UNICOM INSURANCE SERVICES LIMITED

FINANCIAL STATEMENTS

AS AT

31ST DECEMBER 2004



Link House
292-308 Southbury Road
Enfield
Middlesex EN1 1TS

UNICOM INSURANCE SERVICES LIMITED

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UNICOM INSURANCE SERVICES LIMITED

DIRECTORS OFFICERS AND ADVISERS

Directors	L.D. Middleton D.J. Ratledge F.C.C.A M.R. Tyler Miss A.B. Madigan J F Humphreys
Secretary	Miss A. B. Madigan
Registered Office	Link House 292-308 Southbury Road Enfield Middlesex, EN1 1TS
Registered Number	2809921
Date of Incorporation	16th April 1993
Bankers	Royal Bank of Scotland PO Box 412 62/63 Threadneedle Street London, EC2R 8LA Barclays Bank Plc Lea Valley Group 2 Turnford Place Great Cambridge Road Herts, EN10 6NH
Auditors	Deloitte & Touche LLP Chartered Accountants & Registered Auditors St Albans

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their Report to the members of the company together with the financial statements for the year ended 31st December 2004.

TRADING ACTIVITIES
The results for the year are set out on page 5 and the financial position as at 31st December 2004 on page 6 of these accounts. The Directors are satisfied with the results but cannot recommend the payment of a dividend (2003:£NIL).

PRINCIPAL ACTIVITIES
The Principal trading activity of the company is that of provision of insurance services to the motor trade which is restricted to the United Kingdom and has remained unchanged throughout this year.

FUTURE PROSPECTS
The Directors plan to continue the present activities of the Company for the foreseeable future.

DIRECTORS AND THEIR INTERESTS
The Directors who served during the year are shown below. None of the Directors had any interest in the share capital of the company or any UK group company during the current or proceeding years.

L.D. Middleton
D.J. Ratledge F.C.C.A
M.R. Tyler
A.B. Madigan
J F Humphreys

D. J. Ratledge retires by rotation, and being eligible, offers himself for re-election.

AUDITORS
A Resolution to appoint Deloitte & Touche LLP as the company's auditors will be proposed at the Company's forthcoming Annual General Meeting.

CLOSE COMPANY STATUS
The Company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

ULTIMATE HOLDING COMPANY
In the opinion of the Directors the immediate and ultimate holding company is Tradewise Insurance Company Limited which is incorporated in Gibraltar.

SPECIAL EXEMPTIONS
The accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

RESPONSIBILITIES OF THE DIRECTORS
Theses are set out on page 3 together with any observations thereon.

BY ORDER OF THE BOARD

Registered Office
Link House, 292 – 308 Southbury Road
Enfield
Middlesex EN1 1TS

Miss A. B. Madigan
Secretary 14 June 2005

STATEMENT OF DIRECTORS RESPONSIBILITIES

United Kingdom Company law requires the directors to prepare statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that year. In preparing those financial statements, the directors are required to

- select suitable 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.

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF UNICOM INSURANCE SERVICES LIMITED

We have audited the financial statements of Unicom Insurance Services Ltd for the year ended 31 December 2004 which comprise the profit and loss account, the balance sheet and the related notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein and the Financial Reporting Standard for Smaller Entities (effective June 2002).

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 financial statements in accordance with Applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report 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 the information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become of any apparent misstatements.

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 of 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 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.

Deloitte & Touche LLP

Deloitte and Touche LLP

Chartered Accountants and Registered Auditors
St Albans

Date ; 13 July 2005

UNICOM INSURANCE SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 2004

	Notes	2004 £	2003 £
TURNOVER			
COMMISSION INCOME	1b	445,796	357,513
Premium Expenditure		(5,728)	(6,000)
NET COMMISSIONS AND BROKERAGE		440,068	351,513
Administrative expenses		(433,726)	(359,643)
Other Income	10	32,072	29,036
OPERATING PROFIT	2	38,414	20,906
Interest receivable		774	3,268
		39,188	24,174
Interest payable and similar charges		(6,941)	(8,882)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		32,247	15,292
Taxation	4	(0)	(418)
RETAINED PROFIT FOR THE YEAR		£ 32,247	£ 14,874

All amounts relate to continuing operations.

The company has no recognised gains or losses other than the results set out above and accordingly no Statement of Total Recognised Gains and Losses is shown.

The notes set out on pages 7 to 11 form an integral part of these financial statements.

