

# Balmoral Asset Management Limited

Company Registration No. SC182721 (Scotland)

## Directors' report and financial statements

For the year ended 31 December 2004



# BALMORAL ASSET MANAGEMENT LIMITED

## COMPANY INFORMATION

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|                          |                                                                        |                          |
|--------------------------|------------------------------------------------------------------------|--------------------------|
| <b>Directors</b>         | Stuart Macdonald                                                       |                          |
|                          | Alan Reid                                                              | (Appointed 15 July 2004) |
|                          | Mark Burrell                                                           | (Appointed 15 July 2004) |
| <b>Secretary</b>         | Stuart Macdonald                                                       |                          |
| <b>Company number</b>    | SC182721                                                               |                          |
| <b>Registered office</b> | 21 Manor Place<br>Edinburgh<br>EH3 7DX                                 |                          |
| <b>Auditors</b>          | Mazars LLP<br>Apex House<br>9 Haddington Place<br>Edinburgh<br>EH7 4AL |                          |
| <b>Business address</b>  | 21 Manor Place<br>Edinburgh<br>EH3 7DX                                 |                          |
| <b>Bankers</b>           | Bank of Scotland<br>2 North Junction Street<br>Edinburgh<br>EH6 6HN    |                          |
| <b>Solicitors</b>        | Dickson Minto WS<br>16 Charlotte Square<br>Edinburgh<br>EH2 4DF        |                          |

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# BALMORAL ASSET MANAGEMENT LIMITED

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# BALMORAL ASSET MANAGEMENT LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2004

The directors present their report and financial statements for the year ended 31 December 2004.

### Principal activities and review of the business

The principal activity of the company continued to be that of the provision of independent financial advisory services.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

### Results and dividends

The results for the year are set out on page 5.

An interim ordinary dividend was paid amounting to £89,800. The directors do not recommend payment of a final dividend.

### Future developments

The directors are hopeful that profits will continue to increase during the current year.

### Directors

The following directors have held office since 1 January 2004:

|                   |                          |
|-------------------|--------------------------|
| Stuart Macdonald  |                          |
| Alan Reid         | (Appointed 15 July 2004) |
| Mark Burrell      | (Appointed 15 July 2004) |
| Allison Macdonald | (Resigned 15 July 2004)  |

### Directors' interests

The directors' interests in the shares of the company were as stated below:

|                  | Ordinary Shares Class A of £ 1 each |                |
|------------------|-------------------------------------|----------------|
|                  | 31 December 2004                    | 1 January 2004 |
| Stuart Macdonald | 62                                  | 31             |
| Alan Reid        | -                                   | -              |
| Mark Burrell     | -                                   | -              |

|                  | Ordinary Shares Class B of £ 1 each |                |
|------------------|-------------------------------------|----------------|
|                  | 31 December 2004                    | 1 January 2004 |
| Stuart Macdonald | 19                                  | 18             |
| Alan Reid        | 10                                  | -              |
| Mark Burrell     | 3                                   | -              |

| Charitable donations | 2004 | 2003 |
|----------------------|------|------|
|                      | £    | £    |

During the year the company made the following payments:

|                      |     |   |
|----------------------|-----|---|
| Charitable donations | 950 | - |
|----------------------|-----|---|

# BALMORAL ASSET MANAGEMENT LIMITED

## **DIRECTORS' REPORT (CONTINUED)** **FOR THE YEAR ENDED 31 DECEMBER 2004**

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### **Auditors**

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Mazars LLP be reappointed as auditors of the company will be put to the Annual General Meeting.

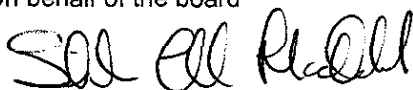
### **Directors' responsibilities**

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 period. In preparing those 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;
- 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.

On behalf of the board



Stuart Macdonald

**Director**

15 April 2005

# BALMORAL ASSET MANAGEMENT LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BALMORAL ASSET MANAGEMENT LIMITED

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We have audited the financial statements of Balmoral Asset Management Limited, which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement and related notes, for the year ended 31 December 2004. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

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 auditors' 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 the directors and auditors**

As described in the Statement of Directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and 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 our 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.

