

REGISTRAR OF COMPANIES

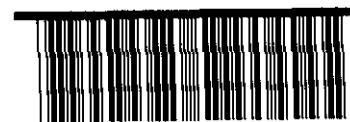
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**Report of the Directors and  
Financial Statements for the Year Ended 31 March 2003  
for  
Beauchamp Financial Services Limited**

LEIGH, CHRISTOU & CO



Chartered Certified Accountants  
Registered Auditors



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**Beauchamp Financial Services Limited**

**Company Information  
for the Year Ended 31 March 2003**

**DIRECTORS:**

Miss A C Pearce  
Mr S Hubball  
Mr A Dixon

**SECRETARY:**

Mrs C Pearce

**REGISTERED OFFICE:**

Leofric House  
Binley Road  
Gosford Green  
Coventry  
CV3 1JN

**REGISTERED NUMBER:**

2124354

**AUDITORS:**

Leigh, Christou & Co.  
Chartered Certified Accountants  
& Registered Auditors  
Leofric House  
Binley Road  
Coventry  
CV3 1JN

**Beauchamp Financial Services Limited**

**Report of the Directors  
for the Year Ended 31 March 2003**

The directors present their report with the financial statements of the company for the year ended 31 March 2003.

**PRINCIPAL ACTIVITIES**

The principal activities of the company in the year under review were those of life insurance and pension advisors and providers of general investment and financial services. The company is authorised by the Financial Services Authority in accordance with the requirements of the Financial Services and Markets Act 2000.

**REVIEW OF BUSINESS**

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

**DIVIDENDS**

No dividends will be distributed for the year ended 31 March 2003.

**DIRECTORS**

The directors during the year under review were:

Miss A C Pearce  
Mr S Hubball  
Mr A Dixon

The directors holding office at 31 March 2003 did not hold any beneficial interest in the issued share capital of the company at 1 April 2002 or 31 March 2003.

**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

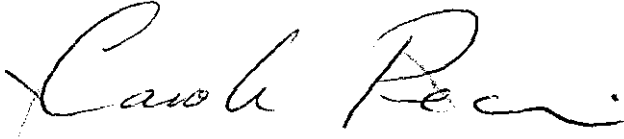
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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, Leigh, Christou & Co., will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

**ON BEHALF OF THE BOARD:**



Mrs C Pearce - Secretary

16 September 2003

**Beauchamp Financial Services Limited**

**Report of the Independent Auditors to the Shareholders of  
Beauchamp Financial Services Limited**

We have audited the financial statements of Beauchamp Financial Services Limited for the year ended 31 March 2003 on pages four to sixteen. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

**Respective responsibilities of directors and auditors**

As described on page two the company's directors are responsible for the preparation of 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 Report of the Directors 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 Report of the Directors 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 March 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Leigh, Christou & Co.  
Chartered Certified Accountants  
& Registered Auditors  
Leofric House  
Binley Road  
Coventry  
CV3 1JN

16 September 2003

**Beauchamp Financial Services Limited**

**Profit and Loss Account  
for the Year Ended 31 March 2003**

		<u>31.3.03</u>	<u>31.3.02</u>
	Notes	£	£
<b>TURNOVER</b>	2	339,337	351,641
Administrative expenses		392,229	350,061
		<u>(52,892)</u>	<u>1,580</u>
Other operating income		37,500	-
<b>OPERATING (LOSS)/PROFIT</b>	4	<u>(15,392)</u>	<u>1,580</u>
Interest receivable and similar income		2	11
		<u>(15,390)</u>	<u>1,591</u>
Interest payable and similar charges	5	4,085	1,124
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>(19,475)</u>	<u>467</u>
Tax on (loss)/profit on ordinary activities	6	<u>(856)</u>	<u>(469)</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u>(18,619)</u>	<u>936</u>
<b>(DEFICIT)/RETAINED PROFIT FOR THE YEAR</b>		<u><u>£(18,619)</u></u>	<u><u>£936</u></u>

**CONTINUING OPERATIONS**

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

The notes form part of these financial statements

**Beauchamp Financial Services Limited**

**Statement of Total Recognised Gains and Losses  
for the Year Ended 31 March 2003**

	<u>31.3.03</u>	<u>31.3.02</u>
	£	£
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>	<b>(18,619)</b>	<b>936</b>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	<b>(18,619)</b>	<b>£936</b>
Prior year adjustment	<b>4,822</b>	
Note 7		
<b>TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST ANNUAL REPORT</b>	<b><u>£(13,797)</u></b>	

