

Company Registration No. 3449219 (England and Wales)

ANDREW HAWKER FINANCIAL MANAGEMENT LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2002



ANDREW HAWKER FINANCIAL MANAGEMENT LIMITED

COMPANY INFORMATION

Directors	A Hawker D Young (Appointed 1 January 2003)
Secretary	D Young
Company number	3449219
Registered office	Lawford House Albert Place London N3 1QA
Auditors	Sterlings Limited Lawford House Albert Place London N3 1QA
Business address	18 Southampton Place London WC1A 2AX

ANDREW HAWKER FINANCIAL MANAGEMENT LIMITED

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ANDREW HAWKER FINANCIAL MANAGEMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2002

The directors present their report and financial statements for the year ended 31 October 2002.

Principal activities

The principal activity of the company continued to be that of financial services.

Directors

The following directors have held office since 1 November 2001:

A Hawker

D Young (Appointed 1 January 2003)

Director's interests

The director's interest in the shares of the company was as stated below:

	Ordinary shares of £ 1 each	
	31 October 2002	1 November 2001
A Hawker	2	-

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Sterlings Limited be reappointed as auditors of the company will be put to the Annual General Meeting.

Directors' responsibilities

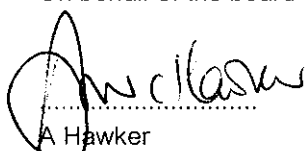
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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.

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

On behalf of the board


A Hawker
Director
9 MAY 2003

ANDREW HAWKER FINANCIAL MANAGEMENT LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF ANDREW HAWKER FINANCIAL MANAGEMENT LIMITED

We have audited the financial statements of Andrew Hawker Financial Management Limited on pages 3 to 8 for the year ended 31 October 2002. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 1 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 as at 31 October 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Sterlings Limited

Sterlings Limited

Chartered Accountants
Registered Auditor

9 May 2003

Lawford House Albert Place
London
N3 1QA

ANDREW HAWKER FINANCIAL MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 2002

	Notes	2002 £	2001 £
Turnover		123,203	143,010
Cost of sales		(55,408)	(56,830)
Gross profit		67,795	86,180
Administrative expenses		(52,867)	(51,679)
Operating profit	2	14,928	34,501
Exceptional items	12	21,426	-
Profit on ordinary activities before interest		36,354	34,501
Other interest receivable and similar income		42	21
Interest payable and similar charges		(831)	(1,029)
Profit on ordinary activities before taxation		35,565	33,493
Tax on profit on ordinary activities	3	(3,459)	(8,143)
Profit on ordinary activities after taxation		32,106	25,350
Dividends		(24,403)	(18,506)
Retained profit for the year	9	7,703	6,844

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

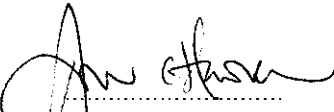
ANDREW HAWKER FINANCIAL MANAGEMENT LIMITED

BALANCE SHEET AS AT 31 OCTOBER 2002

	Notes	2002 £	£	2001 £	£
Fixed assets					
Tangible assets	4		6,319		2,714
Current assets					
Debtors	5	3,400		3,400	
Cash at bank and in hand		2,355		19,704	
		<u>5,755</u>		<u>23,104</u>	
Creditors: amounts falling due within one year	6	<u>(100,221)</u>		<u>(123,760)</u>	
Net current liabilities			<u>(94,466)</u>		<u>(100,656)</u>
Total assets less current liabilities			<u>(88,147)</u>		<u>(97,942)</u>
Creditors: amounts falling due after more than one year	7		<u>(5,178)</u>		<u>(3,086)</u>
			<u>(93,325)</u>		<u>(101,028)</u>
Capital and reserves					
Called up share capital	8		2		2
Profit and loss account	9		(93,327)		(101,030)
Shareholders' funds - equity interests	10		<u>(93,325)</u>		<u>(101,028)</u>

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

The financial statements were approved by the Board on 9 MAR 2003


A Hawker
Director

ANDREW HAWKER FINANCIAL MANAGEMENT LIMITED

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

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents the total invoice value of commissions and fees receivable during the period.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	25% Straight Line
Motor vehicles	25% Straight Line

1.4 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Operating profit

	2002	2001
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	5,745	8,647
Auditors' remuneration	2,938	3,000
	<u> </u>	<u> </u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2001 - 1).

