

Company No: 2643621

**Report of the Directors and
Financial Statements
for the Year Ended 31 October 2002
for
GOLDSTAR INSURANCE SERVICES LIMITED**



GOLDSTAR INSURANCE SERVICES LIMITED

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for the Year Ended 31 October 2002**

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GOLDSTAR INSURANCE SERVICES LIMITED

**Company Information
for the Year Ended 31 October 2002**

DIRECTORS:

Mr N.R. Patel
Mr R Clarke

SECRETARY:

Mr N.R. Patel

REGISTERED OFFICE:

Lynton House
304 Bensham Lane
Thornton Heath
Surrey
CR7 7YR

REGISTERED NUMBER:

2643621 (England and Wales)

AUDITORS:

Ashley Ross & Co
Chartered Accountants
Registered Auditors
1 Gatton Road
London
SW17 0EX

GOLDSTAR INSURANCE SERVICES LIMITED

Report of the Directors for the Year Ended 31 October 2002

The directors present their report with the financial statements of the company for the year ended 31 October 2002.

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were those of an insurance broker. There were no changes during the year.

REVIEW OF BUSINESS

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

DIVIDENDS

No interim dividend was paid during the year. The directors recommend a final dividend of £60 per share.

The total distribution of dividends for the year ended 31 October 2002 will be £30,000.

DIRECTORS

The directors during the year under review were:

Mr N.R. Patel

Mr R.B. Patel

Mr R Clarke

- resigned 30.6.02

The beneficial interests of the directors holding office on 31 October 2002 in the issued share capital of the company were as follows:

	31.10.02	1.11.01
Ordinary shares £1 shares		
Mr N.R. Patel	500	500
Mr R Clarke	-	-

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

ON BEHALF OF THE BOARD:



Mr N.R. Patel - SECRETARY

Dated: 12.6.03

GOLDSTAR INSURANCE SERVICES LIMITED

**Report of the Independent Auditors to the Shareholders of
GOLDSTAR INSURANCE SERVICES LIMITED**

We have audited the financial statements of GOLDSTAR INSURANCE SERVICES LIMITED for the year ended 31 October 2002 on pages four to thirteen. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members 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 members 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 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

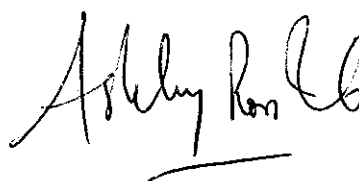
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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 October 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ashley Ross & Co
Chartered Accountants
Registered Auditors
1 Gatton Road
London
SW17 0EX



Dated: 12.6.03

GOLDSTAR INSURANCE SERVICES LIMITED

**Profit and Loss Account
for the Year Ended 31 October 2002**

31.10.01			31.10.02	
£	£	Notes	£	£
606,013		TURNOVER		612,038
530,969		Administrative expenses		512,513
75,044				99,525
-		Other operating income		37,250
75,044		OPERATING PROFIT	3	136,775
	152	Income from investments	110	
	23,365	Interest receivable and similar income	13,435	
23,517				13,545
98,561				150,320
1,802		Interest payable and similar charges	4	1,804
96,759		PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		148,516
19,818		Tax on profit on ordinary activities	5	31,464
76,941		PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		117,052
20,000		Dividends	6	30,000
56,941				87,052
369,863		Retained profit brought forward		175,554
426,804				262,606
(251,250)		Purchase of own shares		-
<u>£175,554</u>		RETAINED PROFIT CARRIED FORWARD		<u>£262,606</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.

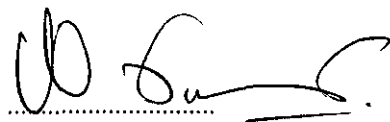
The notes form part of these financial statements

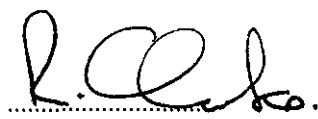
GOLDSTAR INSURANCE SERVICES LIMITED

**Balance Sheet
31 October 2002**

31.10.01			31.10.02	
£	£	Notes	£	£
FIXED ASSETS:				
49,913		7		51,086
62,370		8		62,370
<u>112,283</u>				<u>113,456</u>
CURRENT ASSETS:				
	36,883	9	74,263	
	480,744		299,135	
	<u>517,627</u>		<u>373,398</u>	
	402,356	10	184,583	
<u>115,271</u>				<u>188,815</u>
227,554				302,271
(16,000)		11		-
<u>(35,000)</u>		13		<u>(38,665)</u>
<u>£176,554</u>				<u>£263,606</u>
CREDITORS: Amounts falling due within one year				
NET CURRENT ASSETS:				
TOTAL ASSETS LESS CURRENT LIABILITIES:				
CREDITORS: Amounts falling due after more than one year				
PROVISIONS FOR LIABILITIES AND CHARGES:				
500		14		500
500		15		500
175,554				262,606
<u>£176,554</u>		16		<u>£263,606</u>
SHAREHOLDERS' FUNDS:				

