

COMPANY REGISTRATION NUMBER 02340607

**RBIG CORPORATE RISK
SERVICES LIMITED
FINANCIAL STATEMENTS
FOR
31 DECEMBER 2004**



RENNIE EVANS
Chartered Accountants & Registered Auditors
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Macclesfield
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SK11 6XN

RBIG CORPORATE RISK SERVICES LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

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RBIG CORPORATE RISK SERVICES LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2004

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 31 December 2004.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of a holding company and insurance brokers.

On 22nd December 2004 the company name was changed from RBIG Limited to RBIG Corporate Risk Services Limited.

At the year end the assets and liabilities of RBIG Limited (formerly known as RBIG Corporate Risk Services Limited) were hived up to this company. At the same time a dividend of £191,161 was declared from RBIG Limited (formerly known as RBIG Corporate Risk Services Limited) to this company.

RESULTS AND DIVIDENDS

The trading results for the year and the group's financial position at the end of the year are shown in the attached financial statements.

The directors have recommended the following dividends:

	2004	2003
	£	£
Dividend paid on preference shares	<u>5,616</u>	<u>5,616</u>

THE DIRECTORS AND THEIR INTERESTS

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

		At 31 December 2004	At 1 January 2004
Mr R A Bolton	Ordinary	310,000	30,000
	Preference	50,000	50,000
Mr S G Astles	Ordinary	65,000	5,000
Mr M W Davis	Ordinary	65,000	5,000
Mr S M Hodgson	Ordinary	<u>65,000</u>	<u>5,000</u>

RBIG CORPORATE RISK SERVICES LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2004

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 group and of the profit or loss of the group for that year. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 11 to 13, 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 financial statements; and

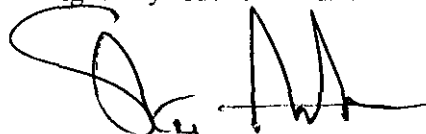
prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors 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.

AUDITORS

A resolution to re-appoint Rennie Evans as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed by order of the directors



MR S G ASTLES
Company Secretary

Approved by the directors on 24th August 2005.

rennie evans

CHARTERED ACCOUNTANTS

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RBIG CORPORATE RISK SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF

RBIG CORPORATE RISK SERVICES LIMITED

YEAR ENDED 31 DECEMBER 2004

We have audited the financial statements of RBIG Corporate Risk Services Limited for the year ended 31 December 2004 on pages 5 to 22 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 11 to 13.

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an auditors' 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 shareholders as a body, for our audit work, for this report, or for the opinions we 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 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 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.



Partners: R G Evans B Com FCA S G Jones FCA
Consultant: C L Howard FCA

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Registered to carry on audit work and regulated for a range of investment business activities by the Institute of Chartered Accountants in England and Wales

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RBIG CORPORATE RISK SERVICES LIMITED
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
RBIG CORPORATE RISK SERVICES LIMITED
YEAR ENDED 31 DECEMBER 2004

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 the company's affairs and of the group as at 31 December 2004 and of the loss of the group for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



RENNIE EVANS
Chartered Accountants
& Registered Auditors

25th August 2005.

RBIG CORPORATE RISK SERVICES LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 DECEMBER 2004**

	Note	2004 £	2003 £
GROUP TURNOVER	2	2,402,380	2,355,360
Distribution costs		110,298	166,495
Administrative expenses		2,315,059	2,019,484
Other operating income	3	173	(7,393)
OPERATING (LOSS)/PROFIT	4	(23,150)	176,774
Interest receivable		10,893	3,612
Interest payable and similar charges	7	(8,007)	(24,332)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(20,264)	156,054
Tax on (loss)/profit on ordinary activities	8	16,877	32,323
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	9	(37,141)	123,731
Dividends (including non-equity)	10	5,616	5,616
(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR		(42,757)	118,115

All of the activities of the group are classed as continuing.

The group has no recognised gains or losses other than the results for the year as set out above.

The company has taken advantage of section 230 of the Companies Act 1985 not to publish its own Profit and Loss Account.

The notes on pages 11 to 22 form part of these financial statements.

