable accounting standards under the historical cost convention.

The Financial Statements do not include the results of the only subsidiary company, Direct Claims (UK) Limited as the Group qualifies as a small group and is thereby exempted from publishing consolidated accounts.

1.2 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible Fixed Assets are stated at cost less 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 useful life as follows -

Computer Equipment	:	33% straight line basis
Computer Software	:	50% straight line basis
Office Equipment	:	25% straight line basis
Motor Vehicles	:	25% straight line basis

2. TURNOVER

Turnover comprises the value of goods and services supplied by the Company, and is attributable to the principal activity of the Company.

3. OPERATING PROFIT	2002 £	2001 £
Operating profit is stated after Charging:-		
Surplus on Asset Disposal	0	(180)
Depreciation	<u>65,023</u>	<u>51,685</u>

4. TANGIBLE FIXED ASSETS

	Motor Vehicles	Computer Equipment	Office Equipment	Total
	£	£	£	£
COST				
Brought Forward	14,092	155,057	44,353	213,502
Additions in the Year	15,237	61,422	11,763	88,422
Disposal in Year	0	0	0	0
As at 31 August 2002	<u>29,329</u>	<u>216,479</u>	<u>56,116</u>	<u>301,924</u>
DEPRECIATION				
Brought Forward	2,846	85,342	17,793	105,981
Disposal in Year	0	0	0	0
Charge for the Year	5,272	48,082	11,669	65,023
As at 31 August 2002	<u>8,118</u>	<u>133,424</u>	<u>29,462</u>	<u>171,004</u>
NET BOOK VALUE				
As at 31 August 2002	<u>21,211</u>	<u>83,055</u>	<u>26,654</u>	<u>130,920</u>
As at 31 August 2001	<u>11,246</u>	<u>69,715</u>	<u>26,560</u>	<u>107,521</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2002

5. DEBTORS	2002 £	2001 £
Amounts falling due within one year.		
Trade Debtors	47,333	10,001
Prepayments	120,551	31,509
	<u>167,883</u>	<u>41,510</u>
6. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR	2002 £	2001 £
Trade Creditors	79,968	7,467
Amount owed to Subsidiary Company	197	197
Other Creditors	286,060	268,924
Corporation Tax	236,943	102,100
Taxation and Social Security Costs	11,250	4,326
	<u>614,419</u>	<u>383,014</u>
7. CALLED UP SHARE CAPITAL	2002 £	2001 £
AUTHORISED		
Ordinary Shares of £1 each.	<u>100</u>	<u>100</u>
ALLOTTED		
Ordinary Shares of £1 each, fully paid.	<u>8</u>	<u>8</u>
8. PROFIT AND LOSS ACCOUNT	2002 £	2001 £
Balance Brought Forward	28,649	(26,495)
Profit / (Loss) retained for the period	<u>5,092</u>	<u>55,144</u>
Balance at 31 August 2002	<u>33,741</u>	<u>28,649</u>
9. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS	2002 £	2001 £
Shareholders' funds at 1 September 2001	28,657	(26,487)
Profit / (Loss) retained for the period	<u>5,092</u>	<u>55,144</u>
Shareholders' funds at 31 August 2002	<u>33,749</u>	<u>28,657</u>
10. TAXATION	2002	2001
Corporation Tax Payable @ 32.5% (2001 : 32.75%)	236,943	102,100
Overprovision in respect of prior year	<u>(3)</u>	<u>0</u>
	<u>236,941</u>	<u>102,100</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2002

11. DISTRIBUTION	2002	2001
Dividend	<u>620,000</u>	<u>280,000</u>

12. GOING CONCERN

The Financial Statements have been prepared on the going concern basis as the Directors are of the opinion that the Company will trade profitably in the future.

13. SUBSIDIARY COMPANY - DIRECT CLAIMS (UK) LIMITED

CALLED UP SHARE CAPITAL	2002	2001
	£	£
AUTHORISED		
Ordinary Shares of £1 each.	<u>1,000</u>	<u>1,000</u>
ALLOTTED		
Ordinary Shares of £1 each, fully paid.	<u>3</u>	<u>3</u>
 Held by Parent Company	 2	 2
Minority Interest	<u>1</u>	<u>1</u>
	<u>3</u>	<u>3</u>

RESULTS AND RESERVES

Profit for the period to 31 August 2002	<u>0</u>	<u>0</u>
Profit and Loss Account balance at 31 August 2002	<u>1</u>	<u>1</u>
Shareholders Funds at 31 August 2002	<u>4</u>	<u>4</u>

14. RELATED PARTY TRANSACTIONS

Transactions with the only subsidiary company, Direct Claims (UK) Limited were as follows:-

	2002	2001
Amount owed to Direct Claims (UK) Limited	<u>197</u>	<u>197</u>

The Company purchased services and goods from businesses in which the named directors had an interest, as follows:

A A Beenshill & R Mason : Directors of Priory Motor & General Insurance Services Ltd - which provided management services £120,000
A P Burnett : The Proprietor of Compusolve Systems - who provided computer software support £70,500
C J Stanger-Leathes : A Partner in Essell - who provided accounting services £16,755