

H. M. NEWMAN LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH NOVEMBER 2004

CONTENTS	PAGE
<i>Company information</i>	2
Report of the director	3-4
Accountant's report	5
Profit and loss account	6
Statement of total recognised gains and losses	6
Balance sheet	7
Cashflow statement	8
Notes to the financial statements	9-13
Trading and profit and loss account (Management information schedule only)	14

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 year ended 30th November 2004.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year 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 £97969 (2003: £46803). The director is pleased with the results for the year and expects the present level of profitability to continue in the forthcoming year.

RESULTS AND DIVIDENDS

The results for the year and financial position of the company are set out in detail on pages 6 to 13 of the financial statements. During the year a dividend of £28000 was paid (2003: £29000), 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 (2003 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 year is set out on page 2. The interests of the director, including family interests, at the beginning and end of the year was as follows:

	Ordinary shares of £1 each	
	2004	2003
Mrs H M Newman	1	1

The director did not have, during or at the end of the year, 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 year. 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

28th June 2005

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 year ended 30th November 2004 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

30th June 2005



FRANKLIN UNDERWOOD

H. M. NEWMAN LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH NOVEMBER 2004

	Notes	2004 £	2003 £
PARTNERSHIP SHARE	2	135450	81440
Cost of sales		-	-
GROSS PROFIT		<u>135450</u>	<u>81440</u>
Administrative expenses		(20621)	(20637)
OPERATING PROFIT	3	<u>114829</u>	<u>60803</u>
Interest payable	5	(16860)	(14000)
Other income		-	-
Profit on ordinary activities before taxation		<u>97969</u>	<u>46803</u>
Taxation	6	(21380)	(12335)
Profit on ordinary activities after taxation		<u>76589</u>	<u>34468</u>
Dividends		(28000)	(29000)
Retained profit for the year		<u>48589</u>	<u>5468</u>
Profit and loss account brought forward		5468	-
Profit and loss account carried forward		<u>54057</u>	<u>5468</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There were no recognised gains or losses during the year 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

There were no acquisitions or discontinued operations during the current year. All operations were acquired during the previous period.

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

H. M. NEWMAN LIMITED

BALANCE SHEET AS AT 30TH NOVEMBER 2004

	Notes	£	2004 £	£	2003 £
FIXED ASSETS					
Intangible assets	7		270000		285000
CURRENT ASSETS					
Debtors	8	180141		158273	
CREDITORS					
Amounts falling due within one year	9	(396083)		(437804)	
Net current liabilities			<u>(215942)</u>		<u>(279531)</u>
Total assets less current liabilities			<u>54058</u>		<u>5469</u>
CREDITORS					
Amounts falling due after more than one year			-		-
PROVISIONS FOR LIABILITIES AND CHARGES					
			-		-
NET ASSETS			<u>54058</u>		<u>5469</u>
CAPITAL AND RESERVES					
Called up share capital	10		1		1
Profit and loss account			54057		5468
SHAREHOLDERS FUNDS	12		<u>54058</u>		<u>5469</u>

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 year 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 2004 and of its profit for the financial year 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 28th June 2005 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 YEAR ENDED 30TH NOVEMBER 2004

	Notes	2004 £	2003 £
NET CASH FLOW FROM OPERATING ACTIVITIES	13	57195	342999
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid		(16860)	(14000)
Other income		-	-
NET CASH FLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(16860)	(14000)
TAXATION			
Corporation tax paid		(12335)	-
CAPITAL EXPENDITURE			
Payments to acquire intangible fixed assets		-	(300000)
NET CASH FLOW FOR CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		28000	28999
EQUITY DIVIDENDS PAID		(28000)	(29000)
FINANCING			
Share issue		-	1
INCREASE IN CASH AND CASH EQUIVALENTS		-	-

Reconciliation of net cash flow to movement in net debt (note 14)	2004 £	2003 £
Increase in cash for the year	-	-
Cash flow from repayment of loans	-	-
Change in net debt resulting from cash flows	-	-
New finance leases	-	-
Change in net debt	-	-
Net debt at 1st December 2003	-	-
Net debt at 30th November 2004	-	-

H. M. NEWMAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH NOVEMBER 2004

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	2004 £	2003 £
Operating profit is stated after charging:		
Amortisation	15000	15000
Director's remuneration (including national insurance)	5033	5049

H. M. NEWMAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH NOVEMBER 2004 CONTINUED

	2004 Number	2003 Number
--	----------------	----------------

4. STAFF NUMBERS AND COST

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

Administration and production	2	2
	<u>£</u>	<u>£</u>

The aggregate payroll costs of these persons were as follows:

Directors remuneration	5000	5000
Social security costs	33	49
	<u>5033</u>	<u>5049</u>

5. INTEREST PAYABLE

Interest paid on non directors loan accounts	16860	14000
	<u>16860</u>	<u>14000</u>

6. TAXATION

UK corporation tax at 19%	21380	12335
	<u>21380</u>	<u>12335</u>

H. M. NEWMAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH NOVEMBER 2004 CONTINUED

7. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1st December 2003	300000
Additions	-
At 30th November 2004	<u>300000</u>
AMORTISATION	
At 1st December 2003	15000
Charge for the year	15000
At 30th November 2004	<u>30000</u>
NET BOOK VALUES	
At 30th November 2004	
Owned assets	270000
Assets under finance lease and hire purchase agreements	-
	<u>270000</u>
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 YEAR ENDED 30TH NOVEMBER 2004 CONTINUED

	2004 £	2003 £
8. DEBTORS		
Due from Pritchard, Joyce & Hinds	180141	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	86	129
Accruals	588	588
Other creditors	374029	424752
Corporation tax	21380	12335
	<u>396083</u>	<u>437804</u>

10. SHARE CAPITAL

Authorised

1000 ordinary 'A' shares of £1 each	1000	1000
-------------------------------------	------	------

Issued and fully paid

1 ordinary 'A' share of £1 each	1	1
---------------------------------	---	---

11. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The company had no capital commitments or contingent liabilities at 30th November 2004 or 30th November 2003.

H. M. NEWMAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH NOVEMBER 2004 CONTINUED

	2004 £	2003 £
12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS		
Shareholders funds at 1st December 2003	5469	-
Retained profit for the year	48589	5468
Share issue	-	1
Shareholders funds at 30th November 2004	54058	5469

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

Operating profit	114829	60803
Amortisation	15000	15000
Increase in debtors	(21868)	(158273)
(Decrease)/increase in creditors	(50766)	425469
NET CASH INFLOW FROM OPERATING ACTIVITIES	57195	342999

14. ANALYSIS OF CHANGES IN NET DEBT

	At 1st December 2003 £	Cash flow £	Other Changes £	At 30th November 2004 £
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.