RBIG CORPORATE RISK SERVICES LIMITED
RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
YEAR ENDED 31 DECEMBER 2004

Equity shareholders' funds

	2004 £	2003 £
(Loss)/Profit for the financial year	(37,141)	123,731
Dividends	(5,616)	(5,616)
	<u>(42,757)</u>	<u>118,115</u>
New equity share capital subscribed	—	230,000
Net (reduction)/addition to funds	(42,757)	348,115
Opening shareholders' equity funds	660,219	312,104
Closing shareholders' equity funds	<u>617,462</u>	<u>660,219</u>

NON-EQUITY SHAREHOLDERS' FUNDS

	2004 £	2003 £
Opening and closing shareholders' non-equity funds	<u>50,000</u>	<u>50,000</u>

The notes on pages 11 to 22 form part of these financial statements.

RBIG CORPORATE RISK SERVICES LIMITED

GROUP BALANCE SHEET

31 DECEMBER 2004

	Note	2004 £	2003 £
FIXED ASSETS			
Intangible assets	11	8,294	35,022
Tangible assets	12	53,735	88,704
		<u>62,029</u>	<u>123,726</u>
CURRENT ASSETS			
Debtors	14	1,845,810	1,548,806
Cash at bank and in hand		1,163,184	532,498
		<u>3,008,994</u>	<u>2,081,304</u>
CREDITORS: Amounts falling due within one year			
	15	<u>2,384,347</u>	<u>1,465,556</u>
NET CURRENT ASSETS		<u>624,647</u>	<u>615,748</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>686,676</u>	<u>739,474</u>
CREDITORS: Amounts falling due after more than one year			
	16	16,373	25,729
		<u>670,303</u>	<u>713,745</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	18	2,841	3,526
		<u>667,462</u>	<u>710,219</u>
CAPITAL AND RESERVES			
Called-up share capital	21	302,500	302,500
Other reserves	22	2,500	2,500
Profit and loss account	22	362,462	405,219
SHAREHOLDERS' FUNDS (including non-equity interests)		<u>667,462</u>	<u>710,219</u>

These financial statements were approved by the directors on the 24th August 2005 and are signed on their behalf by:

Mr M W Davis



Mr R A Bolton



The notes on pages 11 to 22 form part of these financial statements.

RBIG CORPORATE RISK SERVICES LIMITED

BALANCE SHEET

31 DECEMBER 2004

	Note	2004 £	2003 £
FIXED ASSETS			
Tangible assets	12	53,735	62,282
Investments	13	21,003	21,003
		<u>74,738</u>	<u>83,285</u>
CURRENT ASSETS			
Debtors	14	1,844,737	48,737
Cash at bank and in hand		1,114,293	311,043
		<u>2,959,030</u>	<u>359,780</u>
CREDITORS: Amounts falling due within one year	15	<u>2,515,704</u>	<u>84,528</u>
NET CURRENT ASSETS		443,326	275,252
TOTAL ASSETS LESS CURRENT LIABILITIES		518,064	358,537
CREDITORS: Amounts falling due after more than one year	16	16,373	25,729
		<u>501,691</u>	<u>332,808</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	18	2,841	1,033
		<u>498,850</u>	<u>331,775</u>
CAPITAL AND RESERVES			
Called-up share capital	21	302,500	302,500
Other reserves	22	2,500	2,500
Profit and loss account	22	193,850	26,775
SHAREHOLDERS' FUNDS (including non-equity interests)		<u>498,850</u>	<u>331,775</u>

These financial statements were approved by the directors on the 24th August 2005 and are signed on their behalf by:

Mr M W Davis



Mr R A Bolton



The notes on pages 11 to 22 form part of these financial statements.

RBIG CORPORATE RISK SERVICES LIMITED

GROUP CASH FLOW CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2004

	2004	2003
	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	572,257	513
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	10,893	3,612
Interest paid	(6,640)	(24,332)
Interest element of hire purchase	(1,367)	—
Non-equity dividends paid	(5,616)	(5,616)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(2,730)	(26,336)
TAXATION	(51,060)	21,942
CAPITAL EXPENDITURE		
Payments to acquire tangible fixed assets	(6,979)	(65,389)
Receipts from sale of fixed assets	<u>2,677</u>	<u>802,200</u>
NET CASH (OUTFLOW)/INFLOW FROM CAPITAL EXPENDITURE	(4,302)	736,811
CASH INFLOW BEFORE FINANCING	514,165	732,930
FINANCING		
Issue of equity share capital	—	230,000
Increase in bank loans	—	(534,184)
Capital element of hire purchase	(9,356)	35,085
Repayment of directors' long-term loans	—	(110,000)
NET CASH OUTFLOW FROM FINANCING	(9,356)	(379,099)
INCREASE IN CASH	<u>504,809</u>	<u>353,831</u>

The notes on pages 11 to 22 form part of these financial statements.

