


ASTORHOLD LIMITED

Report and Group Accounts

30 June 2001

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 ERNST & YOUNG



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Astorhold Limited

Registered Number: 2660256

DIRECTORS

C P Baldwin

R D H Munro

M I Davis

D R Tresidder (appointed 27 September 2001)

SECRETARY

R D H Munro

AUDITORS

Ernst & Young LLP
100 Barbirolli Square
Manchester
M2 3EY

BANKERS

National Westminster Bank PLC
23 Stamford New Road
Altrincham
Cheshire
WA14 1DB

REGISTERED OFFICE

The Courtyard
Hall Lane
Wincham
Cheshire
CW9 6DG

DIRECTORS' REPORT

The directors present their report and group accounts for the year ended 30 June 2001.

RESULTS AND DIVIDENDS

The group trading profit for the year after taxation was £495,769 (2000: £428,575). The directors propose the payment of a final dividend on the 'C' ordinary shares of £372,401 which leaves a profit of £123,368 to be retained.

REVIEW OF THE BUSINESS AND PRINCIPAL ACTIVITY

The company continued to act as a holding company throughout the year. The group sales and profits increased substantially.

DIRECTORS AND THEIR INTERESTS

The directors at 30 June 2001 and their interests in the share capital of the company were as follows:

	<i>B shares of £1 each</i>		<i>A shares of 2p each</i>	
	<i>2001</i>	<i>2000</i>	<i>2001</i>	<i>2000</i>
	<i>No.</i>	<i>No.</i>	<i>No.</i>	<i>No.</i>
C P Baldwin	-	-	2,550	2,550
R D H Munro	35,907	33,000	-	-
M I Davis	1,940	-	-	-

AUDITORS

On 28 June 2001, Ernst & Young, the Company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001. A resolution to re-appoint Ernst & Young LLP as the Company's auditor will be put to the forthcoming Annual Extraordinary General Meeting.

By order of the board



R D H Munro
Secretary

Date: 25 April 2002

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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 group and of the company and of the profit or loss of the group 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 confirm that the accounts comply with the above requirements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**REPORT OF THE AUDITORS
to the members of Astorhold Limited**

We have audited the group's financial statements for the year ended 30 June 2001 which comprise Consolidated Profit and Loss Account, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Cash Flow Statement and the related notes 1 to 23. These financial statements have been prepared on the basis of the accounting policies set out therein.

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 financial statements in accordance with applicable United Kingdom law and 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 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 group 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.

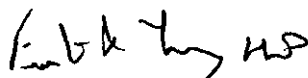
Basis of audit opinion

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 group'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 affairs of the company and of the group as at 30 June 2001 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
Manchester

Date 30/1/02

Astorhold Limited

GROUP PROFIT AND LOSS ACCOUNT

for the year ended 30 June 2001

	Note	2001 £	2000 £
TURNOVER	2	4,807,765	4,157,472
Administrative expenses		(4,123,113)	(3,719,320)
OPERATING PROFIT	3	684,652	438,152
Interest receivable	6	54,174	38,513
Interest payable	7	(14,707)	(17,623)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		724,119	459,042
Tax on profit on ordinary activities	8	(228,350)	(30,467)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	18	495,769	428,575
Dividend – final equity proposed		(372,401)	-
PROFIT RETAINED FOR THE FINANCIAL YEAR		123,368	428,575

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There were no other gains and losses in the year ended 30 June 2001 or the year ended 30 June 2000 other than as shown by the above profit and loss account.

Astorhold Limited

GROUP BALANCE SHEET

as at 30 June 2001

	Notes	2001 £	2000 £
FIXED ASSETS			
Tangible assets	10	448,111	380,118
CURRENT ASSETS			
Debtors	12	1,257,138	1,321,121
Cash at bank and in hand		1,688,762	1,481,590
		2,945,900	2,802,711
CREDITORS: amounts falling due within one year	13	(1,786,301)	(1,763,584)
NET CURRENT ASSETS		1,159,599	1,039,127
TOTAL ASSETS LESS CURRENT LIABILITIES		1,607,710	1,419,245
CREDITORS: amounts falling due after more than one year	14	(69,881)	(36,644)
ACCRUALS AND DEFERRED INCOME			
Deferred revenue		(458,840)	(426,980)
		1,078,989	955,621
CAPITAL AND RESERVES			
Called up share capital	17,18	842,354	842,354
Share premium	18	24,451	24,451
Profit and loss account	18	212,184	88,816
EQUITY SHAREHOLDERS' FUNDS		1,078,989	955,621

