Registered number: 4498821

ARTEMIS CORPORATE FINANCE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST JULY 2004

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ARTEMIS CORPORATE FINANCE LIMITED

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ARTEMIS CORPORATE FINANCE LIMITED

COMPANY INFORMATION

Directors	W H Kendall
	J Kendall
Secretary	W H Kendall
Registered Office	11 Blackheath Village London SE39LA
Company Registration No	4498821

ARTEMIS CORPORATE FINANCE LIMITED

REPORT OF THE DIRECTORS

The Directors present their report with the Financial Statements of the Company for the year ended 31st July, 2004.

PRINCIPAL ACTIVITIES AND REVIEW OF OPERATIONS

The principal activities during the year were the provision of advisory and management consultancy services and there were no changes.

The state of the company's affairs is satisfactory.

The company was incorporate on 30th July 2002.

DIRECTORS

The present Directors are noted on Page 3.

The Directors who served during the year and their interests in the ordinary shares of the Company at the Balance Sheet dates are as follows:

	2004	2003
WH Kendall	1	1
J Kendall	-	-

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 affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

AUDITORS

The Auditors, Silver Altman, will be proposed for reappointment in accordance with Section 385 of the Companies Act 1985.

This report has been approved by the Board and signed on its behalf:-

W H Kendall

Date: 18th April 2005

W H Kendall
Director

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ARTEMIS CORPORATE FINANCE LIMITED

We have audited the financial statements of Artemis Corporate Finance Limited for the year ended 31st July, 2004 set out on pages 6 to 11. The financial statements have been prepared under the historical cost convention and the accounting policies set out on page 9.

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 auditor's 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 law and the 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 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 out 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 31st July, 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Silver Altman

Dated 13 April 2005

SILVER ALTMAN
Chartered Accountants and Registered Auditors
8 Baltic Street East
London
EC1Y OUP

ARTEMIS CORPORATE FINANCE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR TO 31ST JULY 2004

	Notes	2004		2003	
		£	£	£	£
Turnover	1,2		67,500		116,572
Gross profit			67,500		116,572
Establishment expenses		2,218		1,218	
Administrative expenses		43,789		54,802	
			(46,007)		(56,020)
Operating profit	3		21,493		60,552
Interest received		2,135		910	
			2,135		910
Profit on ordinary activities before taxation			23,628		61,462
Corporation tax	5		(4,456)		(11,992)
Profit on ordinary activities after taxation			19,172		49,470
Dividends	6		(30,971)		(31,500)
Retained profit/(loss) for the year			(11,799)		17,970

All amounts related to continuing operations.

There were no recognised gains and losses for 2004 or 2003 other than those included in the profit and loss account.

The notes on page 9 to 11 form part of these financial statements.

ARTEMIS CORPORATE FINANCE LIMITED

BALANCE SHEET AS AT 31ST JULY, 2004

	Notes	2004		2003	
		£	£	£	£
Fixed assets	7				
Tangible assets			3,935		4,818
Current assets					
Debtors	8	1,176		27,836	
Cash at bank and in hand		101,012		71,975	
		102,188		99,811	
Creditors					
Amounts falling due within one year	9	(99,504)		(85,988)	
Net current assets			2,684		13,823
Total assets les current liabilities			6,619		18,641
Creditors					
Amounts falling after one year	10		(446)		(669)
Total assets less liabilities			6,173		17,971
Capital and reserves					
Called up share capital	11		1		1
Profit and loss account	12		6,172		17,970
Shareholders funds			6,173		17,971

The notes on pages 9 to 11 form part of these financial statements.

The financial statements have been approved by the Board and signed on its behalf:

WH Kendall ..... Dated ...18th April, 2005.