RBIG CORPORATE RISK SERVICES LIMITED

GROUP CASH FLOW CASH FLOW STATEMENT *(continued)*

YEAR ENDED 31 DECEMBER 2004

RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2004	2003
	£	£
Operating (loss)/profit	(23,150)	176,774
Amortisation	26,728	26,710
Depreciation	39,271	37,665
Profit on disposal of fixed assets	—	(82,614)
Increase in debtors	(297,004)	(357,038)
Increase in creditors	826,412	199,016
Net cash inflow from operating activities	572,257	513

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2004	2003
	£	£
Increase in cash in the period	504,809	353,831
Net cash outflow from bank loans	—	534,184
Cash outflow in respect of hire purchase	9,356	(35,085)
Cash outflow from directors' long-term loans	—	110,000
	514,165	962,930
Change in net funds	514,165	962,930
Net funds at 1 January 2004	497,413	(467,291)
Net funds at 31 December 2004	1,011,578	497,413

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2004	Cash flows	At 31 Dec 2004
	£	£	£
Net cash:			
Cash in hand and at bank	532,498	630,686	1,163,184
Overdrafts	—	(125,877)	(125,877)
	532,498	504,809	1,037,307
Debt:			
Hire purchase agreements	(35,085)	9,356	(25,729)
Net funds	497,413	514,165	1,011,578

The notes on pages 11 to 22 form part of these financial statements.

RBIG CORPORATE RISK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 230 of the Companies Act 1985.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Purchased Goodwill - over three years

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures and Fittings -25% straight line

Motor Vehicles -15% reducing balance

Property Improvements - 12% straight line

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

RBIG CORPORATE RISK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

1. ACCOUNTING POLICIES *(continued)*

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

RBIG CORPORATE RISK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

1. ACCOUNTING POLICIES *(continued)*

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the group. An analysis of turnover is given below:

	2004 £	2003 £
United Kingdom	<u>2,402,380</u>	<u>2,355,360</u>

3. OTHER OPERATING INCOME

	2004 £	2003 £
Rent receivable	—	7,000
Commission receivable	(173)	—
Other operating income	—	393
	<u>(173)</u>	<u>7,393</u>

RBIG CORPORATE RISK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

4. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging/(crediting):

	2004 £	2003 £
Amortisation	26,728	26,710
Depreciation of owned fixed assets	32,285	35,222
Depreciation of assets held under hire purchase agreements	6,986	2,443
Profit on disposal of fixed assets	—	(82,614)
Auditors' remuneration		
- as auditors	18,196	20,891
- for other services	2,350	2,350
Operating lease costs:		
Plant and equipment	—	10,297
Vehicles	9,159	20,014

Auditors' fees

The fees charged by the auditors can be further analysed under the following headings for services rendered:

	2004 £	2003 £
Audit	18,195	20,891
Accountancy	1,100	1,100
Taxation	1,250	1,250
	<u>20,545</u>	<u>23,241</u>

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial year amounted to:

	2004 No	2003 No
Number of administrative staff	39	40
Number of management staff	6	6
	<u>45</u>	<u>46</u>

The aggregate payroll costs of the above were:

	2004 £	2003 £
Wages and salaries	1,326,061	1,273,482
Social security costs	169,001	128,689
Other pension costs	153,471	133,643
Other pension costs	1,663	5,268
	<u>1,650,196</u>	<u>1,541,082</u>

RBIG CORPORATE RISK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

6. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2004 £	2003 £
Emoluments receivable	513,437	430,167
Value of company pension contributions to money purchase schemes	31,171	37,441
	<u>544,608</u>	<u>467,608</u>

Emoluments of highest paid director:

	2004 £	2003 £
Total emoluments (excluding pension contributions)	151,872	113,672
Value of company pension contributions to money purchase schemes	18,376	10,000
	<u>170,248</u>	<u>123,672</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2004 No	2003 No
Money purchase schemes	<u>3</u>	<u>6</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2004 £	2003 £
Interest payable on bank borrowing	6,640	2,428
Finance charges	1,367	—
Other similar charges payable	—	21,904
	<u>8,007</u>	<u>24,332</u>

RBIG CORPORATE RISK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

8. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2004 £	2003 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 19% (2003 - 30%)	17,562	37,500
(Over)/under provision in prior year	-	(201)
Total current tax	<u>17,562</u>	<u>37,299</u>
Deferred tax:		
Origination and reversal of timing differences	(685)	(4,976)
Tax on (loss)/profit on ordinary activities	<u>16,877</u>	<u>32,323</u>

(b) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 19% (2003 - 30%).

