

Registered number
02183530

Fraser-Hann Financial Services Limited

Report and Accounts

31 December 2002



Fraser-Hann Financial Services Limited
Directors' Report

The directors present their report and accounts for the year ended 31 December 2002.

Principal activities

The company's principal activity during the year continued to be that of insurance and mortgage brokers.

Directors

The directors who served during the year and their interests in the share capital of the company were as follows:

	£1 Ordinary shares	
	2002	2001
KI Hann	500	500
P Hann	500	500

Directors' responsibilities

Company law requires the directors to prepare accounts 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 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; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining 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 and other irregularities.

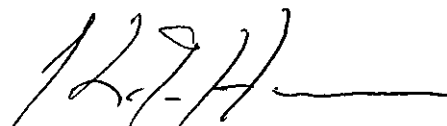
Auditors

A resolution to reappoint B.T. Hagger FCA as auditors will be put to the members at the Annual General Meeting. Mr Hagger is willing to be reappointed.

Small company special provisions

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

This report was approved by the board on 30 October 2003.



KI Hann
Director

Fraser-Hann Financial Services Limited
Independent auditors' report
to the shareholders of Fraser-Hann Financial Services Limited

I have audited the accounts of Fraser Hann Financial Services Limited for the year ended 31/12/02 which comprise pages 3 to 8. These accounts have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. My audit work has been undertaken so that I 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, I do not accept or assume responsibility to anyone other than the company and the company's members as a body, for my audit work, for this report, or for the opinions I have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

My responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

I report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. I also report to you if, in my opinion, the Directors' Report is not consistent with the accounts, if the company has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

I read the Directors' Report and consider the implications for my report if I become aware of any apparent misstatements within it.


Basis of audit opinion

I conducted my 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In my opinion the accounts give a true and fair view of the state of the company's affairs as at 31/12/2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


B. T. Egger FCA
Registered auditors

Shirebrook House
Buxhall
Stowmarket
Suffolk
IP4 3DQ

30 October 2003

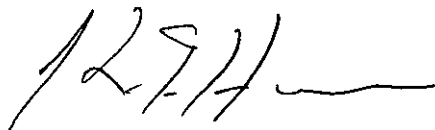
Fraser-Hann Financial Services Limited
Profit and Loss Account
for the year ended 31 December 2002

	Notes	2002 £	2001 £
Turnover		201,621	212,622
Cost of sales		(5,517)	(10,263)
Gross profit		<u>196,104</u>	<u>202,359</u>
Administrative expenses		(143,917)	(135,341)
Other operating income		5,820	5,820
Operating profit	2	<u>58,007</u>	<u>72,838</u>
Exceptional items: profit/(loss) on the disposal of tangible fixed assets		1,913	(3,466)
		<u>59,920</u>	<u>69,372</u>
Interest receivable		1,234	1,906
Interest payable		(1,763)	(3,225)
Profit on ordinary activities before taxation		<u>59,391</u>	<u>68,053</u>
Tax on profit on ordinary activities	3	(13,501)	(14,365)
Profit for the financial year		<u>45,890</u>	<u>53,688</u>
Dividends		(78,500)	(42,000)
Retained (loss)/profit for the financial year	10	<u>(32,610)</u>	<u>11,688</u>

Fraser-Hann Financial Services Limited
Balance Sheet
as at 31 December 2002

	Notes	2002 £	2001 £
Fixed assets			
Tangible assets	4	49,935	57,641
Current assets			
Debtors	5	17,406	14,713
Cash at bank and in hand		49,001	71,392
		<u>66,407</u>	<u>86,105</u>
Creditors: amounts falling due within one year	6	(40,515)	(37,472)
Net current assets		<u>25,892</u>	<u>48,633</u>
Total assets less current liabilities		<u>75,827</u>	<u>106,274</u>
Creditors: amounts falling due after more than one year	7	(5,464)	(12,888)
Provisions for liabilities and charges	8	(9,299)	-
Net assets		<u>61,064</u>	<u>93,386</u>
Capital and reserves			
Called up share capital	9	1,000	1,000
Profit and loss account	10	60,064	92,386
Shareholders' funds		<u>61,064</u>	<u>93,386</u>

The accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.



K I Hann
 Director

Approved by the board on 30 October 2003

Fraser-Hann Financial Services Limited
Notes to the Accounts
for the year ended 31 December 2002

1 Accounting policies

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover represents commissions earned on life and pension policies and investment arrangements completed during the year, where the company is entitled absolutely to the commission. Where policies are arranged on indemnity terms, commission is credited to the profit and loss account only after making due provision for commission which could be recoverable by insurance companies in the event that policies are cancelled in the future.

