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G. K. Goh Securities (U.K.) Limited

Report and Accounts

31 December 2004

 **ERNST & YOUNG**



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COMPANIES HOUSE

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Registered No: 2719607

Directors

Michael Clarke
Stephen Archer
William Murray
Asish Dey
Goh Geok Khim
Goh Yew Lin

Secretary

Direct Control Limited (appointed 1 July 2004)

Auditors

Ernst & Young LLP
1 More London Place
London SE1 2AF

Bankers

Standard Chartered Bank
37 Gracechurch Street
London EC3V 0BX

Registered Office

1 Queen Anne's Gate
London SW1H 9BT

Directors' report

The directors present their report and accounts for the year ended 31 December 2004.

Results and dividends

The profit for the year, after taxation, amounted to £53,801 (2003 - £45,514). The directors do not recommend the payment of a dividend.

Principal activity and review of the business

The company's principal activity during the year continued to be securities related business.

The directors do not foresee any change in the company's principal activity.

Fixed assets

Details of the company's fixed assets are set out in note 7 of the accounts.

Directors and their interests

The directors during the year were as follows:

Michael Clarke
Stephen Archer
Goh Geok Khim
Goh Yew Lin
William Murray (appointed 25 November 2004)
Asish Dey (appointed 25 November 2004)

None of the directors had a disclosable interest in the share capital of the company or that of any other group company.

Auditors

A resolution to reappoint Ernst & Young LLP as the company's auditor will be put to the forthcoming Annual General Meeting.

On behalf of the board



Director

Date 16/3/05.

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 company and of the profit or loss of the company 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 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 accounts 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.

Independent auditors' report

to the member of G. K. Goh Securities (U.K.) Limited

We have audited the company's accounts for the year ended 31 December 2004 which comprise Profit and Loss Account, Balance Sheet, Statement of Total Recognised Gains and Losses and the related notes 1 to 14. These accounts have been prepared on the basis of 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 in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with United Kingdom law and accounting standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts 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 accounts, 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 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
London

16 March 2005

Profit and loss account

for the year ended 31 December 2004

	Notes	2004 £	2003 £
Turnover	2	2,171,225	1,661,338
Cost of sales		(1,343,534)	(933,397)
Gross profit		827,691	727,941
Administrative expenses		(724,911)	(648,829)
Operating profit	3	102,780	79,112
Interest income - Bank		26,591	19,628
Profit on ordinary activities before taxation		129,371	98,740
Tax on profit on ordinary activities	6	(75,570)	(53,226)
Profit on ordinary activities after taxation		53,801	45,514
Transfer to reserves		53,801	45,514

The operating profit arises wholly from continuing activities.

Statement of Total Recognised Gains and Losses

There are no recognised gains or losses other than the profit attributable to shareholders of the company of £53,801 in the year ended 31 December 2004 and of £45,514 in the year ended 31 December 2003.

Balance sheet

at 31 December 2004

	Notes	2004 £	2003 £
Fixed assets			
Tangible assets	7	76,821	84,715
Current assets			
Debtors	8	495,499	224,382
Short term deposits and cash at bank and in hand		799,942	878,409
		1,295,441	1,102,791
Current liabilities			
Creditors: amounts falling due within one year	9	367,431	236,476
Net current assets		928,010	866,315
Total assets less current liabilities		1,004,831	951,030
Capital and reserves			
Called up share capital	10	500,000	500,000
Profit and loss account	11	504,831	451,030
		1,004,831	951,030

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Director

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Notes to the accounts

at 31 December 2004

1. Accounting policies

Accounting convention

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

Fixed assets

Fixed assets are stated at cost less accumulated depreciation. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. When assets are sold or retired, their cost and accumulated depreciation are removed from the accounts and any gain or loss resulting from their disposal is included in the profit and loss account. Fully depreciated assets are retained in the accounts until they are no longer in use.

Leased assets

Annual rental on operating leases is charged to the profit and loss account.

Depreciation

Depreciation is calculated using the straight line method to write off the cost of the assets over their estimated useful lives. A full year's charge is provided in the year of acquisition. The estimated useful lives are as follows:

Furniture, fittings and leasehold improvements	-	3 years
Communication equipment	-	3 years
Computer equipment	-	3 years

Deferred tax

Deferred taxation is recognised in full on material timing differences, at the rates of taxation anticipated to apply when these differences crystallise, arising from the inclusion of items of income and expenditure in taxation computations in periods different from those for which they are included in the accounts.

Pensions

The company makes contributions to employees' personal pension plans. Contributions are charged in the profit and loss account as they become payable.