	2004 £	2003 £
(Loss)/profit on ordinary activities before taxation	<u>(20,264)</u>	<u>156,054</u>
Profit/(loss) on ordinary activities by rate of tax	32,470	46,117
Expenses not deductible for tax purposes	(14,596)	(952)
Capital allowances in the period in excess of depreciation	601	506
Expenses restricted for tax purposes	426	1,200
Marginal relief	(1,339)	(9,572)
Total current tax (note 8(a))	<u>17,562</u>	<u>37,299</u>

9. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the accounts of the parent company was £172,691 (2003 - £19,548).

10. DIVIDENDS

The following dividends have been paid in respect of the year:

	2004 £	2003 £
Dividend paid on preference shares	<u>5,616</u>	<u>5,616</u>

RBIG CORPORATE RISK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

11. INTANGIBLE FIXED ASSETS

Group	Goodwill £
COST	
At 1 January 2004 and 31 December 2004	<u>80,901</u>
AMORTISATION	
At 1 January 2004	45,879
Charge for the year	<u>26,728</u>
At 31 December 2004	<u>72,607</u>
NET BOOK VALUE	
At 31 December 2004	<u>8,294</u>
At 31 December 2003	<u>35,022</u>

During the previous year, RBIG Financial Services Ltd purchased the rights to the historic income stream and marketing access to the bank of clients of two businesses. For one of these transactions, the consideration is payable over a period of three years, and the agreement provides that payments can be reduced if the gross commission income falls below a certain level, or if clawback occurs on policies sold before the date of the agreement.

The transfer out of the cost of goodwill is due to the reduced cost of the goodwill as a result of gross commission income being lower than expected in the previous year.

12. TANGIBLE FIXED ASSETS

Group	Fixtures & Fittings £	Equipment £	Total £
COST			
At 1 January 2004	300,770	58,220	358,990
Additions	6,979	—	6,979
Disposals	(121,083)	—	(121,083)
At 31 December 2004	<u>186,666</u>	<u>58,220</u>	<u>244,886</u>
DEPRECIATION			
At 1 January 2004	267,843	2,443	270,286
Charge for the year	32,285	6,986	39,271
On disposals	(118,406)	—	(118,406)
At 31 December 2004	<u>181,722</u>	<u>9,429</u>	<u>191,151</u>
NET BOOK VALUE			
At 31 December 2004	<u>4,944</u>	<u>48,791</u>	<u>53,735</u>
At 31 December 2003	<u>32,927</u>	<u>55,777</u>	<u>88,704</u>

RBIG CORPORATE RISK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

12. TANGIBLE FIXED ASSETS *(continued)*

Hire purchase agreements

Included within the net book value of £53,735 is £48,791 (2003 - £55,777) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £6,986 (2003 - £2,443).

Company	Fixtures & Fittings £	Equipment £	Total £
COST			
At 1 January 2004	170,676	58,220	228,896
Additions	3,405	–	3,405
At 31 December 2004	<u>174,081</u>	<u>58,220</u>	<u>232,301</u>
DEPRECIATION			
At 1 January 2004	164,171	2,443	166,614
Charge for the year	4,966	6,986	11,952
At 31 December 2004	<u>169,137</u>	<u>9,429</u>	<u>178,566</u>
NET BOOK VALUE			
At 31 December 2004	<u>4,944</u>	<u>48,791</u>	<u>53,735</u>
At 31 December 2003	<u>6,505</u>	<u>55,777</u>	<u>62,282</u>

Hire purchase agreements

Included within the net book value of £53,735 is £48,791 (2003 - £54,442) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £6,986 (2003 - £1,411).