BALANCE SHEET

AS AT 31ST DECEMBER 2004

	Notes	2004 £	2004 £	2003 £	2003 £
FIXED ASSETS					
Tangible Assets	1c, 5		3,630		4,076
CURRENT ASSETS					
Debtors	1e, 6	168,613		93,526	
Cash at Bank and in hand		27,104		12,336	
		195,717		105,862	
CREDITORS amounts falling due within one year	7	(178,862)		(121,700)	
NET CURRENT ASSETS / (LIABILITIES)			16,855		(15,838)
NET ASSETS / (LIABILITIES)			£ 20,485		£(11,762)
Financed by:					
SHAREHOLDERS FUNDS/ (DEFICIT)					
Called up Share Capital	8		100		100
Profit & Loss Account	9		20,385		(11,862)
			£ 20,485		£(11,762)

The accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The notes set out on pages 7 to 11 form an integral part of these financial statements

Signed on behalf of the Board on

..... 14 June 2005
L. D. Middleton - Director

..... 14 June 2005
D. J. Ratledge F.C.C.A - Director

..... 14 June 2005
M. R. Tyler – Director

..... 14 June 2005
A.B. Madigan - Director

Approved

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2004

1. ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards and the Companies Act 1985.

b) Commission Income

Comprises total commissions receivable for the year after deducting taxes levied and providing for expected policy cancellations.

c) Tangible Fixed Assets

Tangible fixed assets are stated at cost less depreciation and any provision for impairment.
Depreciation is provided by the straight line method and is calculated to write off the fixed assets over their useful lives to the company.

The principal rates used were:

Office Equipment	25%
Motor Vehicles	25%
Furniture and Fittings	25%

d) Deferred Taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystalise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets and liabilities are not discounted.

e) Debtors

Specific provisions are made for bad and doubtful debts.

f) Pension Costs

The Company makes contributions to a money purchase pension scheme operated by a fellow group company. The assets of the scheme is held separately from those of the company in an independently administered fund. The pension cost charged represents contributions paid by the company to the fund and amounted to £1,850 (2003 - £1,783). There were no outstanding or prepaid contributions at the Balance Sheet date.

g) Premiums

The Company collects gross premiums and passes these to the Insurers after deducting commission as specified in (b) above. The amounts of uncollected gross premiums from clients and net premiums due to Insurers are reflected within Insurance Debtors and Insurance Creditors respectively.

h) Cash Flow Statement

The Directors have taken advantage of the exemption in Financial Reporting Standard No.1 from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its ultimate parent prepares a consolidated cash flow statement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2004

	2004	2003
2. OPERATING PROFIT		
Is stated after charging:		
Wages Salaries Sub-Contractors and Commission	219,061	202,961
Staff Pension Scheme	1,850	1,783
Provision for Bad Debts (recovered)	(2,844)	(16,209)
Depreciation of tangible fixed assets	2,078	2,207
Auditors remuneration	14,525	14,193
Loss/ (Profit) on Asset Disposals	50	(722)
3. DIRECTORS EMOLUMENTS		
The directors aggregate emoluments in respect of qualifying services were;		
Emoluments Receivable	43,812	31,137
Value of company pension contributions to Money purchase schemes	1,850	1,783
	45,662	32,920
The number of directors who are accruing benefits under company pension schemes were as follows;		
Money Purchase Schemes	1	1
Average Staff Numbers		
Sales	5	4
Administration	6	6
Finance	1	1
	12	11

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2004

4. i) TAXATION

Corporation Tax – Prior Year Adjustment	-	418
	£ -	£ 418

Corporation Tax has been charged at 19% (2002 - 20%)

ii) Factors affecting tax charge from the current period:

Profit on ordinary activities before tax	32,247	15,292
Tax at 19% thereon	(6,127)	(2,905)
Effects of:		
Expenses not deductible for tax purposes		(686)
Capital Allowances in excess of depreciation	121	(33)
Utilisation of tax losses	6,006	3,624
Prior period adjustments	-	418
Corporation Tax Charge	£ -	£ 418

iii) Factors that may affect the future tax charge

A deferred tax asset has not been recognised in respect of timing differences relating to accelerated capital allowances and trading losses as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £9,934 (2003 : £15,840). The asset would be recovered if suitable taxable profits were to arise in future periods against which the losses could be offset.

