

Confidential Solutions Limited

Financial Statements

31 May 2004



Confidential Solutions Limited

Financial Statements

Year ended 31 May 2004

Contents	Page
Officers and professional advisers	1
The director's report	2
Profit and loss account	3
Balance sheet	4
Accounting policies	5
Notes to the financial statements	6

Confidential Solutions Limited

Officers and Professional Advisers

The Director	K Carrabine
Company Secretary	G Carrabine
Registered Office	Euro House 1394 High Road London N20 9YZ
Bankers	National Westminster Bank 1302 High Road London N20 9JF

Confidential Solutions Limited

The Director's Report

Year ended 31 May 2004

The director has pleasure in presenting his report and the unaudited financial statements of the company for the year ended 31 May 2004.

Principal activities

The principal activity of the company during the year was that of a general insurance broker.

The director and his interests in shares of the parent company

The director who served the company during the year together with his beneficial interests, including family holdings, in the shares of the parent company was as follows:

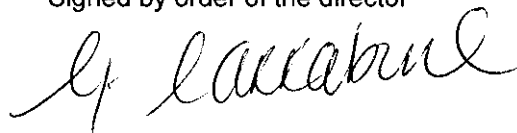
	Ordinary shares of £1 each in the parent company	
	At 31 May 2004	At 1 June 2003
K Carrabine	<u>10</u>	<u>10</u>

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
Euro House
1394 High Road
London
N20 9YZ

Signed by order of the director



G Carrabine
Company Secretary

Approved by the director on 16.9.2004.

Confidential Solutions Limited

Profit and Loss Account

Year ended 31 May 2004

	Note	Year to 31 May 04 £	Period from 14 Dec 01 to 31 May 03 £
Turnover		139,518	65,456
Cost of sales		28,714	15,312
Gross profit		110,804	50,144
Administrative expenses		41,546	31,730
Operating profit	1	69,258	18,414
Interest receivable		1,013	—
Interest payable		(133)	(133)
Profit on ordinary activities before taxation		70,138	18,281
Tax on profit on ordinary activities	2	13,796	1,397
Profit on ordinary activities after taxation		56,342	16,884
Equity dividends paid		51,750	16,850
Retained profit for the financial year		£4,592	£34

The accounting policies and notes on pages 5 to 8 form part of these financial statements.

Confidential Solutions Limited

Balance Sheet

31 May 2004

	Note	2004 £	£	2003 £
Fixed assets				
Tangible assets	3		3,323	4,023
Current assets				
Debtors	4	24,759		6,178
Cash at bank and in hand		47,157		54,753
		71,916		60,931
Creditors: amounts falling due within one year	5	70,603		64,910
Net current assets/(liabilities)			1,313	(3,979)
Total assets less current liabilities			4,636	44
Capital and reserves				
Called-up equity share capital	8		10	10
Profit and loss account	9		4,626	34
Shareholders' funds			£4,636	£44

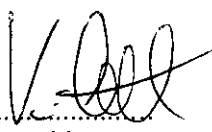
The director is satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The director acknowledges his responsibility for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved and signed by the director on 16/9/2004.


K Carrabine

The accounting policies and notes on pages 5 to 8 form part of these financial statements.

Confidential Solutions Limited

Accounting Policies

Year ended 31 May 2004

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Office Equipment	-	25% Reducing balance
Fixtures & Fittings	-	25% Reducing balance
Computer Equipment	-	33.33% Straight line

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Confidential Solutions Limited

Notes to the Financial Statements

Year ended 31 May 2004

1. Operating profit

Operating profit is stated after charging:

	Year to 31 May 04 £	Period from 14 Dec 01 to 31 May 03 £
Director's emoluments	4,225	3,500
Depreciation of owned fixed assets	1,095	628
Depreciation of assets held under finance lease agreements	224	299
Loss on disposal of fixed assets	362	—

2. Tax on profit on ordinary activities

	Year to 31 May 04 £	Period from 14 Dec 01 to 31 May 03 £
Current tax:		
UK Corporation tax based on the results for the year at 19% (2003 - 19%)	13,796	1,397
Total current tax	£13,796	£1,397

3. Tangible fixed assets

	Computer equipment £	Fixtures & Fittings £	Office equipment £	Total £
Cost				
At 1 June 2003	2,097	1,306	1,547	4,950
Additions	981	—	—	981
Disposals	—	(424)	—	(424)
At 31 May 2004	£3,078	£882	£1,547	£5,507
Depreciation				
At 1 June 2003	391	186	350	927
Charge for the year	830	190	299	1,319
On disposals	—	(62)	—	(62)
At 31 May 2004	£1,221	£314	£649	£2,184
Net book value				
At 31 May 2004	1,857	568	898	3,323
At 31 May 2003	1,706	1,120	1,197	4,023

Finance lease agreements

Included within the net book value of £3,323 is £672 (2003 - £897) relating to assets held under finance lease agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £224 (2003 - £299).

Confidential Solutions Limited

Notes to the Financial Statements

Year ended 31 May 2004

4. Debtors

	2004 £	2003 £
Trade debtors	20,084	5,178
Other debtors	4,095	–
Prepayments and accrued income	580	1,000
	<u>£24,759</u>	<u>£6,178</u>

5. Creditors: amounts falling due within one year

	2004 £	2003 £
Trade creditors	16,975	4,547
Other creditors including taxation:		
Due to insurers	37,190	52,643
Corporation tax	13,796	1,397
Finance lease agreements	399	798
Other creditors	–	262
Accruals and deferred income	2,243	5,263
	<u>£70,603</u>	<u>£64,910</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2004 £	2003 £
Finance lease agreements	<u>399</u>	<u>798</u>

A rent deposit deed dated 1 March 2004 is held by Highlands North Properties Limited securing the sum of £4,700.

6. Commitments under operating leases

At 31 May 2004 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2004 £	2003 £
Operating leases which expire:		
Within 1 year	–	–
Within 2 to 5 years	–	–
After more than 5 years	4,750	–
	<u>£4,750</u>	<u>–</u>

7. Related party transactions

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

Confidential Solutions Limited

Notes to the Financial Statements

Year ended 31 May 2004

8. Share capital

Authorised share capital:

	2004 £	2003 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2004 No	£	2003 No	£
Ordinary shares of £1 each	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>

9. Profit and loss account

	Year to 31 May 04 £	Period from 14 Dec 01 to 31 May 03 £
Balance brought forward	34	—
Retained profit for the financial year	<u>4,592</u>	<u>34</u>
Balance carried forward	<u>£4,626</u>	<u>£34</u>

10. Ultimate parent company

The ultimate and immediate parent company is Confidential Solutions Group Limited, company registration number 4523785.

11. Ultimate controlling party

The company was under the control of Mr K Carrabine, a director and majority shareholder of the parent company.