Depreciation

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives.

Fixtures and fittings	15% on reducing balance
Motor vehicles	25% on reducing balance
Computer equipment	25% on reducing balance

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

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

Deferred tax

Deferred tax is recognised in respect of all material timing differences that have originated but not reversed at the balance sheet date.

Pensions

The company operates a defined contribution pension scheme the assets of which are held separately from those of the company in an independently administered fund. Contributions made by the company to the scheme during the year amounted to £3,171 (2001 £3,171).

2 Operating profit	2002	2001
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	5,565	6,000
Depreciation of assets held under finance leases and hire purchase contracts	10,336	11,006
Directors' remuneration	16,000	16,000
Pension costs	3,171	3,171
Auditors' remuneration	1,469	1,058

Fraser-Hann Financial Services Limited
Notes to the Accounts
for the year ended 31 December 2002

3 Taxation	2002	2001
	£	£
UK corporation tax	13,501	14,365
	<u>13,501</u>	<u>14,365</u>

4 Tangible fixed assets				
	Fixtures and fittings	Computer equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2002	21,241	3,247	71,440	95,928
Additions	1,485	-	15,951	17,436
Disposals	-	-	(13,665)	(13,665)
At 31 December 2002	<u>22,726</u>	<u>3,247</u>	<u>73,726</u>	<u>99,699</u>
Depreciation				
At 1 January 2002	15,059	2,806	20,422	38,287
Charge for the year	1,732	110	15,901	17,743
On disposals	-	-	(5,978)	(5,978)
At 31 December 2002	<u>16,791</u>	<u>2,916</u>	<u>30,345</u>	<u>50,052</u>
Net book value				
At 31 December 2002	<u>5,935</u>	<u>331</u>	<u>43,381</u>	<u>49,647</u>
At 31 December 2001	<u>6,182</u>	<u>441</u>	<u>51,018</u>	<u>57,641</u>

5 Debtors	2002	2001
	£	£
Trade debtors	12,447	4,911
Director's loan account	-	3,489
Prepayments	4,991	3,155
Other debtors	-	3,158
	<u>17,438</u>	<u>14,713</u>

Fraser-Hann Financial Services Limited
Notes to the Accounts
for the year ended 31 December 2002

6 Creditors: amounts falling due within one year			2002	2001
			£	£
Bank loans and overdrafts			-	-
Obligations under finance lease and hire purchase contracts			12,279	10,184
Trade creditors			-	526
Director's loan account			32	-
Corporation tax			12,878	14,365
Other taxes and social security costs			2,224	7,409
Other creditors			13,134	4,988
			<u>40,547</u>	<u>37,472</u>
7 Creditors: amounts falling due after one year			2002	2001
			£	£
Obligations under finance lease and hire purchase contracts			<u>5,464</u>	<u>12,888</u>
8 Provisions for liabilities and charges			2002	2001
			£	£
Commission on indemnity terms			<u>9,299</u>	-
9 Share capital			2002	2001
			£	£
Authorised:				
Ordinary shares of £1 each			<u>1,000</u>	<u>1,000</u>
	2002	2001	2002	2001
	No	No	£	£
Allotted, called up and fully paid:				
Ordinary shares of £1 each	1,000	1,000	<u>1,000</u>	<u>1,000</u>
10 Profit and loss account			2002	2001
			£	£
At 1 January			92,386	80,698
Retained (loss)/profit			(32,610)	11,688
			<u>59,776</u>	<u>92,386</u>
At 31 December				

Fraser-Hann Financial Services Limited
Notes to the Accounts
for the year ended 31 December 2002

11 Other financial commitments

2002	2001
£	£

At the year end the company had annual commitments under non-cancellable operating leases as set out below:

Operating leases which expire:
within two to five years

7,146	-
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12 Contingent liabilities

There is a contingent liability in respect of potential claims which might be brought against the company for alleged negligent advice relating to the arrangement of endowment mortgages. This is a matter which affects all Independent Financial Advisors.

The Directors are confident that the Company has properly followed the guidance of the regulatory bodies and that any claims that might arise could be successfully refuted.

13 Controlling party

The company is controlled by Mr K Hann and Mrs P Hann who are the directors and who each own 50% of the share capital.

14 Indemnity Commission Income

The company has made a provision of £9,299 (2001 nil) in respect of indemnity commission which may be repaid, based on previous years experience. During the year to 31/12/2002 commission to the value of £7,275 was repaid to suppliers.