The notes form part of these financial statements

**Beauchamp Financial Services Limited**

**Balance Sheet  
31 March 2003**

		31.3.03		31.3.02	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	8		83,628		28,930
<b>CURRENT ASSETS</b>					
Debtors	9	149,208		62,416	
Cash at bank		1,038		5,864	
		<u>150,246</u>		<u>68,280</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	10	173,906		65,965	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			<u>(23,660)</u>		<u>2,315</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>59,968</u>		<u>31,245</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	11		(48,443)		(5,539)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	15		<u>(304)</u>		<u>(688)</u>
			<u><u>£11,221</u></u>		<u><u>£25,018</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		10,000		10,000
Profit and loss account	17		1,221		15,018
<b>SHAREHOLDERS' FUNDS</b>	20		<u><u>£11,221</u></u>		<u><u>£25,018</u></u>

**ON BEHALF OF THE BOARD:**

X  X

Miss A C Pearce - Director

Approved by the Board on 16 September 2003

The notes form part of these financial statements

**Beauchamp Financial Services Limited**

**Cash Flow Statement  
for the Year Ended 31 March 2003**

		<u>31.3.03</u>		<u>31.3.02</u>	
	Notes	£	£	£	£
Net cash (outflow)/inflow from operating activities	1		(17,170)		13,843
Returns on investments and servicing of finance	2		(4,083)		(1,113)
Taxation			(472)		(196)
Capital expenditure	2		8,925		(6,518)
			<u>(12,800)</u>		<u>6,016</u>
Financing	2		(17,508)		(14,812)
Decrease in cash in the period			<u>£(30,308)</u>		<u>£(8,796)</u>
<hr/>					
Reconciliation of net cash flow to movement in net debt	3				
Decrease in cash in the period		(30,308)		(8,796)	
Cash outflow from decrease in debt and lease financing		<u>27,830</u>		<u>5,539</u>	
Change in net debt resulting from cash flows			(2,478)		(3,257)
New finance leases			<u>(78,815)</u>		<u>-</u>
Movement in net debt in the period			(81,293)		(3,257)
Net debt at 1 April			<u>(5,214)</u>		<u>(1,957)</u>
Net debt at 31 March			<u>£(86,507)</u>		<u>£(5,214)</u>

The notes form part of these financial statements



**Beauchamp Financial Services Limited**

**Notes to the Cash Flow Statement  
for the Year Ended 31 March 2003**

**1. RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

	31.3.03	31.3.02
	£	£
Operating (loss)/profit	(15,392)	1,580
Depreciation charges	16,613	8,830
Profit on disposal of fixed assets	(1,421)	-
Prior year adjustment	4,822	-
Increase in debtors	(86,642)	(8,644)
Increase in creditors	64,850	12,077
<b>Net cash (outflow)/inflow from operating activities</b>	<u><u>(17,170)</u></u>	<u><u>13,843</u></u>

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

	31.3.03	31.3.02
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest received	2	11
Interest paid	(334)	(770)
Interest element of hire purchase payments	(3,751)	(354)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<u><u>(4,083)</u></u>	<u><u>(1,113)</u></u>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(10,075)	(6,518)
Sale of tangible fixed assets	19,000	-
<b>Net cash inflow/(outflow) for capital expenditure</b>	<u><u>8,925</u></u>	<u><u>(6,518)</u></u>
<b>Financing</b>		
Loan to group undertaking	322	(9,273)
Capital repayments in year	(27,830)	(5,539)
Amount introduced by directors	10,000	-
<b>Net cash outflow from financing</b>	<u><u>(17,508)</u></u>	<u><u>(14,812)</u></u>

The notes form part of these financial statements

**Beauchamp Financial Services Limited**

**Notes to the Cash Flow Statement  
for the Year Ended 31 March 2003**

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

	At 1.4.02 £	Cash flow £	Other non-cash changes £	At 31.3.03 £
Net cash:				
Cash at bank	5,864	(4,826)		1,038
Bank overdraft	-	(25,482)		(25,482)
	<u>5,864</u>	<u>(30,308)</u>		<u>(24,444)</u>
Debt:				
Hire purchase	(11,078)	27,830	(78,815)	(62,063)
	<u>(11,078)</u>	<u>27,830</u>	<u>(78,815)</u>	<u>(62,063)</u>
Total	<u>(5,214)</u>	<u>(2,478)</u>	<u>(78,815)</u>	<u>(86,507)</u>

The notes form part of these financial statements

# Beauchamp Financial Services Limited

## Notes to the Financial Statements for the Year Ended 31 March 2003

### 1. ACCOUNTING POLICIES

#### Accounting convention

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

#### Turnover

Turnover represents commissions and fees receivable on business transacted during the period and includes commission receivable under indemnity terms.