Approved by the Board on 25 April 2002



C P Baldwin

Director



R D H Munro

Director

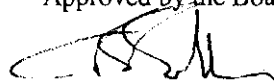
Astorhold Limited

COMPANY BALANCE SHEET

as at 30 June 2001

	Notes	2001 £	2000 £
FIXED ASSETS			
Investments	11	939,108	939,108
CURRENT ASSETS			
Debtors	12	296,252	20,000
CREDITORS: amounts falling due within one year	13	(372,401)	(96,149)
NET CURRENT LIABILITIES		(76,149)	(76,149)
TOTAL ASSETS LESS CURRENT LIABILITIES		862,959	862,959
CAPITAL AND RESERVES			
Called up share capital	17,18	842,354	842,354
Share premium	18	24,451	24,451
Profit and loss account	18	(3,846)	(3,846)
EQUITY SHAREHOLDERS' FUNDS		862,959	862,959

Approved by the Board on 25 April 2002



C P Baldwin Director



R D H Munro Director

Astorhold Limited

GROUP STATEMENT OF CASH FLOWS

for the year ended 30 June 2001

		2001 £	2000 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	16(a)	447,921	467,708
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		54,174	38,513
Interest on hire purchase and finance lease contracts		(14,707)	(17,623)
		39,467	20,890
TAXATION			
Corporation tax paid		(31,817)	-
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets		(155,823)	(87,365)
Receipts from sale of tangible fixed assets		21,933	31,750
		(133,890)	(55,615)
FINANCING			
Capital repayments of finance leases and hire purchase contracts		(114,509)	(103,442)
INCREASE IN CASH	16(b)	207,172	329,541

MAJOR NON-CASH TRANSACTIONS:

During the year the group entered into finance lease arrangements and hire purchase contracts with a total capital value at the inception of the leases of £119,479 (2000: £27,471).

NOTES TO THE ACCOUNTS

as at 30 June 2001

1. ACCOUNTING POLICIES

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Basis of consolidation

The group accounts consolidate the accounts of Astorhold Limited and its subsidiaries made up to 30 June 2001. No profit and loss account is presented for Astorhold Limited as permitted by S230 (1) of the Companies Act 1985.

Commission and fees

Commission and fees are brought into account on the date when the business is written.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset based on prices prevailing at the date of acquisition, over its expected useful life as follows:

Short leasehold property	- over the life of the lease
Motor vehicles	- 20% straight line
Computer equipment	- 25% straight line
Fixtures, fittings and office equipment	- 25% straight line

Leasing and hire purchase contracts

Assets held under 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 are 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 contract 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 taxation

Deferred taxation is provided on the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which is anticipated the timing differences will reverse.

Pensions

The group operates a defined contribution pension scheme. The group also makes contributions to selected individuals' personal pension schemes. Contributions are charged to the profit and loss account as they become payable.

Astorhold Limited

NOTES TO THE ACCOUNTS

as at 30 June 2001

2. TURNOVER

Turnover for the subsidiary Private Medicine Intermediaries Limited represents commissions and fees earned via insurance premium contracts. For the subsidiary Corporate Medical Management Limited turnover is recognised evenly over the life of a contract to ensure that the revenue recognised fairly matches the costs incurred in servicing those contracts and is stated net of value added tax. Turnover is derived entirely from operations within the United Kingdom.

3. OPERATING PROFIT

This is stated after charging:

	2001	2000
	£	£
Auditors' remuneration - audit services	18,350	18,000
Operating leases - land and buildings	89,250	83,625
Depreciation of owned assets	120,584	175,494
Depreciation of assets held under hire purchase and finance leases	58,348	61,052
Loss on sale of tangible fixed assets	6,444	6,173

4. DIRECTORS' REMUNERATION

	2001	2000
	£	£
Emoluments	87,619	69,514
Pension contributions	6,875	6,198
	<u>94,494</u>	<u>75,712</u>

Astorhold Limited

NOTES TO THE ACCOUNTS

as at 30 June 2001

5. STAFF COSTS

Aggregate staff costs were as follows:

	2001	2000
	£	£
Wages and salaries	2,250,930	1,998,928
Social security costs	221,513	179,196
Other pension costs	78,088	64,937
	<u>2,550,531</u>	<u>2,243,061</u>

The average number of persons employed by the group (including directors) during the year was as follows:

	2001	2000
	No	No
Management and administration	79	71
Sales staff	21	21
Medical staff	16	16
	<u>116</u>	<u>108</u>

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6. INTEREST RECEIVABLE

	2001	2000
	£	£
Bank interest	54,174	38,513
	<u>54,174</u>	<u>38,513</u>

7. INTEREST PAYABLE

	2001	2000
	£	£
Hire purchase and finance lease contracts	14,707	17,623
	<u>14,707</u>	<u>17,623</u>

Astorhold Limited

NOTES TO THE ACCOUNTS

as at 30 June 2001

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2001	2000
	£	£
Based on results for the year:		
Corporation tax at 30% (2000: 30%)	227,000	30,467
Under-provision for corporation tax in prior year	1,350	-
	<u>228,350</u>	<u>30,467</u>

No provision is required for deferred taxation due to immaterial timing differences at the year end.