WH Kendall Director

ARTEMIS CORPORATE FINANCE LIMITED

CASH FLOW STATEMENT FOR THE YEAR TO 31ST JULY, 2004

	Notes	2004		2003	
		£	£	£	£
Net inflow from operating activities	14		64,478		109,359
Returns on investments and servicing of finance					
Interest received			2,135		910
			66,613		110,269
Taxation					
Corporation tax			(5,237)		-
Capital expenditure					
Purchase of tangible fixed assets			(1,368)		(6,795)
			60,008		103,474
Equity dividends paid			(30,971)		(31,500)
Increase in cash in the year			29,037		71,974

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT (Note 15) FOR THE YEAR ENDED 31 July, 2004.

	£	£
Increase in Cash in the year	29,037	71,974
MOVEMENT IN NET DEBT IN THE PERIOD	29,037	71,974
Net funds at 1st August, 2003	71,975	-
Net funds at 31st July, 2004	101,012	71,974

The notes on page 9 to 11 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE 12 MONTHS TO 31ST JULY 2004

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Depreciation

Depreciation is calculated to write down to estimated residual value the cost of all tangible fixed assets over their estimated useful lives

IT and telco equipment	33 % p.a. straight line
Fixtures and fittings	20 % p.a. straight line

Deferred taxation

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

2. Turnover

The whole of the turnover is attributable to the provision of advisory and management consultancy services. All turnover arose in the United Kingdom.

3. Operating profit

Operating profit is stated after charging:

	2004	2003
	£	£
Depreciation	2,251	1,977
Auditors remuneration	1,000	1,196

4. Staff costs

Staff costs were as follows:

	2004	2003
	£	£
Wages and salaries	26,873	34,425
Social security costs	3,440	4,407
	30,313	38,832

The average monthly number of employees, including the directors, during the year was as follows:

	2004	2003
Office and management	3	3

5. Tax on profit on ordinary activities

	2004 £	2003 £
UK corporation tax: charge for the period	4,679	11,322
Deferred tax	(223)	669
	4,456	11,991

6. Dividends

	2004 £	2003 £
Dividends paid on the £1 ordinary shares	30,971	31,500

7. Tangible fixed assets

		IT & Telco Equipment £	Fixtures & Fittings £	Total £
Cost	As at 31/7/03	4,636	2,159	6,795
	Additions	-	1,368	1,368
	As at 31/7/04	4,636	3,527	8,163
Depreciation	As at 31/7/03	1,545	432	1,977
	Charge for the period	1,545	706	2,251
	As at 31/7/04	3,090	1,727	4,818
Net book value	At as 31/7/04	1,546	2,389	3,935

8. Debtors

	2004 £	2003 £
Trade	1,176	27,349
Social security and other taxes	-	487
	1,176	27,836

9. Creditors

Amounts falling due within one year

	2004 £	2003 £
Social security and other taxes	-	1,210
Accruals and deferred income	3,839	6,784
Corporation tax	10,764	11,322
Directors loan	84,901	66,672
	99,504	85,988

The director's loan is an amount due to Mr W H Kendall. The loan is interest free and there are no specific terms for repayment. The maximum amount outstanding during the year was £84, 901 (2003: £66,672)

10. Provision for liabilities & charges

	2004	2003
	£	£
Deferred taxation	446	669

11. Share capital

	2004	2003
	£	£
Authorised		
100 ordinary shares of £1 each	100	100
Allotted, issues and fully paid		
I ordinary shares of £1 each	1	1

12. Reserves

	2004	2003
	£	£
Profit and loss account		
At 1st August, 2003	17,970	-
Profit (loss) retained for the year	(11,799)	17,970
At 31 July, 2004	6,171	17,970

13. *Control relationships*

The company is controlled fully by its directors, Mr WH Kendall & Mr J Kendall who hold the entire issued share capital of the company.

14. Net cash inflow from operating activities

	2004	2003
	£	£
Operating profit	21,493	60,552
Depreciation	2,251	1,977
(Increase)/decrease in debtors	26,660	(27,836)
Increase in creditors	14,074	74,666
Net cash inflow from operations	64,478	109,359

15. Analysis of changes in Net Debt

	1 August, 2003	Cash flow	Other non-cash changes	31 July, 2004
	£	£	£	£
Cash at bank and in hand	71,975	29,037	-	101,012
Net Funds	71,975	29,037	-	101,012