Where commissions are receivable under indemnity terms, provision for repayment is made for specific amounts identified as repayable.

#### 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.

Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on cost

#### 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.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

#### Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

#### Deferred taxation

Deferred taxation arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred taxation is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based upon current tax rates and laws.

### 2. TURNOVER

The turnover and profit before taxation are attributable to the principal activity of the company.

### 3. STAFF COSTS

	31.3.03	31.3.02
	£	£
Wages and salaries	213,651	166,293
Social security costs	23,632	17,016
Other pension costs	11,302	10,042
	<u>248,585</u>	<u>193,351</u>

# Beauchamp Financial Services Limited

## Notes to the Financial Statements for the Year Ended 31 March 2003

### 3. STAFF COSTS - continued

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

	31.3.03	31.3.02
Administration & Selling	<u>9</u>	<u>7</u>

### 4. OPERATING (LOSS)/PROFIT

The operating loss (2002 - operating profit) is stated after charging:

	31.3.03	31.3.02
	£	£
Other operating leases	9,622	4,582
Depreciation - owned assets	6,544	2,969
Depreciation - assets on hire purchase contracts	10,069	5,860
Profit on disposal of fixed assets	(1,421)	-
Auditors remuneration	<u>2,375</u>	<u>3,500</u>
Directors' emoluments	150,093	110,238
Directors' pension contributions to money purchase schemes	<u>9,100</u>	<u>7,100</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>3</u>	<u>3</u>
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### 5. INTEREST PAYABLE AND SIMILAR CHARGES

	31.3.03	31.3.02
	£	£
Interest on overdue tax	334	770
Hire purchase	<u>3,751</u>	<u>354</u>
	<u>4,085</u>	<u>1,124</u>

### 6. TAXATION

#### Analysis of the tax credit

The tax credit on the loss on ordinary activities for the year was as follows:

	31.3.03	31.3.02
	£	£
Current tax:		
UK corporation tax	(472)	472
Deferred taxation	<u>(384)</u>	<u>(941)</u>
Tax on (loss)/profit on ordinary activities	<u>(856)</u>	<u>(469)</u>

# Beauchamp Financial Services Limited

## Notes to the Financial Statements for the Year Ended 31 March 2003

### 6. TAXATION - continued

#### Factors affecting the tax credit

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.3.03 £	31.3.02 £
(Loss)/profit on ordinary activities before tax	<u>(19,475)</u>	<u>467</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 0% (2002 - 10%)	-	47
Effects of:		
Expenses not deductible for tax purposes	-	447
Depreciation for the year in excess of/(less than) capital allowances	-	126
Group relief claimed	-	(148)
Losses carried back	<u>(472)</u>	<u>-</u>
Current tax credit	<u>(472)</u>	<u>472</u>

### 7. PRIOR YEAR ADJUSTMENT

The prior year adjustment relates to proceeds due from the disposal of an interest in a business partner acquired at no cost not recognised in the previous year's accounts.

### 8. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST:</b>				
At 1 April 2002	4,947	23,937	11,823	40,707
Additions	7,451	78,815	2,624	88,890
Disposals	-	(23,937)	-	(23,937)
At 31 March 2003	<u>12,398</u>	<u>78,815</u>	<u>14,447</u>	<u>105,660</u>
<b>DEPRECIATION:</b>				
At 1 April 2002	869	6,358	4,550	11,777
Charge for year	1,729	10,069	4,815	16,613
Eliminated on disposal	-	(6,358)	-	(6,358)
At 31 March 2003	<u>2,598</u>	<u>10,069</u>	<u>9,365</u>	<u>22,032</u>
<b>NET BOOK VALUE:</b>				
At 31 March 2003	<u>9,800</u>	<u>68,746</u>	<u>5,082</u>	<u>83,628</u>
At 31 March 2002	<u>4,078</u>	<u>17,579</u>	<u>7,273</u>	<u>28,930</u>

**Beauchamp Financial Services Limited**

**Notes to the Financial Statements  
for the Year Ended 31 March 2003**

**8. TANGIBLE FIXED ASSETS - continued**

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

	<b>Motor vehicles £</b>
<b>COST:</b>	
At 1 April 2002	23,937
Additions	78,815
Disposals	<u>(23,937)</u>
At 31 March 2003	<u>78,815</u>
<b>DEPRECIATION:</b>	
At 1 April 2002	6,358
Charge for year	10,069
Eliminated on disposal	<u>(6,358)</u>
At 31 March 2003	<u>10,069</u>
<b>NET BOOK VALUE:</b>	
At 31 March 2003	<u><u>68,746</u></u>
At 31 March 2002	<u><u>17,579</u></u>

