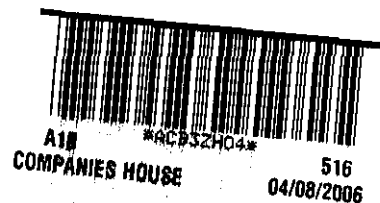


COMPANY REGISTRATION NUMBER 4340708

Confidential Solutions Limited
Unaudited Financial Statements
31 May 2006



Confidential Solutions Limited

Financial Statements

Year ended 31 May 2006

Contents	Page
<i>Officers and professional advisers</i>	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

Accountants

MacIntyre Hudson LLP
Chartered Accountants
Euro House
1394 High Road
Whetstone
London
N20 9YZ

Bankers

Barclays Bank PLC
1618 St Peters Street
St Albans
Herts
AL1 3NA

Confidential Solutions Limited

The Director's Report

Year ended 31 May 2006

The director has pleasure in presenting his report and the unaudited financial statements of the company for the year ended 31 May 2006.

Principal activities

The principal activity of the company during the year was that of a general insurance broker. The company is regulated by the Financial Services Authority.

The director and his interests in the 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 2006	At 1 June 2005
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 01-08-06 2006

Confidential Solutions Limited

Profit and Loss Account

Year ended 31 May 2006

	Note	2006 £	2005 £
Turnover		252,710	229,177
Cost of sales		<u>31,227</u>	<u>42,657</u>
Gross profit		221,483	186,520
Administrative expenses		<u>95,111</u>	<u>88,008</u>
Operating profit	1	126,372	98,512
Interest receivable		4,028	2,753
Interest payable and similar charges		—	(133)
Profit on ordinary activities before taxation		130,400	101,132
Tax on profit on ordinary activities	2	25,491	19,487
Profit on ordinary activities after taxation, being profit for the financial year		<u>£104,909</u>	<u>£81,645</u>

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

Confidential Solutions Limited

Balance Sheet

31 May 2006

	Note	2006 £	£	2005 £
Fixed assets				
Tangible assets	4		5,834	9,154
Current assets				
Debtors	5	198,864		52,456
Cash at bank and in hand		120,252		150,808
		319,116		203,264
Creditors: amounts falling due within one year	6	280,260		188,137
Net current assets			38,856	15,127
Total assets less current liabilities			44,690	24,281
Capital and reserves				
Called-up equity share capital	9		10	10
Profit and loss account	10		44,680	24,271
Shareholder's funds			£44,690	£24,281

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 January 2005).

These financial statements were approved and signed by the director on1/5/.....2006



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 2006

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 January 2005).

Turnover

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

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

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	-	33⅓% 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.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Confidential Solutions Limited

Notes to the Financial Statements

Year ended 31 May 2006

1. Operating profit

Operating profit is stated after charging:

	2006 £	2005 £
Director's emoluments	5,000	15,000
Depreciation of owned fixed assets	<u>3,320</u>	<u>3,026</u>

2. Taxation on ordinary activities

	2006 £	2005 £
Current tax:		
UK Corporation tax based on the results for the year at 19% (2005 - 19%)	25,491	19,593
Over provision in prior year	-	(106)
Total current tax	<u>£25,491</u>	<u>£19,487</u>

3. Dividends

Dividends on equity shares

	2006 £	2005 £
Paid		
Equity dividends on ordinary shares	<u>84,500</u>	<u>62,000</u>

4. Tangible fixed assets

	Computer Equipment £	Fixtures & Fittings £	Office Equipment £	Total £
Cost				
At 1 June 2005 and 31 May 2006	<u>7,448</u>	<u>3,188</u>	<u>3,728</u>	<u>14,364</u>
Depreciation				
At 1 June 2005	3,218	609	1,383	5,210
Charge for the year	2,088	645	587	3,320
At 31 May 2006	<u>£5,306</u>	<u>£1,254</u>	<u>£1,970</u>	<u>£8,530</u>
Net book value				
At 31 May 2006	<u>2,142</u>	<u>1,934</u>	<u>1,758</u>	<u>5,834</u>
At 31 May 2005	<u>4,230</u>	<u>2,579</u>	<u>2,345</u>	<u>9,154</u>

Confidential Solutions Limited

Notes to the Financial Statements

Year ended 31 May 2006

5. Debtors

	2006	2005
	£	£
Trade debtors	193,564	49,489
Other debtors	2,350	2,350
Prepayments and accrued income	2,950	617
	<u>£198,864</u>	<u>£52,456</u>

6. Creditors: amounts falling due within one year

	2006	2005
	£	£
Trade creditors	170,044	43,054
Amounts owed to group undertakings	9,921	9,947
Other creditors including taxation and social security:		
Due to insurers	59,162	105,064
Corporation tax	25,491	19,593
PAYE and social security	2,196	4,620
Directors current accounts	322	1,822
Other creditors	8,250	—
Accruals and deferred income	4,874	4,037
	<u>£280,260</u>	<u>£188,137</u>

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

7. Commitments under operating leases

At 31 May 2006 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2006	2005
	£	£
Operating leases which expire:		
Within 2 to 5 years	<u>5,250</u>	<u>4,875</u>

8. Related party transactions

As the year end, the company owed Confidential Solutions Group Limited, its parent company, £9,921 (2005: £9,947). This represents financing arrangements.

Confidential Solutions Limited

Notes to the Financial Statements

Year ended 31 May 2006

9. Share capital

Authorised share capital:

	2006 £	2005 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2006 No	£	2005 No	£
Ordinary shares of £1 each	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>

10. Profit and loss account

	2006 £	2005 £
Balance brought forward	24,271	4,626
Profit for the financial year	104,909	81,645
Equity dividends paid	(84,500)	(62,000)
Balance carried forward	<u>£44,680</u>	<u>£24,271</u>

11. Ultimate parent company

The ultimate and immediate parent company is Confidential Solutions Group Limited.

12. Ultimate controlling party

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