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Hardiker (Insurance Services) Limited

Accounts

For the year ended 31 March 2003

Hardie Caldwell

CHARTERED ACCOUNTANTS

Glasgow



Hardiker (Insurance Services) Limited

Report of the Directors

For the year ended 31 March 2003

The directors submit their report and the accounts for the year ended 31 March 2003.

Results and dividends

The results for the year are shown in the attached Profit and Loss Account.

The Directors do not recommend the payment of a dividend.

Review of the business

The company's principal activity during the year was that of insurance brokers.

Future developments

The directors remain confident of their ability to maintain their market share and profitability in a difficult trading market.

Directors and their interests

The directors who served during the year and their interest in the shares of the company were as follows:

	Ordinary shares	
	31/03/03	31/03/02
R M Wyllie	-	-
J A Paterson	1	1

Auditors

A resolution to re-appoint French Duncan, Chartered Accountants, Glasgow as auditors will be put to the members at the Annual General Meeting.

By Order of the Board

Hardie Caldwell

Hardie Caldwell

Secretaries

23 December 2003

23 December 2003

Hardiker (Insurance Services) Limited

Statement of Directors' Responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the company's state of affairs at the end of the year and of its results for that period. In preparing those accounts 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 accounts;

prepare the accounts on the going concern basis unless it is inappropriate to assume 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 accounts 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 or other irregularities.

Hardiker (Insurance Services) Limited

Independent Auditors' Report to the Shareholders Year ended 31 March 2003

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities on page 2.

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. Our responsibilities do not extend to any other information.

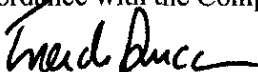
Basis of opinion

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 the 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 March 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



French Duncan
*Chartered Accountants
And Registered Auditor*
14 January 2004

Hardiker (Insurance Services) Limited

Profit and Loss Account For the year ended 31 March 2003

	Note	£	2002 £
Turnover	2	89,854	92,461
Cost of sales		<u>7,600</u>	<u>13,000</u>
		82,254	79,461
Administrative expenses		<u>83,098</u>	<u>79,393</u>
Loss on ordinary activities before taxation	4	(844)	68
Taxation	5	<u>-</u>	<u>59</u>
Loss on ordinary activities after taxation		(844)	9
Balance brought forward		<u>59</u>	<u>50</u>
Balance carried forward		<u>(785)</u>	<u>59</u>

The profit and loss account contains all the gains and losses recognised in the current and preceding year.

The notes on pages 7 to 9 form part of these accounts

Hardiker (Insurance Services) Limited

Balance Sheet

As at 31 March 2003

	Note	£	£	2002 £
Fixed assets				
Tangible assets	6		13,480	<u>4,480</u>
Current assets				
Debtors: Prepaid charges		6,460		4,128
Cash at bank	7	<u>15,483</u>		<u>28,065</u>
		<u>21,943</u>		<u>32,193</u>
Creditors: amounts falling due within on year				
Trade creditors		2,678		243
Accrued charges		9,963		11,997
Participator's loan	10	166		13,065
Corporation tax		-		59
Hire purchase creditor		<u>4,556</u>		<u>-</u>
		<u>17,363</u>		<u>25,364</u>
Net current assets			4,580	<u>6,829</u>
Total assets less current liabilities			18,060	<u>11,309</u>
Provision for liabilities and charges			(250)	(250)
Creditors: due after one year - Hire purchase creditor			<u>(7,595)</u>	<u>-</u>
			<u>10,215</u>	<u>11,059</u>
Capital and reserves				
Equity interests				
Called up share capital	9		1,000	1,000
Profit and loss account			(785)	59
Non-equity interests				
Participator's loan	10		<u>10,000</u>	<u>10,000</u>
			<u>10,215</u>	<u>11,059</u>

Approved by the Board on 23 December 2003 and signed on its behalf

Robert M Wyllie



Director

The notes on pages 7 to 9 form part of these accounts

Hardiker (Insurance Services) Limited

Cash Flow Statement

For the year ended 31 March 2003

	Note	£	2002 £
Operational (loss) / profit		(844)	68
Depreciation		5,625	1,501
Increase in debtors		(2,332)	(1,014)
Increase / (decrease) in creditors		<u>(12,498)</u>	<u>6,200</u>
Net cash outflow from operation activities		(10,049)	6,755
Taxation Paid		(59)	-
Investment in fixed assets		(14,625)	-
Financing			
Hire purchase finance		<u>12,151</u>	<u>-</u>
(Decrease) / increase in cash and cash equivalents	11	<u>(12,582)</u>	<u>6,755</u>

