

THE EGREMONT GROUP LIMITED

ABBREVIATED ACCOUNTS

31 MARCH 2004

Company No: 4246721

PETER EDNEY & CO
Chartered Accountants
95 Station Road
Hampton
Middlesex
TW12 2BD



THE EGREMONT GROUP LIMITED

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THE EGREMONT GROUP LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2004

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

Principal activity and review of the business

The principal activity of the company is management consultants.

Results and dividends

The results for the year are set out on page 5.

The directors do not recommend payment of a final dividend.

Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares 31/03/04	Ordinary shares 01/04/03
S M Grist	50	50
S Connolly	50	50
P J Jarvis	50	50

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and 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.

THE EGREMONT GROUP LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2004

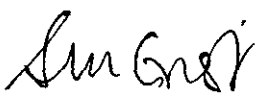
Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Peter Edney & Co be reappointed as auditors of the company will be put to the Annual General Meeting.

The directors recommend that Peter Edney & Co remain in office until further notice.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

This report was approved by the Board in January 2005 and signed on its behalf by

X  X

S M GRIST
COMPANY SECRETARY

**AUDITORS' REPORT TO THE EGREMONT GROUP LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages 5 to 11 together with the financial statements of The Egremont Group Limited for the year ended 31 March 2004 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985 in respect of the year ended 31 March 2004, and the abbreviated accounts on pages 5 to 11 are properly prepared in accordance with that provision.

We have audited the financial statements of The Egremont Group Limited for the year ended 31 March 2004 which comprise the profit and loss account, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' are responsible for preparing the Annual Report and financial statements in accordance with the applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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 company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**AUDITORS' REPORT TO THE EGREMONT GROUP LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

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

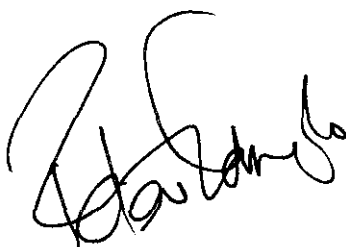
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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 March 2004 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the

PETER EDNEY & CO
Chartered Accountants and
Registered Auditors
January 2005



95 Station Road
Hampton
Middlesex
TW12 2BD

THE EGREMONT GROUP LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2004

		2004	2003
	Notes	£	£
TURNOVER		3,448,786	3,376,681
Cost of sales		(1,434,789)	(1,330,745)
GROSS PROFIT		2,013,997	2,045,936
Administrative expenses		(1,745,917)	(1,761,584)
OPERATING PROFIT	2	268,080	284,352
Other interest receivable and similar income		32,629	15,039
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		300,709	299,391
Tax on profit on ordinary activities	7	(55,920)	(56,999)
RETAINED PROFIT FOR THE YEAR		244,789	242,392
Retained profit brought forward		242,392	-
RETAINED PROFIT CARRIED FORWARD		487,181	242,392

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 8 to 11 form an integral part of these financial statements.

THE EGREMONT GROUP LIMITED

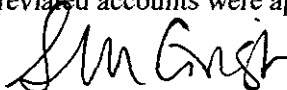
ABBREVIATED BALANCE SHEET

31 MARCH 2004

	Notes	2004 £	2003 £
FIXED ASSETS			
Tangible assets	8	27,037	8,033
CURRENT ASSETS			
Debtors	9	388,431	685,935
Cash at bank and in hand		1,195,473	803,405
		<u>1,583,904</u>	<u>1,489,340</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	<u>(1,123,610)</u>	<u>(1,254,831)</u>
NET CURRENT ASSETS		460,294	234,509
NET ASSETS		<u>487,331</u>	<u>242,542</u>
CAPITAL AND RESERVES			
Called up share capital	11	150	150
Profit and loss account		487,181	242,392
EQUITY SHAREHOLDERS' FUNDS	12	<u>487,331</u>	<u>242,542</u>

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

The abbreviated accounts were approved by the Board in January 2005 and signed on its behalf by


S M GRIST
 Director

The notes on pages 8 to 11 form an integral part of these financial statements.

THE EGREMONT GROUP LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2004

	2004		2003	
	£	£	£	£
CASH GENERATED FROM OPERATIONS				
OPERATING PROFIT	268,080		284,352	
<i>Reconciliation to cash generated from operations:</i>				
Depreciation	11,604		3,369	
Decrease in trade debtors	339,368		(666,660)	
(Increase) in other debtors	(41,864)		(19,275)	
(Decrease) in trade creditors	(37,003)		109,616	
(Decrease) in other creditors	(93,139)		1,088,216	
		447,046		799,618
CASH FROM OTHER SOURCES				
Interest received	32,629		15,039	
Issue of shares for cash	-		150	
		32,629		15,189
APPLICATION OF CASH				
Tax paid	(56,999)		-	
Purchase of tangible fixed assets	(30,608)		(11,402)	
		(87,607)		(11,402)
NET INCREASE IN CASH IN THE YEAR		392,068		803,405
Cash at bank and in hand less overdrafts at beginning of year		803,405		-
Cash at bank and in hand less overdrafts at end of year		1,195,473		803,405
Consisting of:				
Cash at bank and in hand		1,195,473		803,405

THE EGREMONT GROUP LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

1. ACCOUNTING POLICIES

1.1. ACCOUNTING CONVENTION

The accounts are prepared under the historical cost convention .