ON BEHALF OF THE BOARD:


- DIRECTOR


- DIRECTOR

Approved by the Board on 12.6.03

The notes form part of these financial statements

GOLDSTAR INSURANCE SERVICES LIMITED

**Cash Flow Statement
for the Year Ended 31 October 2002**

31.10.01		Notes	31.10.02	
£	£		£	£
237,301		1		(137,494)
21,715		2		11,741
(18,687)				(19,818)
(5,295)		2		(16,038)
(20,000)				(20,000)
<u>215,034</u>				<u>(181,609)</u>
(251,250)		2		-
<u>£(36,216)</u>				<u>£(181,609)</u>
		3		
	(36,216)		(181,609)	
	<u>2,464</u>		<u>2,462</u>	
(33,752)				(179,147)
<u>(33,752)</u>				<u>(179,147)</u>
496,034				462,282
<u>£462,282</u>				<u>£283,135</u>

The notes form part of these financial statements

GOLDSTAR INSURANCE SERVICES LIMITED

Notes to the Cash Flow Statement for the Year Ended 31 October 2002

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

	31.10.02 £	31.10.01 £
Operating profit	136,775	75,044
Depreciation charges	14,865	14,340
Increase in debtors	(37,380)	(23,375)
(Decrease)/Increase in creditors	(251,754)	171,292
Net cash (outflow)/inflow from operating activities	<u>(137,494)</u>	<u>237,301</u>

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

	31.10.02 £	31.10.01 £
Returns on investments and servicing of finance		
Interest received	13,435	23,365
Interest element of hire purchase payments	(1,804)	(1,802)
Dividends received	110	152
Net cash inflow for returns on investments and servicing of finance	<u>11,741</u>	<u>21,715</u>
Capital expenditure		
Purchase of tangible fixed assets	(16,038)	(5,295)
Net cash outflow for capital expenditure	<u>(16,038)</u>	<u>(5,295)</u>
Financing		
Purchase of own shares	-	(251,250)
Net cash outflow from financing	<u>-</u>	<u>(251,250)</u>

GOLDSTAR INSURANCE SERVICES LIMITED

Notes to the Cash Flow Statement for the Year Ended 31 October 2002

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.11.01 £	Cash flow £	At 31.10.02 £
Net cash:			
Cash at bank and in hand	480,744	(181,609)	299,135
	<u>480,744</u>	<u>(181,609)</u>	<u>299,135</u>
Debt:			
Hire purchase	(18,462)	2,462	(16,000)
	<u>(18,462)</u>	<u>2,462</u>	<u>(16,000)</u>
Total	<u>462,282</u>	<u>(179,147)</u>	<u>283,135</u>
Analysed in Balance Sheet			
Cash at bank and in hand	480,744		299,135
Hire purchase			
within one year	(2,462)		(16,000)
after one year	(16,000)		-
	<u>462,282</u>		<u>283,135</u>

GOLDSTAR INSURANCE SERVICES LIMITED

Notes to the Financial Statements for the Year Ended 31 October 2002

1. ACCOUNTING POLICIES

Accounting convention

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

Turnover

This comprises of the net brokerage received by the company in the ordinary course of business from various insurance companies.

Revenue from commissions on transactions in life policies and pension contracts is taken into profit and loss account as and when commission is received from the insurance companies after payment of appropriate premiums by the clients.

Indemnity commission is taken into profit and loss account only after making fifty percent provision on the commission advanced under indemnity terms but not yet earned at the year end date.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Furniture	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Equipment	- 25% on reducing balance

Deferred tax

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

Pensions

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

2. STAFF COSTS

	31.10.02	31.10.01
	£	£
Wages and salaries	292,623	282,995
Other pension costs	12,000	12,000
	<u>304,623</u>	<u>294,995</u>

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

	31.10.02	31.10.01
General business administration	<u>16</u>	<u>16</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	31.10.02	31.10.01
	£	£
Depreciation - owned assets	14,865	14,340
Auditors' remuneration	<u>6,698</u>	<u>6,433</u>
Directors' emoluments	<u>63,424</u>	<u>79,592</u>

GOLDSTAR INSURANCE SERVICES LIMITED

Notes to the Financial Statements for the Year Ended 31 October 2002

4. INTEREST PAYABLE AND SIMILAR CHARGES

	31.10.02	31.10.01
	£	£
Hire purchase	1,804	1,802

5. TAXATION

Analysis of the tax charge

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

	31.10.02	31.10.01
	£	£
Current tax:		
UK corporation tax	27,799	19,818
Deferred tax:		
Deferred taxation	3,665	-
Tax on profit on ordinary activities	31,464	19,818

UK corporation tax was charged at 20% in 2001.

