Company No: 2643621

Report of the Directors and

Financial Statements

for the Year Ended 31 October 2003

for

GOLDSTAR INSURANCE SERVICES LIMITED



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GOLDSTAR INSURANCE SERVICES LIMITED

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GOLDSTAR INSURANCE SERVICES LIMITED

Company Information
for the Year Ended 31 October 2003

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 2003

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

PRINCIPAL ACTIVITIES
The principal activities of the company in the year under review were those of an insuranc 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
Interim dividends per share were paid as follows:

£10	- 21 May 2003
£30	- 18 September 2003
£40	

The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 October 2003 will be £20,000.

DIRECTORS
The directors during the year under review were:

Mr N.R. Patel
Mr R Clarke

The beneficial interests of the directors holding office on 31 October 2003 in the issued share capital of the company were as follows:

	31.10.03	1.11.02
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.

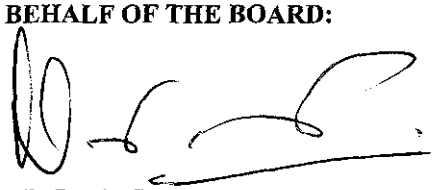
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the Directors for the Year Ended 31 October 2003

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

6 April 2004

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 2003 on pages five to fourteen. 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.

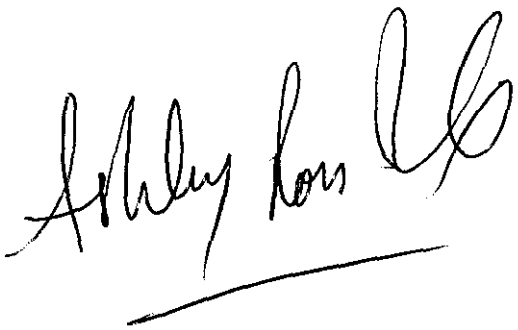
We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

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 2003 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



6 April 2004

GOLDSTAR INSURANCE SERVICES LIMITED

Profit and Loss Account
for the Year Ended 31 October 2003

31.10.02			Notes	31.10.03	
£	£			£	£
612,038		**TURNOVER**			545,216
512,513		Administrative expenses			481,706
99,525					63,510
37,250		Other operating income			47,250
136,775		**OPERATING PROFIT**	3		110,760
	110	Income from investments		127	
	13,435	Interest receivable and similar income		9,146	
13,545					9,273
150,320					120,033
1,804		*Interest payable and* similar charges	4		-
148,516		**PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**			120,033
31,464		Tax on profit on ordinary activities	5		23,303
117,052		**PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION**			96,730
30,000		Dividends	6		20,000
87,052					76,730
175,554		*Retained profit brought forward*			*262,606*
£262,606		**RETAINED PROFIT CARRIED FORWARD**			£339,336

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 2003

31.10.02			Notes	31.10.03	
£	£			£	£
		FIXED ASSETS:			
51,086		Tangible assets	7		43,641
62,370		*Investments*	8		62,370
113,456					106,011
		CURRENT ASSETS:			
	74,263	Debtors	9	59,455	
	299,135	Cash at bank and in hand		323,926	
	373,398			383,381	
	184,583	**CREDITORS:** Amounts falling due within one year	10	106,491	
188,815		**NET CURRENT ASSETS:**			276,890
302,271		**TOTAL ASSETS LESS CURRENT LIABILITIES:**			382,901
38,665		**PROVISIONS FOR LIABILITIES AND CHARGES:**	12		42,565
£263,606					£340,336
		CAPITAL AND RESERVES:			
500		*Called up share capital*	13		500
500		Capital redemption reserve	14		500
262,606		Profit and loss account			339,336
£263,606		**SHAREHOLDERS' FUNDS:**	15		£340,336

ON BEHALF OF THE BOARD:

- Director

- Director

Approved by the Board on 6 April 2004

The notes form part of these financial statements

GOLDSTAR INSURANCE SERVICES LIMITED

Cash Flow Statement
for the Year Ended 31 October 2003

31.10.02				31.10.03	
£	£		Notes	£	£
(137,494)		**Net cash inflow/(outflow) from operating activities**	1		98,534
11,741		**Returns on investments and servicing of finance**	2		9,273
(19,818)		**Taxation**			(27,798)
(16,038)		**Capital expenditure**	2		(5,218)
(20,000)		***Equity dividends paid***			(50,000)
£(181,609)		**Increase/(Decrease) in cash in the period**			**£24,791**

		Reconciliation of net cash flow to movement in net funds	3		
	(181,609)	**Increase/(Decrease) in cash in the period**		**24,791**	
	2,462	Cash outflow from decrease in debt and lease financing		16,000	
(179,147)		Change in net funds resulting from cash flows			40,791
(179,147)		**Movement in net funds in the period**			**40,791**
462,282		**Net funds at 1 November**			**283,135**
£283,135		**Net funds at 31 October**			**£323,926**

The notes form part of these financial statements

Notes to the Cash Flow Statement for the Year Ended 31 October 2003

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

	31.10.03 £	31.10.02 £
Operating profit	110,760	136,775
Depreciation charges	12,663	14,865
Decrease/(Increase) in debtors	14,808	(37,380)
Decrease in creditors	(39,697)	(251,754)
Net cash inflow/(outflow) from operating activities	98,534	(137,494)