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

	<b>31.3.03 £</b>	<b>31.3.02 £</b>
Amounts owed by group undertakings	40,879	41,201
Due from insurers and life offices	62,088	10,462
Other debtors	27,067	-
Taxation	472	-
Prepayments	<u>18,702</u>	<u>10,753</u>
	<u><u>149,208</u></u>	<u><u>62,416</u></u>

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

	<b>31.3.03 £</b>	<b>31.3.02 £</b>
Bank loans and overdrafts (see note 12)	25,482	-
Hire purchase contracts (see note 13)	13,620	5,539
Due to insurers & life offices	47,948	13,604
Taxation	-	472
Social security and other taxes	30,844	5,096
Other creditors	35,499	33,855
Directors' loan accounts	10,000	-
Accrued expenses	<u>10,513</u>	<u>7,399</u>
	<u><u>173,906</u></u>	<u><u>65,965</u></u>

**Beauchamp Financial Services Limited**

**Notes to the Financial Statements  
for the Year Ended 31 March 2003**

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

	31.3.03	31.3.02
	£	£
Hire purchase contracts (see note 13)	<u>48,443</u>	<u>5,539</u>

**12. LOANS**

An analysis of the maturity of loans is given below:

	31.3.03	31.3.02
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>25,482</u>	<u>-</u>

**13. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES**

	31.3.03	31.3.02
	£	£
Gross obligations repayable:		
Within one year	17,347	6,309
Between one and five years	<u>54,377</u>	<u>6,309</u>
	<u>71,724</u>	<u>12,618</u>
Finance charges repayable:		
Within one year	3,727	770
Between one and five years	<u>5,934</u>	<u>770</u>
	<u>9,661</u>	<u>1,540</u>
Net obligations repayable:		
Within one year	13,620	5,539
Between one and five years	<u>48,443</u>	<u>5,539</u>
	<u>62,063</u>	<u>11,078</u>

The following payments are committed to be paid within one year:

	31.3.03	31.3.02
	£	£
Operating leases		
Expiring:		
Between one and five years	<u>-</u>	<u>4,586</u>

# Beauchamp Financial Services Limited

## Notes to the Financial Statements for the Year Ended 31 March 2003

### 14. SECURED DEBTS

The following secured debts are included within creditors:

	31.3.03	31.3.02
	£	£
Bank overdraft	25,482	-
Hire purchase contracts	62,063	11,078
	<u>87,545</u>	<u>11,078</u>

The hire purchase liability is secured on the asset purchased under each agreement.

The bank borrowing is secured by a fixed and floating charge on the assets of the company.

The company has provided a multilateral cross-guarantee to the group's bankers as further security in respect of any borrowings of the parent company.

### 15. PROVISION FOR LIABILITIES AND CHARGES

	31.3.03	31.3.02
	£	£
Deferred taxation		
Accelerated capital allowances	304	688

	Deferred tax £
Balance at 1 April 2002	688
Charge/(credit) for the year	(384)
Balance at 31 March 2003	<u>304</u>

### 16. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.03	31.3.02
			£	£
10,000	Ordinary	£1	<u>10,000</u>	<u>10,000</u>

### 17. RESERVES

	Profit and loss account £
At 1 April 2002	15,018
Prior year adjustment	4,822
	<u>19,840</u>
Deficit for the year	(18,619)
At 31 March 2003	<u>1,221</u>



# Beauchamp Financial Services Limited

## Notes to the Financial Statements for the Year Ended 31 March 2003

### 18. ULTIMATE PARENT COMPANY

The Parent company is Beauchamp Group Limited, a company registered in England and Wales. The registered office address of Beauchamp Group Limited is Leofric House, Binley Road, Coventry, CV3 1JN which is also where copies of the group accounts may be obtained.

### 19. CONTINGENT LIABILITIES

The company receives some of its commission at the commencement of a policy under indemnity terms which allow the insurance company to reclaim the unearned part of the commission in the event of a policy lapsing during the period of indemnity. Commission received but not earned at 31 March 2003 was £29,039. (2002 £30,068)

### 20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.3.03	31.3.02
	£	£
(Loss)/Profit for the financial year	(18,619)	936
Prior year adjustment	4,822	-
<b>Net (reduction)/addition to shareholders' funds</b>	<b>(13,797)</b>	<b>936</b>
Opening shareholders' funds (originally £20,196 before prior year adjustment of £4,822)	25,018	24,082
<b>Closing shareholders' funds</b>	<b>11,221</b>	<b>25,018</b>
Equity interests	11,221	25,018