

Company Registration No. 3449219 (England and Wales)

ANDREW HAWKER FINANCIAL MANAGEMENT LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2001



ANDREW HAWKER FINANCIAL MANAGEMENT LIMITED

COMPANY INFORMATION

Director	A Hawker
Secretary	J N-J Hawker
Company number	3449219
Registered office	Lawford House, Albert Place, London N3 1QA
Auditors	Sterlings 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

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 OCTOBER 2001

The director presents his report and financial statements for the year ended 31 October 2001.

Principal activities

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

Director

The following director has held office since 1 November 2000:

A Hawker

Director's interests

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

	Ordinary shares of £1 each	
	31 October 2001	1 November 2000
A Hawker	-	-

Auditors

Sterlings were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

Director's responsibilities

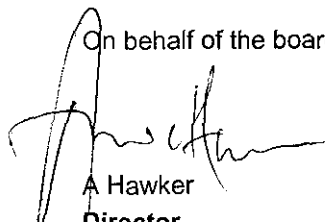
Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to:

- 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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

26 June 2002

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 9 for the year ended 31 October 2001. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the director and auditors

As described in the statement of director's responsibilities on page 1 the company's director is 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 director's 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 director's remuneration and transactions with the company is not disclosed.

We read the director's 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 director 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 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Sterlings

Chartered Accountants
Registered Auditor

26 June 2002

Lawford House
Albert Place
London N3 1QA

ANDREW HAWKER FINANCIAL MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 2001

	Notes	2001 £	2000 £
Turnover		143,010	71,211
Cost of sales		(56,830)	(6,701)
Gross profit		86,180	64,510
Administrative expenses		(51,679)	(97,454)
Operating profit/(loss)	2	34,501	(32,944)
Other interest receivable and similar income		21	59
Interest payable and similar charges		(1,029)	(669)
Profit/(loss) on ordinary activities before taxation		33,493	(33,554)
Tax on profit/(loss) on ordinary activities	3	(8,143)	-
Profit/(loss) on ordinary activities after taxation		25,350	(33,554)
Dividends		(18,506)	-
Retained profit/(loss) for the year	10	6,844	(33,554)

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 2001

	Notes	2001 £	£	2000 £	£
Fixed assets					
Tangible assets	4		2,714		11,121
Current assets					
Debtors	5	3,400		-	
Cash at bank and in hand		19,704		-	
		<u>23,104</u>		<u>-</u>	
Creditors: amounts falling due within one year	6	<u>(123,760)</u>		<u>(112,631)</u>	
Net current liabilities			<u>(100,656)</u>		<u>(112,631)</u>
Total assets less current liabilities			<u>(97,942)</u>		<u>(101,510)</u>
Creditors: amounts falling due after more than one year	7		<u>(3,086)</u>		<u>(6,362)</u>
			<u>(101,028)</u>		<u>(107,872)</u>
Capital and reserves					
Called up share capital	9		2		2
Profit and loss account	10		<u>(101,030)</u>		<u>(107,874)</u>
Shareholders' funds - equity interests	11		<u>(101,028)</u>		<u>(107,872)</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 26 June 2002


A Hawker
Director

ANDREW HAWKER FINANCIAL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2001

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 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.6 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 director, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Operating profit/(loss)

	2001	2000
	£	£
Operating profit/(loss) is stated after charging:		
Depreciation of tangible assets	8,647	8,587
Operating lease rentals	9,462	-
Auditors' remuneration	3,000	2,000
Director's emoluments	-	6,602
	<u> </u>	<u> </u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2000- 1).

ANDREW HAWKER FINANCIAL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2001

3	Taxation	2001 £	2000 £
	Domestic current year tax		
	U.K. corporation tax	8,143	-
	Current tax charge	<u>8,143</u>	<u>-</u>
	Factors affecting the tax charge for the year		
	Profit/(loss) on ordinary activities before taxation	<u>33,493</u>	<u>(33,554)</u>
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2000: 20.00%)	<u>6,699</u>	<u>(6,711)</u>
	Effects of:		
	Non deductible expenses	604	952
	Depreciation	1,729	1,717
	Capital allowances	(889)	(1,056)
	Other tax adjustments	-	5,098
		<u>1,444</u>	<u>6,711</u>
	Current tax charge	<u>8,143</u>	<u>-</u>
4	Tangible fixed assets		
			Fixtures, fittings and equipment etc £
	Cost		
	At 1 November 2000		34,347
	Additions		240
	At 31 October 2001		<u>34,587</u>
	Depreciation		
	At 1 November 2000		23,226
	Charge for the year		8,647
	At 31 October 2001		<u>31,873</u>
	Net book value		
	At 31 October 2001		<u>2,714</u>
	At 31 October 2000		<u>11,121</u>

ANDREW HAWKER FINANCIAL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2001

5 Debtors	2001	2000
	£	£
Other debtors	3,400	-
	<u> </u>	<u> </u>
 6 Creditors: amounts falling due within one year	 2001	 2000
	£	£
Bank loans and overdrafts	3,333	4,202
Taxation and social security	8,143	14,040
Other creditors	112,284	94,389
	<u> </u>	<u> </u>
	123,760	112,631
	<u> </u>	<u> </u>
 7 Creditors: amounts falling due after more than one year	 2001	 2000
	£	£
Bank loans	3,086	6,362
	<u> </u>	<u> </u>
 Analysis of loans		
Wholly repayable within five years	6,419	9,695
Included in current liabilities	(3,333)	(3,333)
	<u> </u>	<u> </u>
	3,086	6,362
	<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	3,086	6,362
	<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 2001

8 Pension costs

Defined contribution

	2001 £	2000 £
Contributions payable by the company for the year	-	2,800

9 Share capital

Authorised

1,000 Ordinary shares of £1 each

Allotted, called up and fully paid

2 Ordinary shares of £1 each

	2001 £	2000 £
1,000 Ordinary shares of £1 each	1,000	1,000
2 Ordinary shares of £1 each	2	2

10 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 November 2000	(107,874)
Retained profit for the year	6,844
Balance at 31 October 2001	(101,030)

11 Reconciliation of movements in shareholders' funds

	2001 £	2000 £
Profit/(Loss) for the financial year	25,350	(33,554)
Dividends	(18,506)	-
Net addition to/(depletion in) shareholders' funds	6,844	(33,554)
Opening shareholders' funds	(107,872)	(74,318)
Closing shareholders' funds	(101,028)	(107,872)

ANDREW HAWKER FINANCIAL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2001

12 Financial commitments

At 31 October 2001 the company had annual commitments under non-cancellable operating leases as follows:

	2001	2000
	£	£
Expiry date:		
Within one year	24,000	-

13 Control

The ultimate holding company is Andrew Hawker Limited, a company registered in England and Wales, which owns 100% of the share capital of the reporting entity.

14 Related party transactions

The controlling party to the reporting entity is the holding company Andrew Hawker Limited. The shareholders and directors are disclosed in that company's financial statements.

The reporting entity had related party transactions during the year with the holding company, Andrew Hawker Limited. The transactions were on a normal arms length basis and at the Balance Sheet date an amount of £21,426 (2000 - £11,223) was owed to the holding company by the reporting entity, and this is disclosed in "Other Creditors".