The notes on pages 7 to 9 form part of these accounts

Hardiker (Insurance Services) Limited

Notes to the Accounts

For the year ended 31 March 2003

1) Accounting policies

a) Basis of accounting

The accounts have been 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 on a reducing balance basis of each asset over its expected useful life, as follows:

Office equipment	- 25%
Motor vehicles	- 25%

c) Pensions

The company operates a defined contribution pension scheme for the benefit of its employees. Contributions to the scheme are charged to the profit and loss account when payment is due.

d) Hire purchase

Tangible fixed assets acquired under hire purchase contracts are capitalised at the estimated fair value at the date of inception or each contract. The total finance charges are allocated over the period of the contract in such a way as to give a reasonably constant charge on the outstanding liability.

2) Turnover

Turnover represents commissions and brokerage on a cash received basis. All turnover is attributable to the one principal activity and takes place in the United Kingdom.

3) Staff costs

	2003	2002
	£	£
Wages and salaries	59,031	58,285
Social security costs	6,133	6,196
Pension contributions	2,415	2,957
	<u>67,579</u>	<u>67,438</u>

The average number of employees during the year was as follows:

	No.	No.
Office and management	<u>4</u>	<u>4</u>

Hardiker (Insurance Services) Limited

Notes to the Accounts (continued)

For the year ended 31 March 2003

4) Profit on ordinary activities before taxation

This is stated after charging:

	2003	2002
	£	£
Depreciation & loss on sale of assets	5,625	1,501
Directors remuneration - emoluments	35,971	36,492
- benefits	6,604	5,414
- Pension contributions	1,100	2,400
Hire purchase interest	388	234
Audit fee	987	952
Gain on sale of shares	<u>(3,014)</u>	<u>(2,846)</u>

5) Taxation

	£	£
Based on the results for the year at 10% Corporation tax	<u>-</u>	<u>59</u>

6) Tangible assets

	Office Equipment £	Motor Vehicles £	Total £
Cost			
At 1 April 2002	1,323	14,765	16,088
Disposal	-	(14,765)	(14,765)
Addition	886	17,039	17,925
At 31 March 2003	<u>2,209</u>	<u>17,039</u>	<u>19,248</u>
Depreciation			
At 1 April 2002	1,273	10,335	11,608
Disposal	-	(10,335)	(10,335)
Charge for year	236	4,259	4,495
At 31 March 2003	<u>1,509</u>	<u>4,259</u>	<u>5,768</u>
Net book value			
At 31 March 2003	<u>700</u>	<u>12,780</u>	<u>13,480</u>

7) Cash at bank

	2003	2002
	£	£
Business account	8,349	6,753
Broking account	7,134	21,312
	<u>15,483</u>	<u>28,065</u>

Hardiker (Insurance Services) Limited

Notes to the Accounts (continued)

For the year ended 31 March 2003

8) Statement of financial resources

	2003	2002
	£	£
Net tangible worth:		
Net assets	10,215	11,059
Less: Financial resources requirement	<u>1</u>	<u>1</u>
	<u>10,214</u>	<u>11,058</u>

9) Called up share capital

Authorised, allotted, issued and fully paid	<u>1,000</u>	<u>1,000</u>
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10) Transactions with related parties

Hardie Caldwell, Chartered Accountants, owns 99.9% of the company's issued share capital. During the year the company paid commission to Hardie Caldwell amounting to £7,600 and Hardie Caldwell paid expenses amounting to £4,500 on behalf of the company. In addition a loan arrangement exists between Hardie Caldwell and the company. At 31 March 2003 the debt due to Hardie Caldwell on loan account amounts to £10,166.

A balance of £10,000 of the loan account has been subordinated in favour of all creditors of the company. No interest is charged.

The balance of the loan account, £166, is repayable on demand and is interest free.

11) Analysis of changes in cash and cash equivalents for the year:

	2003	2002
	£	£
Balance at 1 April 2002	28,065	21,310
Net cash inflow / (outflow)	<u>(12,582)</u>	<u>6,755</u>
Balance at 31 March 2003	<u>15,483</u>	<u>28,065</u>