

H. M. NEWMAN LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD FROM INCORPORATION ON 7TH MARCH 2003 TO 30TH NOVEMBER 2003

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H. M. NEWMAN LIMITED

COMPANY INFORMATION

1. **DIRECTOR**

Mrs H M Newman

2. **COMPANY SECRETARY**

Mr S M Hinds

3. **COMPANY NUMBER**

4689708

4. **REGISTERED OFFICE**

St Bride's House
32 High Street
Beckenham
Kent
BR3 1AY

5. **ACCOUNTANTS**

Franklin Underwood
Limehouse, Mere Way
Ruddington Fields Business Park
Nottingham
NG11 6JW

6. **BANKERS**

Barclays Bank Plc
3 Beckenham Road
Beckenham
Kent
BR3 4ES

H. M. NEWMAN LIMITED

REPORT OF THE DIRECTOR

The director presents her report and the financial statements of the company for the period ended 30th November 2003.

INCORPORATION

The company was incorporated on 7th March 2003 and began trading on 7th April 2003.

PRINCIPAL ACTIVITIES

The principal activity of the company during the period was that of a corporate partner of the firm Pritchard, Joyce & Hinds.

REVIEW OF THE BUSINESS

The profit on ordinary activities before tax amounted to £46803. The director is pleased with the results for the period and expects the present level of profitability to continue in the forthcoming year.

RESULTS AND DIVIDENDS

The results for the period and financial position of the company are set out in detail on pages 6 to 13 of the financial statements. During the period a dividend of £29000 was paid, the balance of profits being transferred to reserves.

FIXED ASSETS

Full details of fixed assets are shown in note 7 of the financial statements.

CHARITABLE AND POLITICAL CONTRIBUTIONS

Charitable and political contributions were not in excess of £200.

CLOSE COMPANY

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

H. M. NEWMAN LIMITED

REPORT OF THE DIRECTOR CONTINUED

DIRECTOR

The director who has served during the period is set out on page 2. The interests of the director, including family interests, at the beginning and end of the period was as follows:

	Ordinary shares of £1 each
Mrs H M Newman	1

The director did not have, during or at the end of the period, any interest in a contract which was material to the company's business.

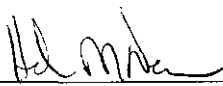
DIRECTOR'S RESPONSIBILITIES

Company law requires the director 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 period. In preparing those financial statements, the director is required to:

- select suitable accounting 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable her to ensure that the financial statements comply with the Companies Act 1985. She is 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.

On behalf of the board.


Mrs H M Newman

21st September 2004

H. M. NEWMAN LIMITED
ACCOUNTANT'S REPORT TO THE MEMBERS OF
H. M. NEWMAN LIMITED

We have examined, without carrying out an audit, the accounts for the period ended 30th November 2003 set out on pages 6 to 13.

Respective responsibilities of director and reporting accountant

As described on page 4, the company's director is responsible for the preparation of the accounts, and she believes that the company is exempt from an audit. It is our responsibility to examine the accounts and, based on our examination, to report our opinion, as set out below, to the members.

Basis of opinion

We conducted our examination in accordance with the appropriate standards for reporting accountants issued by the Auditing Practices Board. This examination consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purpose of this report.

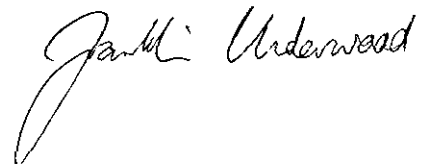
The examination was not an audit conducted in accordance with Auditing Standards. Accordingly, we do not express an audit opinion on the accounts. Therefore, our examination does not provide any assurance that the accounting records and the accounts are free from material misstatement.

Opinion

In our opinion:

- a) the accounts are in agreement with those accounting records kept by the company under section 221 of the Companies Act 1985;
- b) having regard only to, and on the basis of, the information contained in those accounting records;
 - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the accounts for the period specified in section 249A(4) of the Act and did not, at any time within that period, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).

Limehouse, Mere Way,
Ruddington Fields Business Park,
Nottingham
NG11 6JW



23rd September 2004

FRANKLIN UNDERWOOD

H. M. NEWMAN LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM INCORPORATION ON 7TH MARCH 2003 TO 30TH NOVEMBER 2003

	Notes	2003 £
PARTNERSHIP SHARE	2	81440
Cost of sales		-
GROSS PROFIT		81440
Administrative expenses		(20637)
OPERATING PROFIT	3	60803
Interest payable	5	(14000)
Other income		-
Profit on ordinary activities before taxation		46803
Taxation	6	(12335)
Profit on ordinary activities after taxation		34468
Dividends		(29000)
Retained profit for the period		5468
Profit and loss account brought forward		-
Profit and loss account carried forward		5468

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There were no recognised gains or losses during the period other than those in the profit and loss account.

HISTORICAL COST PROFIT AND LOSS

There is no difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis.

CONTINUING OPERATIONS

All operations were acquired during the current period.

The notes on pages 9 to 13 form part of these financial statements.

H. M. NEWMAN LIMITED

BALANCE SHEET AS AT 30TH NOVEMBER 2003

	Notes	£	2003 £
FIXED ASSETS			
Intangible assets	7		285000
CURRENT ASSETS			
Debtors	8	158273	
CREDITORS			
Amounts falling due within one year	9	(437804)	
Net current liabilities			(279531)
Total assets less current liabilities			5469
CREDITORS			
Amounts falling due after more than one year			-
PROVISIONS FOR LIABILITIES AND CHARGES			-
NET ASSETS			5469
CAPITAL AND RESERVES			
Called up share capital	10		1
Profit and loss account			5468
SHAREHOLDERS FUNDS	12		5469

These accounts have not been audited because the company is entitled to the exemption provided by section 249A(1) of the Companies Act 1985 and members have not required the company to obtain an audit of its accounts for the period in accordance with section 249B(2).