1.2. TURNOVER

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. TANGIBLE FIXED ASSETS AND DEPRECIATION

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Computer Equipment	-	33% straight line
Fixtures, fittings and equipment	-	25% straight line

1.4. PENSIONS

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

2. OPERATING PROFIT

Operating profit is stated after charging:

Depreciation and other amounts written off tangible assets

Auditors' remuneration

2004	2003
£	£
11,604	3,369
2,500	3,000
<u>14,104</u>	<u>6,369</u>

3. INTEREST RECEIVABLE AND SIMILAR INCOME

Bank interest

2004	2003
£	£
32,629	15,039
<u>32,629</u>	<u>15,039</u>

THE EGREMONT GROUP LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

4. EMPLOYEES

NUMBER OF EMPLOYEES

The average monthly numbers of employees
(including the directors) during the year were:

2004	2003
13	4

EMPLOYMENT COSTS

Wages and salaries
Social security costs
Other pension costs

2004	2003
£	£
1,766,276	1,398,098
135,616	146,125
80,055	65,452
<u>1,981,947</u>	<u>1,609,675</u>

5. DIRECTORS' EMOLUMENTS

Remuneration and other emoluments
Pension contributions

2004	2003
£	£
1,078,025	1,193,810
79,200	65,452
<u>1,157,225</u>	<u>1,259,262</u>

6. PENSION COSTS

The company operates a defined contribution pension scheme in respect of the directors. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £80,055.

7. TAXATION

UK CURRENT YEAR TAXATION
UK corporation tax

2004	2003
£	£
<u>55,920</u>	<u>56,999</u>

THE EGREMONT GROUP LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

8. TANGIBLE FIXED ASSETS	FIXTURES, COMPUTER FITTINGS AND EQUIPMENT EQUIPMENT		
	£	£	TOTAL £
COST			
At 1 April 2003	6,218	5,184	11,402
Additions	7,292	23,316	30,608
At 31 March 2004	13,510	28,500	42,010
DEPRECIATION			
At 1 April 2003	2,073	1,296	3,369
Charge for the year	4,479	7,125	11,604
At 31 March 2004	6,552	8,421	14,973
NET BOOK VALUES			
At 31 March 2004	6,958	20,079	27,037
At 31 March 2003	4,145	3,888	8,033

9. DEBTORS	2004	2003
	£	£
Trade debtors	327,292	666,660
Other debtors	-	2,375
Prepayments and accrued income	61,139	16,900
	388,431	685,935

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2004	2003
	£	£
Trade creditors	72,613	109,616
Corporation tax	55,920	56,999
Other taxes and social security costs	101,861	104,604
Directors' accounts	430,999	40,121
Deferred Income	-	124,000
Accruals	462,217	819,491
	1,123,610	1,254,831

THE EGREMONT GROUP LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

11. SHARE CAPITAL	2004	2003
	£	£
ALLOTTED, CALLED UP AND FULLY PAID EQUITY		
150 Ordinary shares of 1 each	<u>150</u>	<u>150</u>
12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2004	2003
	£	£
Profit for the year	244,789	242,392
Net proceeds of equity share issue	-	150
Net addition to shareholders' funds	<u>244,789</u>	<u>242,542</u>
Opening shareholders' funds	242,542	-
Closing shareholders' funds	<u>487,331</u>	<u>242,542</u>
13. GROSS CASH FLOWS	2004	2003
	£	£
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	<u>32,629</u>	<u>15,039</u>
TAXATION		
Corporation tax paid	<u>(56,999)</u>	<u>-</u>
CAPITAL EXPENDITURE		
Payments to acquire tangible assets	<u>(30,608)</u>	<u>(11,402)</u>
FINANCING		
Issue of ordinary share capital	<u>-</u>	<u>150</u>

14. ANALYSIS OF CHANGES IN NET FUNDS

	OPENING BALANC	CASH FLOWS	CLOSING BALANCE
	£	£	£
Cash at bank and in hand	<u>803,405</u>	<u>392,068</u>	<u>1,195,473</u>
NET FUNDS	<u>803,405</u>	<u>392,068</u>	<u>1,195,473</u>