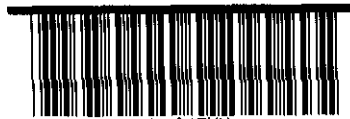


BAVERSTOCKS
Chartered Accountants

ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001
FOR
FRASER-HANN FINANCIAL SERVICES LIMITED



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COMPANIES HOUSE 30/10/02

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Witham, Essex CM8 1BJ
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FRASER-HANN FINANCIAL SERVICES LIMITED

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors on the Abbreviated Financial Statements	3
Abbreviated Profit and Loss Account	4
Abbreviated Balance Sheet	5
Cash Flow Statement	6
Notes to the Cash Flow Statement	7
Notes to the Abbreviated Financial Statements	9

FRASER-HANN FINANCIAL SERVICES LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2001

DIRECTORS:	K I Hann P Hann
SECRETARY:	P Hann
REGISTERED OFFICE:	7 The Square Martlesham Heath IPSWICH Suffolk IP5 7SL
REGISTERED NUMBER:	02183530 (England and Wales)
AUDITORS:	Baverstocks Registered Auditors Chartered Accountants Dickens House Guithavon Street WITHAM Essex CM8 1BJ
BANKERS:	Midland Bank Plc 75 Llandennis Road Rhyd-Y-Penau Cardiff CF2 6EE

FRASER-HANN FINANCIAL SERVICES LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2001

The directors present their report with the financial statements of the company for the year ended 31 December 2001.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of mortgage and insurance brokers and there have been no significant changes during the year under review.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

An interim dividend of £4.20 per share was paid on 30 April 2001. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2001 will be £42,000.

DIRECTORS

The directors during the year under review were:

K I Hann
P Hann

The beneficial interests of the directors holding office on 31 December 2001 in the issued share capital of the company were as follows:

	31.12.01	1.1.01
Ordinary £1 shares		
K I Hann	500	500
P Hann	500	500

STATEMENT OF 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

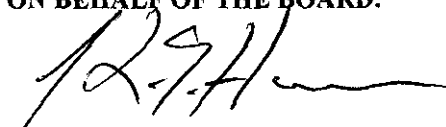
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

AUDITORS

The auditors, Baverstocks, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



K I Hann - DIRECTOR

Dated 23/10 2002

FRASER-HANN FINANCIAL SERVICES LIMITED

**REPORT OF THE INDEPENDENT AUDITORS TO
FRASER-HANN FINANCIAL SERVICES LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated financial statements on pages four to fourteen, together with the full financial statements of the company for the year ended 31 December 2001 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of audit opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages four to fourteen are properly prepared in accordance with that provision.

Baverstocks
Registered Auditors
Chartered Accountants
Dickens House
Guithavon Street
WITHAM
Essex CM8 1BJ



Dated: 29 October 2002

FRASER-HANN FINANCIAL SERVICES LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2001

		<u>2001</u>	<u>2000</u>
	Notes	£	£
GROSS PROFIT		218,442	202,595
Administrative expenses		149,070	132,445
OPERATING PROFIT	3	69,372	70,150
Interest receivable and similar income		1,906	2,057
		<u>71,278</u>	<u>72,207</u>
Interest payable and similar charges	4	3,225	2,959
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		68,053	69,248
Tax on profit on ordinary activities	5	14,365	15,283
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		53,688	53,965
Dividends	6	42,000	44,000
		<u>11,688</u>	<u>9,965</u>
Retained profit brought forward		80,698	70,733
RETAINED PROFIT CARRIED FORWARD		<u>£92,386</u>	<u>£80,698</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

The notes form part of these financial statements

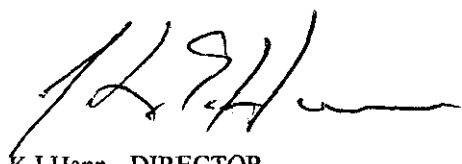
FRASER-HANN FINANCIAL SERVICES LIMITED

ABBREVIATED BALANCE SHEET
31 DECEMBER 2001

		2001		2000	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	7		57,641		53,151
CURRENT ASSETS:					
Debtors	8	14,713		17,057	
Cash at bank		<u>71,392</u>		<u>60,244</u>	
		86,105		77,301	
CREDITORS: Amounts falling due within one year	9	<u>37,472</u>		<u>38,449</u>	
NET CURRENT ASSETS:			<u>48,633</u>		<u>38,852</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			106,274		92,003
CREDITORS: Amounts falling due after more than one year	10		<u>12,888</u>		<u>10,305</u>
			<u>£93,386</u>		<u>£81,698</u>
CAPITAL AND RESERVES:					
Called up share capital	13		1,000		1,000
Profit and loss account			<u>92,386</u>		<u>80,698</u>
SHAREHOLDERS' FUNDS:	16		<u>£93,386</u>		<u>£81,698</u>