The director acknowledges her responsibilities for ensuring that the company keeps accounting records that comply with section 221 of the Companies Act 1985. The director also acknowledges her responsibilities for preparing accounts which give a true and fair view of the state of affairs of the company as at 30th November 2003 and of its profit for the financial period in accordance with section 226 of the Companies Act 1985, and which otherwise comply with the requirements of that Act relating to the accounts, so far as applicable to the company.

Approved by the Board on 21st September 2004 and signed on its behalf.


Mrs H M Newman

The notes on pages 9 to 13 form part of these financial statements.

H. M. NEWMAN LIMITED

CASHFLOW STATEMENT FOR THE PERIOD FROM INCORPORATION ON 7TH MARCH 2003 TO 30TH NOVEMBER 2003

	Notes	£	2003 £
NET CASH FLOW FROM OPERATING ACTIVITIES	13		342999
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid		(14000)	
Other income		-	
			(14000)
NET CASH FLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
TAXATION			
Corporation tax paid			-
CAPITAL EXPENDITURE			
Payments to acquire intangible fixed assets		(300000)	
			(300000)
NET CASH FLOW FOR CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			28999
EQUITY DIVIDENDS PAID			(29000)
FINANCING			
Share issue		1	
			1
INCREASE IN CASH AND CASH EQUIVALENTS			-
Reconciliation of net cash flow to movement in net debt (note 14)		£	2003 £
Increase in cash for the period		-	
Cash flow from repayment of loans		-	
			-
Change in net debt resulting from cash flows			-
New finance leases			-
			-
Change in net debt			-
Net debt at 7th March 2003			-
Net debt at 30th November 2003			-

H. M. NEWMAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM INCORPORATION ON 7TH MARCH 2003 TO 30TH NOVEMBER 2003

1. ACCOUNTING POLICIES

a) Basis of accounting

The financial statements have been prepared in accordance with the historical cost convention and incorporate the result of the principal activity which is described in the director's report. The principal accounting policies which the director has adopted within that convention are set out below.

b) Turnover

Turnover consists of the company's share of the profits of the partnership, Pritchard, Joyce & Hinds.

c) Amortisation

Goodwill is amortised over twenty years on a straight-line basis.

2. TURNOVER

The turnover and profit before taxation is attributable to the one principal activity of the company, and is achieved entirely in the UK.

3. OPERATING PROFIT

2003
£

Operating profit is stated after charging:

Amortisation
Director's remuneration (including national insurance)

15000
5049

H. M. NEWMAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM INCORPORATION ON 7TH MARCH 2003 TO 30TH NOVEMBER 2003 CONTINUED

4. STAFF NUMBERS AND COST

2003
Number

The average number of people (including directors) employed by the company during the period was as follows:

Administration and production	2
	£

The aggregate payroll costs of these persons were as follows:

Directors remuneration	5000
Social security costs	49
	5049

5. INTEREST PAYABLE

Interest paid on non directors loan accounts	14000

6. TAXATION

UK corporation tax at 19%	12335

H. M. NEWMAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM INCORPORATION ON 7TH MARCH 2003 TO 30TH NOVEMBER 2003 CONTINUED

7. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 7th March 2003	-
Additions	300000
At 30th November 2003	<u>300000</u>
AMORTISATION	
At 7th March 2003	-
Charge for the year	15000
At 30th November 2003	<u>15000</u>
NET BOOK VALUES	
At 30th November 2003	
Owned assets	285000
Assets under finance lease and hire purchase agreements	-
	<u>285000</u>

Goodwill arose on the purchase of the company's share in Pritchard, Joyce & Hinds.

H. M. NEWMAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM INCORPORATION ON 7TH MARCH 2003 TO 30TH NOVEMBER 2003 CONTINUED

2003
£

8. DEBTORS

Due from Pritchard, Joyce & Hinds

158273

None of the amounts above relate to the amounts due from the director or shareholder of H. M. Newman Limited, either directly or indirectly.

9. CREDITORS

Amounts falling due within one year.

Other taxation and social security
Accruals
Other creditors
Corporation tax

129
588
424752
12335

437804

10. SHARE CAPITAL

Authorised
1000 ordinary 'A' shares of £1 each

1000

Issued and fully paid
1 ordinary 'A' share of £1 each

1

11. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The company had no capital commitments or contingent liabilities at 30th November 2003.

H. M. NEWMAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM INCORPORATION ON 7TH MARCH 2003 TO 30TH NOVEMBER 2003 CONTINUED

	2003 £
12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS	
Shareholders funds at 7th March 2003	-
Retained profit for the year	5468
Share issue	1
Shareholders funds at 30th November 2003	5469

13. RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES

Operating profit	60803
Amortisation	15000
Increase in debtors	(158273)
Increase in creditors	425469
NET CASH INFLOW FROM OPERATING ACTIVITIES	342999

14. ANALYSIS OF CHANGES IN NET DEBT

	At 7th March 2003 £	Cash flow £	Other Changes £	At 30th November 2003 £
Cash at bank and in hand	-	-	-	-
Overdrafts	-	-	-	-
		-		
Finance leases and hire purchase	-	-	-	-
Bank loan	-	-	-	-
Total	-	-	-	-

15. CONTROL

Mrs H M Newman holds 100% of the company's share capital and therefore has complete control.