Cash flow statement

The company is exempt from the requirements to prepare a cash flow statement under Financial Reporting Standard 1, because a consolidated cash flow statement is included in the publicly available consolidated financial statements of its ultimate holding company, G. K. Goh Holdings Limited.

2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to another group undertaking and is attributable to one continuing activity, the introduction of securities related business to that fellow group undertaking. All turnover is generated in the Far East.

Notes to the accounts

at 31 December 2004

3. Operating profit

This is stated after charging:

		2004	2003
		£	£
Auditors' remuneration	- audit services	15,300	12,000
	- non-audit services	6,150	6,700
Depreciation of fixed assets		71,851	70,959
Operating lease rentals	- land and buildings	109,349	80,546
	- office equipment	4,773	2,796
		<u>197,323</u>	<u>173,001</u>

4. Directors' emoluments

	2004	2003
	£	£
Emoluments	100,789	85,410
	<u>100,789</u>	<u>85,410</u>

5. Staff costs

	2004	2003
	£	£
Wages and salaries	1,113,615	748,553
Social security costs	137,172	107,351
Other pension costs	92,747	77,493
	<u>1,343,534</u>	<u>933,397</u>

The average weekly number of employees during the year was 12 (2003 - 11).

Notes to the accounts

at 31 December 2004

6. Tax on profit on ordinary activities

	2004 £	2003 £
(a) Analysis of tax charge in the year		
Tax on profit on ordinary activities – current year	72,690	53,348
Adjustments in respect of prior periods	2,880	(122)
Total current tax	75,570	53,226
(b) Factors affecting the tax charge in the year		
Profit on ordinary activities before tax	129,371	98,740
Tax on ordinary activities @ 30%	38,811	29,622
Effects of:		
Expenses not deductible for tax purposes	24,754	16,102
Adjustments to tax charge in respect of prior years	2,880	(122)
Movement in deferred tax not provided	9,125	7,624
	75,570	53,226

There is a potential deferred tax asset of £14,246 for the year ended 31 December 2004 (2003 - £5,122) which has not been recognised.

7. Tangible fixed assets

	<i>Furniture and fittings</i> £	<i>Communications equipment</i> £	<i>Computer equipment</i> £	<i>Total</i> £
Cost:				
At 31 December 2003	85,365	8,259	92,218	185,842
Additions	6,586	48,267	9,104	63,957
Disposal				
At 31 December 2004	91,951	56,526	101,322	249,799
Depreciation				
At 31 December 2003	31,724	4,643	64,760	101,127
Provided during the year	30,575	18,842	22,434	71,851
Disposal				
At 31 December 2004	62,299	23,485	87,194	172,978
Net book value:				
At 31 December 2004	29,652	33,041	14,128	76,821
At 31 December 2003	53,641	3,616	27,458	84,715

Notes to the accounts

at 31 December 2004

8. Debtors

	2004	2003
	£	£
Amount owed by group undertakings	406,188	157,872
Other debtors	21,428	15,415
Prepayments and accrued income	67,883	51,095
	<u>495,499</u>	<u>224,382</u>

9. Creditors: amounts falling due within one year

	2004	2003
	£	£
Amounts owed to group undertakings	368	—
Corporation tax	52,277	35,554
Other taxes and social security costs	32,259	85,426
Accruals	282,527	115,496
	<u>367,431</u>	<u>236,476</u>

10. Share capital

	Authorised 31 December		Allotted, called up and fully paid 31 December	
	2004	2003	2004	2003
	No.	No.	£	£
Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>

11. Reconciliation of shareholders' funds and movements on reserves

	Share capital £	Profit and loss account £	Total £
At 31 December 2003	500,000	451,030	951,030
Profit for the year	—	53,801	53,801
At 31 December 2004	<u>500,000</u>	<u>504,831</u>	<u>1,004,831</u>

Notes to the accounts

at 31 December 2004

12. Leasing commitments

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

	<i>Land and Buildings</i>		<i>Other</i>	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Operating leases which expire				
Within one year	72	—	—	—
In two to five years	—	100	5	5
In over five years	—	—	—	—
At 31 December 2004	<u>72</u>	<u>100</u>	<u>5</u>	<u>5</u>

13. Related party transactions

The directors have taken advantage of the exemptions available in Financial Reporting Standard 8 from disclosing transactions with related parties which are members of the G. K. Goh Holdings Limited Group.

14. Parent undertaking

The immediate parent undertaking is G. K. Goh Holdings Limited, a company incorporated in Singapore, and the ultimate parent undertaking is GKG Investment Holdings Pte Ltd, also incorporated in Singapore.

The consolidated accounts of both of these companies are available from 50 Raffles Place, # 33-00 Singapore Land Tower, Singapore 048623.