9. PROFIT ATTRIBUTABLE TO MEMBERS OF THE HOLDING COMPANY

	2001	2000
	£	£
Dealt with in the accounts of the holding company	-	144
Dealt with in the accounts of the subsidiary companies	495,769	428,431
	<u>495,769</u>	<u>428,575</u>

10. TANGIBLE FIXED ASSETS

	<i>Short lease property</i>	<i>Computer equipment</i>	<i>Motor vehicles</i>	<i>Fixtures, fittings and equipment</i>	<i>Total</i>
	£	£	£	£	£
<i>Group</i>					
Cost:					
At 1 July 2000	25,810	436,776	306,251	276,719	1,045,556
Additions	-	150,752	93,461	31,461	275,302
Disposals	(7,677)	(14,921)	(62,286)	(31,618)	(116,502)
At 30 June 2001	<u>18,133</u>	<u>572,607</u>	<u>337,426</u>	<u>276,190</u>	<u>1,204,356</u>
Depreciation:					
At 1 July 2000	8,236	307,515	108,724	240,963	665,438
Charge for the year	1,464	79,945	66,884	30,639	178,932
Disposals	(2,373)	(7,473)	(33,489)	(44,790)	(88,125)
At 30 June 2001	<u>7,327</u>	<u>379,987</u>	<u>142,119</u>	<u>226,812</u>	<u>756,245</u>
Net book value:					
At 30 June 2001	<u>10,806</u>	<u>192,620</u>	<u>195,307</u>	<u>192,620</u>	<u>448,111</u>
At 30 June 2000	<u>17,574</u>	<u>129,261</u>	<u>197,527</u>	<u>129,261</u>	<u>380,118</u>

Astorhold Limited

NOTES TO THE ACCOUNTS

as at 30 June 2001

10. TANGIBLE FIXED ASSETS (continued)

Included in the net book value for group tangible fixed assets is the following amount relating to assets acquired under finance leases and hire purchase contracts £195,307 (2000: £160,112).

11. INVESTMENTS

Investments in subsidiary undertakings

Cost:	£
At 1 July 2000 and 30 June 2001	939,108

Subsidiary undertakings

<i>Name of company</i>	<i>(Loss)/profit for year to 30 June 2001</i> £	<i>Capital and reserves at 30 June 2001</i> £	<i>Shareholding</i>	<i>Activity</i>
Private Medicine Intermediaries Limited	(43,298)	923,014	100%	Medical insurance broker
Corporate Medical Management Limited	166,652	231,977	100%	Medical screening and managing medical insurance contracts

All subsidiaries are registered in England and Wales.

12. DEBTORS

	<i>2001</i> £	<i>Group 2000</i> £	<i>2001</i> £	<i>Company 2000</i> £
Trade debtors	1,217,439	1,271,995	-	-
Amount due from subsidiary company	-	-	296,252	20,000
Prepayments and accrued income	12,759	26,172	-	-
Other debtors	26,940	22,954	-	-
	<u>1,257,138</u>	<u>1,321,121</u>	<u>296,252</u>	<u>20,000</u>

The amount due from a subsidiary is due after more than one year.

Astorhold Limited

NOTES TO THE ACCOUNTS

as at 30 June 2001

13. CREDITORS: amounts falling due within one year

		<i>Group</i>		<i>Company</i>	
	<i>Note</i>	<i>2001</i>	<i>2000</i>	<i>2001</i>	<i>2000</i>
		£	£	£	£
Trade creditors		795,549	1,343,962	-	-
Obligations under hire purchases contracts	15	77,685	105,952	-	-
Amounts owed to subsidiary undertakings		-	-	-	96,149
Corporation tax		227,000	30,467	-	-
Other taxes and social security costs		77,017	65,672	-	-
Accruals and sundry creditors		236,649	217,531	-	-
Proposed dividend		372,401	-	372,401	-
		<u>1,786,301</u>	<u>1,763,584</u>	<u>372,401</u>	<u>96,149</u>

14. CREDITORS: amounts falling due after more than one year

		<i>Group</i>	
	<i>Note</i>	<i>2001</i>	<i>2000</i>
		£	£
Obligations under hire purchase contracts	15	69,881	36,644
		<u>69,881</u>	<u>36,644</u>

15. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	<i>Group</i>	
	<i>2001</i>	<i>2000</i>
	£	£
Amounts repayable:		
within one year	80,056	114,030
within two to five years	76,838	39,546
	<u>156,894</u>	<u>153,576</u>
Less: finance charges allocated to future periods	(9,328)	(10,980)
	<u>147,566</u>	<u>142,596</u>

Astorhold Limited

NOTES TO THE ACCOUNTS

as at 30 June 2001

15. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS (continued)

Finance leases and hire purchase contracts are analysed as follows:

		2001 £	Group 2000 £
Current obligations	13	77,685	105,952
Non-current obligations	14	69,881	36,644
		<u>147,566</u>	<u>142,596</u>

16. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of operating profit to net cash inflow from operating activities.