6. DIVIDENDS

	31.10.02	31.10.01
	£	£
Equity shares:		
Final - Ordinary £1 share	30,000	20,000

7. TANGIBLE FIXED ASSETS

	Totals	Furniture	Motor vehicles	Equipment
	£	£	£	£
COST:				
At 1 November 2001	140,762	44,595	30,390	65,777
Additions	16,038	1,600	-	14,438
Disposals	(35,000)	-	-	(35,000)
At 31 October 2002	121,800	46,195	30,390	45,215
DEPRECIATION:				
At 1 November 2001	90,849	29,958	13,447	47,444
Charge for year	14,865	2,436	4,236	8,193
Eliminated on disposals	(35,000)	-	-	(35,000)
At 31 October 2002	70,714	32,394	17,683	20,637
NET BOOK VALUE:				
At 31 October 2002	51,086	13,801	12,707	24,578
At 31 October 2001	49,913	14,637	16,943	18,333

GOLDSTAR INSURANCE SERVICES LIMITED

Notes to the Financial Statements for the Year Ended 31 October 2002

8. FIXED ASSET INVESTMENTS

	£	
COST:		
At 1 November 2001		
and 31 October 2002		62,370
NET BOOK VALUE:		
At 31 October 2002		62,370
		<u>62,370</u>
At 31 October 2001		62,370
		<u>62,370</u>
	31.10.02	31.10.01
	£	£
Investments listed on recognised stock exchange	9,028	9,028
Unlisted investments	53,342	53,342
	<u>62,370</u>	<u>62,370</u>

Market value of listed investments at 31 October 2002 - £13,600 (2001 - £25,474).

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.10.02	31.10.01
	£	£
Other debtors	60,250	19,000
Prepayments & accrued income	4,181	2,937
Debtors-Insurance Companies	9,832	14,946
	<u>74,263</u>	<u>36,883</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.10.02	31.10.01
	£	£
Hire purchase contracts (see note 12)	16,000	2,462
Insurance companies	47,455	136,904
Other creditors	-	125,000
Proposed Final-Ordinary £1 share	30,000	20,000
Corporation Tax Payable	27,814	19,833
Accrued expenses	63,314	98,157
	<u>184,583</u>	<u>402,356</u>

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

	31.10.02	31.10.01
	£	£
Hire purchase contracts (see note 12)	-	16,000
	<u>-</u>	<u>16,000</u>

GOLDSTAR INSURANCE SERVICES LIMITED

Notes to the Financial Statements for the Year Ended 31 October 2002

12. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	31.10.02 £	31.10.01 £
Gross obligations repayable:		
Within one year	16,000	2,462
Between one and five years	-	16,000
	<u>16,000</u>	<u>18,462</u>
Net obligations repayable:		
Within one year	16,000	2,462
Between one and five years	-	16,000
	<u>16,000</u>	<u>18,462</u>

13. PROVISIONS FOR LIABILITIES AND CHARGES

	31.10.02 £	31.10.01 £
Deferred taxation	3,665	-
Commission on indemnity terms	35,000	35,000
	<u>38,665</u>	<u>35,000</u>
	Deferred tax	
	£	
Capital Allowances	3,665	
Balance at 31 October 2002	<u>3,665</u>	

14. CALLED UP SHARE CAPITAL

Authorised:			31.10.02	31.10.01
Number:	Class:	Nominal value:	£	£
1,000	Ordinary shares	£1	1,000	1,000
			<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	£	£
1,000	Ordinary shares	£1	500	500
			<u>500</u>	<u>500</u>

15. CAPITAL REDEMPTION RESERVE

	31.10.02 £	31.10.01 £
Capital Redemption Reserve	500	500
	<u>500</u>	<u>500</u>

GOLDSTAR INSURANCE SERVICES LIMITED

Notes to the Financial Statements for the Year Ended 31 October 2002

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.10.02	31.10.01
	£	£
Profit for the financial year	117,052	76,941
Dividends	(30,000)	(20,000)
	<u>87,052</u>	<u>56,941</u>
Purchase of own shares	-	(251,250)
	<u>87,052</u>	<u>(194,309)</u>
Net addition/(reduction) to shareholders' funds	176,554	370,863
Opening shareholders' funds	<u>263,606</u>	<u>176,554</u>
Closing shareholders' funds	<u>263,606</u>	<u>176,554</u>
Equity interests	<u>263,606</u>	<u>176,554</u>

17. CASH AT BANK AND IN HAND

BANK ACCOUNTS

	£	£
Bank office accounts - current	38431	30066
- reserve	175000	275876
Insurance broking accounts		
Bank clients accounts - current	65418	154885
- reserve	20182	19850
Cash in hand	104	67
	<u>299135</u>	<u>480744</u>