ANDREW HAWKER FINANCIAL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2002

3	Taxation	2002 £	2001 £
	Domestic current year tax		
	U.K. corporation tax	3,459	8,143
	Current tax charge	3,459	8,143
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	35,565	33,493
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 14.97 % (2001 : 20.00 %)	5,324	6,699
	Effects of:		
	Non deductible expenses	175	604
	Depreciation add back	860	1,729
	Capital allowances	(2,900)	(889)
		(1,865)	1,444
	Current tax charge	3,459	8,143
4	Tangible fixed assets		
			Fixtures, fittings & equipment etc £
	Cost		
	At 1 November 2001		34,587
	Additions		9,350
	At 31 October 2002		43,937
	Depreciation		
	At 1 November 2001		31,873
	Charge for the year		5,745
	At 31 October 2002		37,618
	Net book value		
	At 31 October 2002		6,319
	At 31 October 2001		2,714

ANDREW HAWKER FINANCIAL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2002

5 Debtors	2002	2001
	£	£
Other debtors	3,400	3,400
	<u> </u>	<u> </u>
6 Creditors: amounts falling due within one year	2002	2001
	£	£
Bank loans and overdrafts	3,333	3,333
Taxation and social security	3,459	8,143
Other creditors	93,429	112,284
	<u> </u>	<u> </u>
	100,221	123,760
	<u> </u>	<u> </u>
7 Creditors: amounts falling due after more than one year	2002	2001
	£	£
Bank loans	5,178	3,086
	<u> </u>	<u> </u>
Analysis of loans		
Wholly repayable within five years	8,511	6,419
Included in current liabilities	(3,333)	(3,333)
	<u> </u>	<u> </u>
	5,178	3,086
	<u> </u>	<u> </u>
Loan maturity analysis		
In more than one year but not more than two years	3,333	3,333
In more than two years but not more than five years	5,178	3,086
	<u> </u>	<u> </u>

The bank loan is secured as detailed below:

An assignment to the Bank of the Borrower's interest and membership under the Master Policy issued to the Bank by Barclays Insurance (Dublin) Limited and Barclays Assurance (Dublin) Limited in connection with the loan and in all monies payable as security for all principal money and interest owing under this agreement. The Bank will apply such monies in repayment of the outstanding balance of the loan whether or not any part thereof is then due and payable.

The director has a personal guarantee in the sum of £10,000 together with any other security held by the Bank now or in the future, all of which is to be available as cover for all liabilities of the Borrower, whether actual or contingent.

ANDREW HAWKER FINANCIAL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2002

8	Share capital	2002	2001
		£	£
	Authorised		
	1,000 Ordinary shares of £ 1 each	1,000	1,000
		<u> </u>	<u> </u>
	Allotted, called up and fully paid		
	2 Ordinary shares of £ 1 each	2	2
		<u> </u>	<u> </u>
9	Statement of movements on profit and loss account		Profit and loss account
			£
	Balance at 1 November 2001		(101,030)
	Retained profit for the year		7,703
			<u> </u>
	Balance at 31 October 2002		(93,327)
			<u> </u>
10	Reconciliation of movements in shareholders' funds	2002	2001
		£	£
	Profit for the financial year	32,106	25,350
	Dividends	(24,403)	(18,506)
		<u> </u>	<u> </u>
	Net addition to shareholders' funds	7,703	6,844
	Opening shareholders' funds	(101,028)	(107,872)
		<u> </u>	<u> </u>
	Closing shareholders' funds	(93,325)	(101,028)
		<u> </u>	<u> </u>

11 Control

The controlling party to the reporting entity is the director, Mr A Hawker, who owns 100% of the issued share capital of the company.

12 Exceptional items

The exceptional item of £21,426 relates to an intercompany balance with Andrew Hawker Limited. This company was dissolved on 28 May 2002.