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

ON BEHALF OF THE BOARD:



K I Hann - DIRECTOR

Approved by the Board on ^{23/}.....2002

The notes form part of these financial statements

FRASER-HANN FINANCIAL SERVICES LIMITED**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2001**

		2001		2000	
	Notes	£	£	£	£
Net cash inflow from operating activities	1		92,082		83,419
Returns on investments and servicing of finance	2		(1,319)		(902)
Taxation			(15,329)		(10,254)
Capital expenditure	2		6,628		4,449
Equity dividends paid			(42,000)		(44,000)
			<u>40,062</u>		<u>32,712</u>
Financing	2		(28,914)		(27,832)
Increase in cash in the period			<u>£11,148</u>		<u>£4,880</u>
<hr/>					
Reconciliation of net cash flow to movement in net funds	3				
Increase in cash in the period			11,148		4,880
Cash outflow from decrease in debt and lease financing			<u>31,581</u>		<u>28,829</u>
Change in net funds resulting from cash flows			42,729		33,709
New finance leases			<u>(33,775)</u>		<u>(28,000)</u>
Movement in net funds in the period			8,954		5,709
Net funds at 1 January			<u>39,366</u>		<u>33,657</u>
Net funds at 31 December			<u>£48,320</u>		<u>£39,366</u>

The notes form part of these financial statements

FRASER-HANN FINANCIAL SERVICES LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2001

1. **RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2001	2000
	£	£
Operating profit	69,372	70,150
Depreciation charges	19,192	17,262
Loss on sale of fixed assets	3,466	1,132
Decrease/(Increase) in debtors	432	(3,818)
Decrease in creditors	(380)	(1,307)
	<u> </u>	<u> </u>
Net cash inflow from operating activities	92,082	83,419
	<u> </u>	<u> </u>

2. **ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	2001	2000
	£	£
Returns on investments and servicing of finance		
Interest received	1,906	2,057
Interest paid	(117)	(92)
Interest element of hire purchase payments	(3,108)	(2,867)
	<u> </u>	<u> </u>
Net cash outflow for returns on investments and servicing of finance	(1,319)	(902)
	<u> </u>	<u> </u>
Capital expenditure		
Purchase of tangible fixed assets	(24,671)	(24,550)
Sale of tangible fixed assets	31,299	28,999
	<u> </u>	<u> </u>
Net cash inflow for capital expenditure	6,628	4,449
	<u> </u>	<u> </u>
Financing		
New Loan Taken Out in Year	3,150	2,205
Loan Repayments in Year	(33,975)	(30,736)
Amount Introduced by Directors	42,000	44,000
Amount Withdrawn by Directors	(40,089)	(43,301)
	<u> </u>	<u> </u>
Net cash outflow from financing	(28,914)	(27,832)
	<u> </u>	<u> </u>

The notes form part of these financial statements

FRASER-HANN FINANCIAL SERVICES LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2001

3. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.1.01 £	Cash flow £	Other non-cash changes £	At 31.12.01 £
Net cash:				
Cash at bank	60,244	11,148		71,392
	<u>60,244</u>	<u>11,148</u>		<u>71,392</u>
Debt:				
Hire purchase	(20,878)	31,581	(33,775)	(23,072)
	<u>(20,878)</u>	<u>31,581</u>	<u>(33,775)</u>	<u>(23,072)</u>
Total	<u>39,366</u>	<u>42,729</u>	<u>(33,775)</u>	<u>48,320</u>
Analysed in Balance Sheet				
Cash at bank	60,244			71,392
Hire purchase				
within one year	(10,573)			(10,184)
after one year	(10,305)			(12,888)
	<u>39,366</u>			<u>48,320</u>

FRASER-HANN FINANCIAL SERVICES LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Fittings & Equipment	- 15% on reducing balance
Motor Vehicles	- 25% on reducing balance
Computer Equipment	- 33% on cost

Deferred taxation

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

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

2. STAFF COSTS

	2001	2000
	£	£
Wages and salaries	63,722	62,108
Social security costs	2,185	3,336
	<u>65,907</u>	<u>65,444</u>

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

	2001	2000
Management and Administration	<u>4</u>	<u>4</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	2001	2000
	£	£
Depreciation - owned assets	8,186	4,553
Depreciation - assets on hire purchase contracts	11,006	12,709
Loss on disposal of fixed assets	3,466	1,132
Auditors' remuneration	<u>1,058</u>	<u>940</u>
Directors' emoluments	<u>16,000</u>	<u>22,000</u>

FRASER-HANN FINANCIAL SERVICES LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001

4. **INTEREST PAYABLE AND SIMILAR CHARGES**

	2001	2000
	£	£
Other Loan Interest	117	92
Hire Purchase Interest	3,008	2,618
Interest on Taxation	100	249
	<u>3,225</u>	<u>2,959</u>

5. **TAXATION**

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2001	2000
	£	£
Current tax:		
UK corporation tax	14,365	15,329
Prior year adjustment	-	(46)
Total current tax	<u>14,365</u>	<u>15,283</u>
Tax on profit on ordinary activities	<u>14,365</u>	<u>15,283</u>

UK corporation tax has been charged at 20% (2000 - 20%).