	2001 £	2000 £
Operating profit	684,652	438,152
Depreciation	178,932	236,546
Loss on disposal of tangible fixed assets	6,444	6,173
Decrease/(increase) in debtors	63,983	(159,418)
Decrease in creditors	(517,950)	(59,368)
Increase in deferred revenue	31,860	5,623
Net cash inflow from operating activities	<u>447,921</u>	<u>467,708</u>

(b) Analysis of net funds

	At 1 July 2000 £	Cash flow £	Other changes £	At 30 June 2001 £
Cash at bank and in hand	1,481,590	207,172	-	1,688,762
Hire purchase and finance lease contracts	(142,596)	114,509	(119,479)	(147,566)
	<u>1,338,994</u>	<u>321,681</u>	<u>(119,479)</u>	<u>1,541,196</u>

Astorhold Limited

NOTES TO THE ACCOUNTS

as at 30 June 2001

17. CALLED UP SHARE CAPITAL

	<i>Authorised</i>			
	2001	2000		
	<i>No.</i>	<i>No.</i>		
'A' ordinary shares of £0.02 each	5,000	5,000		
'B' ordinary shares of £1 each	1,000,000	1,000,000		
'C' ordinary shares of £1 each	200,000	200,000		
	<i>Allotted nil paid</i>	<i>Allotted, called up and fully paid</i>		
	2001	2000	2001	2000
	£	£	£	£
'A' ordinary shares of £0.02 each	-	-	51	51
'B' ordinary shares of £1 each	88,700	88,700	642,303	642,303
'C' ordinary shares of £1 each	-	-	200,000	200,000
	88,700	88,700	842,354	842,354

In accordance with the company's Articles, the 'A' shares attract voting rights but have no rights to a distribution, either in the form of dividends or repayment of capital. The 'B' shares and 'C' shares have no voting rights but qualify for all dividends declared and any repayment of capital.

18. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

<i>Group</i>	<i>Share capital</i>	<i>Share premium</i>	<i>Profit & loss account</i>	<i>Total</i>
	£	£	£	£
At 1 July 2000	842,354	24,451	88,816	955,621
Profit for the year	-	-	495,769	495,769
Dividend	-	-	(372,401)	(372,401)
At 30 June 2001	842,354	24,451	212,184	1,078,989
<i>Company</i>	<i>Share capital</i>	<i>Share premium</i>	<i>Profit & loss account</i>	<i>Total</i>
	£	£	£	£
At 30 June 2000	842,354	24,451	(3,846)	862,959
Profit for the year	-	-	372,401	372,401
Dividend	-	-	(372,401)	(372,401)
At 30 June 2001	842,354	24,451	(3,846)	862,959

Astorhold Limited

NOTES TO THE ACCOUNTS

as at 30 June 2001

19. CAPITAL COMMITMENTS

Amounts contracted for but not provided in the accounts amounted to £nil (2000: £58,000).

20. PENSION COMMITMENTS

The group pays pension contributions to personal pensions of selected employees. The personal pensions are arranged with an insurance company separate to the business. The group also has a defined contribution pension scheme called the PMI Limited Group Personal Pension Scheme, which was established in the year. Contributions were fully paid at the year end.

21. COMMITMENTS

At 30 June 2001 the company had annual commitments under non-cancellable operating leases as set out below:

	<i>Land and Buildings</i>	
	<i>2001</i>	<i>2000</i>
	<i>£</i>	<i>£</i>
Operating leases which expire in over five years	88,400	88,400

22. RELATED PARTY TRANSACTIONS

Baldwin Industries Limited is considered, by the directors, to be a related party with whom transactions have occurred during the year:

The following transactions were entered into during the year:

	<i>Rental charges</i>	<i>Other recharges</i>
	<i>£</i>	<i>£</i>
Baldwin Industries Limited	88,400	221,355

The following balances existed at the year end:

	<i>Creditor</i>
	<i>£</i>
Baldwin Industries Limited	6,180

23. CONTROLLING PARTY

The directors are of the opinion that Mr C P Baldwin is the controlling party.