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

	31.10.03 £	31.10.02 £
Returns on investments and servicing of finance		
Interest received	9,146	13,435
Interest element of hire purchase payments	-	(1,804)
Dividends received	127	110
Net cash inflow for returns on investments and servicing of finance	9,273	11,741
Capital expenditure		
Purchase of tangible fixed assets	(5,218)	(16,038)
Net cash outflow for capital expenditure	(5,218)	(16,038)

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 October 2003

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

	At 1.11.02	Cash flow	At 31.10.03
	£	£	£
Net cash:			
Cash at bank and in hand	299,135	24,791	323,926
	299,135	24,791	323,926
Debt:			
Hire purchase	(16,000)	16,000	-
	(16,000)	16,000	-
Total	283,135	40,791	323,926
Analysed in Balance Sheet			
Cash at bank and in hand	299,135		323,926
Hire purchase within one year	(16,000)		-
	283,135		323,926

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 October 2003

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

	31.10.03	31.10.02
	£	£
Wages and salaries	232,109	292,623
Other pension costs	12,000	12,000
	244,109	304,623

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

	31.10.03	31.10.02
General business administration	14	16

3. OPERATING PROFIT

The operating profit is stated after charging:

	31.10.03	31.10.02
	£	£
Depreciation - owned assets	12,663	14,865
Auditors' remuneration	6,698	6,698
Directors' emoluments	33,850	63,424

4. INTEREST PAYABLE AND SIMILAR CHARGES

	31.10.03	31.10.02
	£	£
Hire purchase	-	1,804

5. TAXATION

Analysis of the tax charge

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

	31.10.03	31.10.02
	£	£
Current tax:		
UK corporation tax	23,673	27,799
Deferred taxation	(370)	3,665
Tax on profit on ordinary activities	23,303	31,464

UK corporation tax has been charged at 19%

6. DIVIDENDS

	31.10.03	31.10.02
	£	£
Equity shares:		
Interim-Ordinary £1 share	20,000	-
Final - Ordinary £1 share	-	30,000
	20,000	30,000

7. TANGIBLE FIXED ASSETS

	Totals	Furniture	Motor vehicles	Equipment
	£	£	£	£
COST:				
At 1 November 2002	121,800	46,195	30,390	45,215
Additions	5,218	328	-	4,890
At 31 October 2003	127,018	46,523	30,390	50,105
DEPRECIATION:				
At 1 November 2002	70,714	32,394	17,683	20,637
Charge for year	12,663	2,119	3,177	7,367
At 31 October 2003	83,377	34,513	20,860	28,004
NET BOOK VALUE:				
At 31 October 2003	43,641	12,010	9,530	22,101
At 31 October 2002	51,086	13,801	12,707	24,578

8. **FIXED ASSET INVESTMENTS**

	£
COST:	
At 1 November 2002 and 31 October 2003	62,370
NET BOOK VALUE:	
At 31 October 2003	62,370
At 31 October 2002	62,370

	31.10.03 £	31.10.02 £
Investments listed on recognised stock exchange	12,370	9,028
Unlisted investments	50,000	53,342
	62,370	62,370

Market value of listed investments at 31 October 2003 - £10,623 (2002 - £13,600).

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

	31.10.03 £	31.10.02 £
Other debtors	47,250	60,250
Prepayments & accrued income	-	4,181
Debtors-Insurance Companies	12,205	9,832
	59,455	74,263

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

	31.10.03 £	31.10.02 £
Hire purchase contracts (see note 11)	-	16,000
Insurance companies	37,468	47,455
Proposed Final-Ordinary£1share	-	30,000
Corporation Tax Payable	23,689	27,814
Accrued expenses	45,334	63,314
	106,491	184,583

11. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	31.10.03 £	31.10.02 £
Gross obligations repayable:		
Within one year	-	16,000
Net obligations repayable:		
Within one year	-	16,000

12. PROVISIONS FOR LIABILITIES AND CHARGES

	31.10.03 £	31.10.02 £
Deferred taxation	3,295	3,665
Commission on indemnity terms	39,270	35,000
	42,565	38,665

	Deferred tax £
Balance at 1 November 2002	3,665
Capital Allowances	(370)
Balance at 31 October 2003	3,295

13. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	31.10.03 £	31.10.02 £
1,000	Ordinary shares	£1	1,000	1,000

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.10.03 £	31.10.02 £
1,000	Ordinary shares	£1	500	500

14. CAPITAL REDEMPTION RESERVE

	31.10.03 £	31.10.02 £
Capital Redemption Reserve	500	500

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.10.03	31.10.02
	£	£
Profit for the financial year	96,730	117,052
Dividends	(20,000)	(30,000)
Net addition to shareholders' funds	76,730	87,052
Opening shareholders' funds	*263,606*	*176,554*
Closing shareholders' funds	340,336	263,606
Equity interests	340,336	263,606

16. CASH AT BANK AND IN HAND

BANK ACCOUNTS

	£	£
Bank office accounts - current	75441	38431
- reserve	*160000*	*175000*
Insurance broking accounts		
Bank clients accounts - current	48061	65418
- reserve	40420	20182
Cash in hand	4	104
	323926	299135