13. INVESTMENTS

Company	Group companies £
COST	
At 1 January 2004 and 31 December 2004	<u>21,003</u>
NET BOOK VALUE	
At 31 December 2004	<u>21,003</u>
At 31 December 2003	<u>21,003</u>

RBIG CORPORATE RISK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

14. DEBTORS

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Trade debtors	1,773,842	1,482,224	1,773,842	—
Amounts owed by group undertakings	—	—	—	10,727
Other debtors	20,293	11,820	19,220	2,519
Directors current accounts	236	3,625	236	3,625
Directors current account - R Bolton	15,037	22,481	15,037	22,481
Prepayments and accrued income	36,402	28,656	36,402	9,385
	<u>1,845,810</u>	<u>1,548,806</u>	<u>1,844,737</u>	<u>48,737</u>

15. CREDITORS: Amounts falling due within one year

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Bank loans and overdrafts	125,877	—	125,877	—
Trade creditors	2,043,891	1,243,633	2,043,890	—
Amounts owed to group undertakings	—	—	143,141	13,327
Hire purchase agreements	9,356	9,356	9,356	9,356
Other creditors	75,358	85,453	68,471	8,957
Accruals and deferred income	129,865	127,114	124,969	52,888
	<u>2,384,347</u>	<u>1,465,556</u>	<u>2,515,704</u>	<u>84,528</u>

16. CREDITORS: Amounts falling due after more than one year

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Hire purchase agreements	<u>16,373</u>	<u>25,729</u>	<u>16,373</u>	<u>25,729</u>

17. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2004	2003
	£	£
Group and Company		
Amounts payable within 1 year	9,356	9,356
Amounts payable between 1 and 2 years	9,356	9,356
Amounts payable between 3 and 5 years	7,017	16,373
	<u>25,729</u>	<u>35,085</u>

RBIG CORPORATE RISK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

18. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Provision brought forward	3,526	8,502	1,033	2,389
(Decrease)/Increase in provision	(685)	(4,976)	1,808	(1,356)
Provision carried forward	<u>2,841</u>	<u>3,526</u>	<u>2,841</u>	<u>1,033</u>

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>2,841</u>	<u>3,526</u>	<u>2,841</u>	<u>1,033</u>

19. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2004 the group had annual commitments under non-cancellable operating leases as set out below.

Group	Assets other than land and buildings	
	2004	2003
	£	£
Operating leases which expire:		
Within 2 to 5 years	<u>5,464</u>	<u>4,512</u>

RBIG CORPORATE RISK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

20. RELATED PARTY TRANSACTIONS

The company was under the control of Mr Richard Bolton throughout the current and previous year. Mr Bolton is the managing director and majority shareholder of RBIG Corporate Risk Services Ltd.

The company has two trading subsidiaries, RBIG Limited (principal activity provision of insurance advice and the sale of insurance policies, 99.9% owned) and RBIG Financial Services Limited (principal activity- the sale of life and pension policies, 99.995% owned).

RBIG Corporate Risk Services Limited charged both companies service fees for acting as the holding company. Service fees have been charged as follows:

To RBIG Ltd £276,704 (2003 £458,204)

To RBIG Financial Services Ltd £103,000 (2003 £121,792)

The company also had intercompany loans with its subsidiaries. The balances of those loans at the end of the year are as follows:

Owing from RBIG Ltd £1,000 (2003 owing to RBIG Ltd £13,326) Owing from RBIG Financial Services Ltd £142,140 (2003 £10,727).

The company also has two wholly owned dormant subsidiaries, Mentor Business Management Ltd and RBIG Insurance Services Ltd.

All the subsidiaries were incorporated in England, and have been included in the consolidated accounts.

21. SHARE CAPITAL

Authorised share capital:

	2004	2003
	£	£
1,000,000 Ordinary shares of £0.50 each	500,000	500,000
50,000 Preference shares of £1 each	50,000	50,000
	<u>550,000</u>	<u>550,000</u>

Allotted, called up and fully paid:

	2004		2003	
	No	£	No	£
Ordinary shares of £0.50 each	505,000	252,500	505,000	252,500
Preference shares of £1 each	50,000	50,000	50,000	50,000
	<u>555,000</u>	<u>302,500</u>	<u>555,000</u>	<u>302,500</u>

RBIG CORPORATE RISK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

22. RESERVES

Group

	Capital redemption reserve £	Profit and loss account £
Balance brought forward	2,500	405,219
Loss for the year	—	(42,757)
Balance carried forward	<u>2,500</u>	<u>362,462</u>

Company

	Capital redemption reserve £	Profit and loss account £
Balance brought forward	2,500	26,775
Retained profit for the year	—	167,075
Balance carried forward	<u>2,500</u>	<u>193,850</u>

RBIG CORPORATE RISK SERVICES LIMITED

MANAGEMENT INFORMATION

YEAR ENDED 31 DECEMBER 2004

The following pages do not form part of the statutory financial statements which are the subject of the independent auditors' report on pages 3 to 4.