6. **DIVIDENDS**

	2001	2000
	£	£
Equity shares:		
Interim - Ordinary Shares	<u>42,000</u>	<u>44,000</u>

FRASER-HANN FINANCIAL SERVICES LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001****7. TANGIBLE FIXED ASSETS**

	Fittings & Equipment	Motor Vehicles	Computer Equipment	Totals
	£	£	£	£
COST:				
At 1 January 2001	20,570	67,161	3,247	90,978
Additions	671	57,775	-	58,446
Disposals	-	(53,496)	-	(53,496)
	<u>21,241</u>	<u>71,440</u>	<u>3,247</u>	<u>95,928</u>
At 31 December 2001				
DEPRECIATION:				
At 1 January 2001	13,968	22,147	1,711	37,826
Charge for year	1,091	17,006	1,095	19,192
Eliminated on disposals	-	(18,731)	-	(18,731)
	<u>15,059</u>	<u>20,422</u>	<u>2,806</u>	<u>38,287</u>
At 31 December 2001				
NET BOOK VALUE:				
At 31 December 2001	<u>6,182</u>	<u>51,018</u>	<u>441</u>	<u>57,641</u>
At 31 December 2000	<u>6,601</u>	<u>45,014</u>	<u>1,536</u>	<u>53,151</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor Vehicles
	£
COST:	
At 1 January 2001	50,836
Additions	33,775
Disposals	(37,171)
	<u>47,440</u>
At 31 December 2001	
DEPRECIATION:	
At 1 January 2001	12,709
Charge for year	11,006
Eliminated on disposals	(9,293)
	<u>14,422</u>
At 31 December 2001	
NET BOOK VALUE:	
At 31 December 2001	<u>33,018</u>
At 31 December 2000	<u>38,127</u>

FRASER-HANN FINANCIAL SERVICES LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001**

**8. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2001	2000
	£	£
Trade Debtors	4,911	6,546
Other Debtors	3,158	2,696
Prepayments and Accrued Income	3,155	2,415
Directors' current accounts	3,489	5,400
	<u>14,713</u>	<u>17,057</u>

**9. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2001	2000
	£	£
Other Loans (see note 11)	2,520	1,764
Hire purchase contracts (see note 12)	10,184	10,573
Other Creditors	526	1,239
Social Security & Other Taxes	7,409	5,382
Corporation Tax	14,365	15,329
Accruals and Deferred Income	2,468	4,162
	<u>37,472</u>	<u>38,449</u>

**10. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	2001	2000
	£	£
Hire purchase contracts (see note 12)	<u>12,888</u>	<u>10,305</u>

11. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	2001	2000
	£	£
Amounts falling due within one year or on demand:		
Other Loans	<u>2,520</u>	<u>1,764</u>

FRASER-HANN FINANCIAL SERVICES LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001

12. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	2001	2000
	£	£
Gross obligations repayable:		
Within one year	11,565	12,207
Between one and five years	14,725	11,998
	<u>26,290</u>	<u>24,205</u>
Finance charges repayable:		
Within one year	1,381	1,634
Between one and five years	1,837	1,693
	<u>3,218</u>	<u>3,327</u>
Net obligations repayable:		
Within one year	10,184	10,573
Between one and five years	12,888	10,305
	<u>23,072</u>	<u>20,878</u>

13. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2001	2000
			£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

14. CONTINGENT LIABILITIES

In common with our companies in the insurance sector, the Company has been required to carry out an extensive compliance check on some of its past practices to comply with the recent "Pension Review" legislation. It is not possible to determine what amount of compensation, if any, will be payable at the conclusion of this review procedure.

At the date of signing this report no costs had been incurred in respect of this matter and no notification of the status of the cases involved had

15. TRANSACTIONS WITH DIRECTORS

Included within debtors at the balance sheet date is an amount of £3,489 (2000: £5,400) due from the Directors. This amount was in April 2002.

FRASER-HANN FINANCIAL SERVICES LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001

16. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2001	2000
	£	£
Profit for the financial year	53,688	53,965
Dividends	(42,000)	(44,000)
	<hr/>	<hr/>
Net addition to shareholders' funds	11,688	9,965
Opening shareholders' funds	81,698	71,733
	<hr/>	<hr/>
Closing shareholders' funds	<u>93,386</u>	<u>81,698</u>
	<hr/>	<hr/>
Equity interests	<u>93,386</u>	<u>81,698</u>