5. FIXED ASSETS

Tangible Assets

		Fixtures & *Fittings* £	Office *Equipment* £	Total £
Cost				
Brought Forward		9,089	15,392	24,481
Additions		1,195	487	1,682
Disposals		(1,056)	-	(1,056)
Carried Forward		9,228	15,879	25,107
Depreciation				
Brought Forward		5,882	14,523	20,405
For Year		1,474	604	2,078
On Disposals		(1,006)	-	(1,006)
Carried Forward		6,350	15,127	21,477
Net Book Value				
At 31 December 2004	£	2,878	752	3,630
At 31 December 2003	£	3,207	869	4,076

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2004

	2004 £	2003 £
6. DEBTORS		
Trade debtors	122,935	45,050
Amounts owed by group undertakings	37,554	36,431
Taxation recoverable	2,646	-
Other debtors	5,478	12,045
	£ 168,613	£ 93,526
7. CREDITORS		
Bank Overdraft	9,060	-
Trade Creditors	140,953	99,749
Amounts owed to group undertakings	6,303	6,303
Taxation and Social Security	6,716	4,408
Other Creditors	15,830	11,240
	£ 178,862	£ 121,700
8. SHARE CAPITAL		
Authorised		
100 Ordinary shares of £1 each	£ 100	£ 100
Allotted, called up and fully paid	£ 100	£ 100
100 Ordinary shares of £1 each		
9. RESERVES		
Profit & Loss Account Brought Forward	(11,862)	(26,736)
Profit for the Year	32,247	14,874
	£ 20,385	£ (11,862)
10. OTHER INCOME		
Rental Income Receivable	6,927	7,644
Premium Credit Income	25,145	21,392
	£ 32,072	£ 29,036

11. BANK DEBENTURE

Barclays Bank Plc have a debenture dated 2nd December 1993 over the assets of the Company.

12. ULTIMATE PARENT

In the opinion of the directors the company's immediate parent company and controlling entity is Tradewise Insurance Company Limited, which is incorporated in Gibraltar. The Ultimate parent company is Tradewise Holdings Limited, a company also incorporated in Gibraltar. Tradewise Holdings Limited is the largest and smallest entity which consolidates Unicom Insurance Services Limited.

13. POST BALANCE SHEET EVENTS

In the opinion of the Directors there are no material post balance sheet events to be reported within these financial statements.

14. RELATED PARTIES

The company is ultimately controlled by Tradewise Holdings Limited and is included in the consolidated financial statement of Tradewise Holdings Limited, which are publicly available Companies House, Finance Centre, Suite 761, Europort, Gibraltar, Europe. Consequently, this company has taken advantage of the exemption from disclosing related party transactions with entities that are part of the Tradewise Holdings Limited group under the terms of FRS (Financial Reporting Standard) 8.

The following pages do not form part of the audited statutory accounts and are attached for information purposes.

UNICOM INSURANCE SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 2004

	2004		2003	
	£	£	£	£
TURNOVER				
Commission Income		445,796		357,513
Direct Costs				
Uninsured Loss Premiums	5,728		6,000	
		5,728		6,000
		440,068		351,513
OTHER INCOME				
Accommodation Charges	6,927		7,644	
Interest Receivable	774		3,268	
Finance Company Commission	25,145		21,392	
		32,846		32,304
		472,914		383,817
ADMINISTRATION	354,148		314,403	
SELLING	48,256		25,280	
ACCOMMODATION	32,039		34,684	
FINANCE	6,224		(5,842)	
		440,667		368,525
PROFIT BEFORE TAXATION		£ 32,247		£ 15,292

UNICOM INSURANCE SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 2004

	2004	2003
ADMINISTRATION	£	£
Directors Emoluments	43,812	29,354
Directors Pension Scheme	1,850	1,783
Salaries	219,061	202,961
Telephone	18,856	19,072
Insurance	4,935	3,947
Printing and Stationery	16,680	10,610
Postage	12,445	12,371
Motor Vehicle Expenses	140	101
Travel & Accommodation	90	73
Repairs and Renewals	111	520
Legal and Professional	16,061	17,444
Accountancy Fees	14,525	14,193
Computer Peripheries	2,384	498
Entertaining	225	-
Miscellaneous Expenses	2,973	1,476
	£ 354,148	£ 314,403
SELLING		
Referral Discounts	-	239
Advertising	48,256	25,041
	£ 48,256	£ 25,280
ACCOMMODATION		
Rent	23,978	23,547
Rates	5,122	5,392
Service Charge	2,939	5,745
	£ 32,039	£ 34,684
FINANCE		
Bank Charges	737	2,293
Credit card charges	6,204	6,589
Provision for Bad Debts (recovered)	(2,844)	(16,209)
Depreciation :-		
Office Equipment	604	674
Fixtures and Fittings	1,473	1,533
Loss / (Profit) on Asset Disposals	50	(722)
	£ 6,224	£ (5,842)