RBIG CORPORATE RISK SERVICES LIMITED**DETAILED PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 DECEMBER 2004**

	2004 £	2003 £
TURNOVER	2,402,380	2,355,360
OVERHEADS		
Distribution costs	110,298	166,495
Administrative expenses	<u>2,315,059</u>	<u>2,019,484</u>
	2,425,357	2,185,979
	(22,977)	169,381
OTHER OPERATING INCOME	(173)	7,393
OPERATING (LOSS)/PROFIT	(23,150)	176,774
Bank interest receivable	<u>10,893</u>	<u>3,612</u>
	(12,257)	180,386
Interest payable	<u>(8,007)</u>	<u>(24,332)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES	(20,264)	156,054

RBIG CORPORATE RISK SERVICES LIMITED
NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2004

	2004	2003
	£	£
DISTRIBUTION COSTS		
Salaries	74,778	119,681
National insurance contributions on distribution labour	8,792	20,104
Amortisation of goodwill	26,728	26,710
	<u>110,298</u>	<u>166,495</u>
ADMINISTRATIVE EXPENSES		
Personnel costs		
Directors salaries	476,170	369,872
Directors fees	24,525	34,925
Directors national insurance contributions	55,167	37,269
Directors bonus	1,663	5,268
Directors pension contributions	31,171	37,441
Administrative staff salaries	750,588	749,004
Employers national insurance contributions	105,042	71,316
Staff pension contributions	67,082	65,299
Pension review costs	2,500	2,000
Compliance costs	52,718	28,903
	<u>1,566,626</u>	<u>1,401,297</u>
Establishment expenses		
Rent, rates and water	102,135	59,468
Rates and water	74,114	89,773
Light and heat	1,736	9,321
Insurance	6,335	20,345
Repairs and maintenance	13,014	14,079
Cleaning of premises	1,917	3,667
Subs & Training	810	2,027
	<u>200,061</u>	<u>198,680</u>
General expenses		
Motor expenses	66,521	54,554
Travel and subsistence	2,196	1,854
Vehicle leasing charges	9,159	20,014
Telephone	52,976	48,002
Hire of equipment	32,374	32,022
Printing, stationery and postage	33,610	34,784
Computer Expenses and Consumables	77,015	35,708
Staff training	12,505	3,789
Sundry expenses	6,161	4,561
General expenses	14,940	7,281
Advertising	12,119	2,671
Entertaining	96,911	81,414
Legal and professional fees	25,859	28,308
Professional fees	(95,920)	35,622
Consultancy	113,710	20,015
	<u>460,136</u>	<u>410,599</u>
Carried forward	1,766,687	1,766,687

RBIG CORPORATE RISK SERVICES LIMITED
NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2004

	2004		2003
	£	£	£
ADMINISTRATIVE EXPENSES <i>(continued)</i>			
Brought forward	460,136	1,766,687	410,599
Accountancy fees	22,266		12,389
Auditors remuneration	18,196		20,891
Depn of plant and machinery	—		2,443
Depreciation of fixtures and fittings	39,271		35,222
Profit on disposal of fixed assets	—		(82,614)
		539,869	398,930
Financial costs			
Operating lease: Equipment	—		10,297
Bank charges	8,503		10,280
		8,503	20,577
		<u>2,315,059</u>	<u>2,019,484</u>
OTHER OPERATING INCOME			
Rent receivable		—	7,000
Commissions receivable		(173)	—
Other operating income		—	393
		<u>(173)</u>	<u>7,393</u>
INTEREST RECEIVABLE			
Bank interest receivable		<u>10,893</u>	<u>3,612</u>
INTEREST PAYABLE			
Bank interest payable		6,640	2,428
Hire purchase and finance lease charges		1,367	—
Interest on other loans		—	21,904
		<u>8,007</u>	<u>24,332</u>