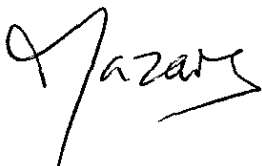
# **BALMORAL ASSET MANAGEMENT LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF BALMORAL ASSET MANAGEMENT LIMITED**

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### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Mazars LLP**

**Chartered Accountants and Registered Auditors**

Apex House  
9 Haddington Place  
Edinburgh  
UK  
EH7 4AL

# BALMORAL ASSET MANAGEMENT LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2004

|                                                      | Notes | 2004<br>£      | 2003<br>£      |
|------------------------------------------------------|-------|----------------|----------------|
| Turnover                                             | 2     | 881,180        | 444,332        |
| Cost of sales                                        |       | (346,063)      | (171,520)      |
| <b>Gross profit</b>                                  |       | <b>535,117</b> | <b>272,812</b> |
| Administrative expenses                              |       | (327,257)      | (231,853)      |
| <b>Operating profit</b>                              | 3     | <b>207,860</b> | <b>40,959</b>  |
| Other interest receivable and similar income         |       | 360            | 2              |
| Interest payable and similar charges                 | 4     | -              | (1,791)        |
| <b>Profit on ordinary activities before taxation</b> |       | <b>208,220</b> | <b>39,170</b>  |
| Tax on profit on ordinary activities                 | 5     | (43,710)       | (9,254)        |
| <b>Profit on ordinary activities after taxation</b>  |       | <b>164,510</b> | <b>29,916</b>  |
| Dividends                                            | 6     | (89,800)       | (30,400)       |
| <b>Retained profit/(loss) for the year</b>           | 14    | <b>74,710</b>  | <b>(484)</b>   |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

# BALMORAL ASSET MANAGEMENT LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2004

|                                                       | Notes | 2004<br>£        | £             | 2003<br>£        | £             |
|-------------------------------------------------------|-------|------------------|---------------|------------------|---------------|
| <b>Fixed assets</b>                                   |       |                  |               |                  |               |
| Tangible assets                                       | 7     | 12,826           |               | 12,875           |               |
| Investments                                           | 8     | 20,000           |               | 20,000           |               |
|                                                       |       | <u>32,826</u>    |               | <u>32,875</u>    |               |
| <b>Current assets</b>                                 |       |                  |               |                  |               |
| Stocks                                                | 9     | 1,140            |               | 527              |               |
| Debtors                                               | 10    | 211,848          |               | 81,271           |               |
| Cash at bank and in hand                              |       | 24,035           |               | 83               |               |
|                                                       |       | <u>237,023</u>   |               | <u>81,881</u>    |               |
| <b>Creditors: amounts falling due within one year</b> | 11    | <u>(181,973)</u> |               | <u>(101,590)</u> |               |
| <b>Net current assets/(liabilities)</b>               |       |                  | 55,050        |                  | (19,709)      |
| <b>Total assets less current liabilities</b>          |       |                  | <u>87,876</u> |                  | <u>13,166</u> |
| <b>Capital and reserves</b>                           |       |                  |               |                  |               |
| Called up share capital                               | 13    | 100              |               | 100              |               |
| Profit and loss account                               | 14    | 87,776           |               | 13,066           |               |
| <b>Shareholders' funds - equity interests</b>         | 15    | <u>87,876</u>    |               | <u>13,166</u>    |               |

The financial statements were approved by the Board on 15 April 2005



Stuart Macdonald  
Director

# BALMORAL ASSET MANAGEMENT LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2004

|                                                                                      | £       | 2004<br>£ | £       | 2003<br>£ |
|--------------------------------------------------------------------------------------|---------|-----------|---------|-----------|
| <b>Net cash inflow from operating activities</b>                                     |         | 154,593   |         | 26,456    |
| <b>Returns on investments and servicing of finance</b>                               |         |           |         |           |
| Interest received                                                                    | 360     |           | 2       |           |
| Interest paid                                                                        | -       |           | (1,791) |           |
|                                                                                      |         |           |         |           |
| <b>Net cash inflow/(outflow) for returns on investments and servicing of finance</b> |         | 360       |         | (1,789)   |
| <b>Taxation</b>                                                                      |         | (10,047)  |         | (151)     |
| <b>Capital expenditure</b>                                                           |         |           |         |           |
| Payments to acquire tangible assets                                                  | (9,613) |           | -       |           |
|                                                                                      |         |           |         |           |
| <b>Net cash outflow for capital expenditure</b>                                      |         | (9,613)   |         | -         |
| <b>Equity dividends paid</b>                                                         |         | (89,800)  |         | (30,400)  |
|                                                                                      |         |           |         |           |
| <b>Net cash inflow/(outflow) before management of liquid resources and financing</b> |         | 45,493    |         | (5,884)   |
|                                                                                      |         |           |         |           |
| <b>Increase/(decrease) in cash in the year</b>                                       |         | 45,493    |         | (5,884)   |

# BALMORAL ASSET MANAGEMENT LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2004

|   |                                                                                 |  |           |          |
|---|---------------------------------------------------------------------------------|--|-----------|----------|
| 1 | Reconciliation of operating profit to net cash inflow from operating activities |  | 2004      | 2003     |
|   |                                                                                 |  | £         | £        |
|   | Operating profit                                                                |  | 207,860   | 40,959   |
|   | Depreciation of tangible assets                                                 |  | 9,663     | 8,964    |
|   | (Increase)/decrease in stocks                                                   |  | (613)     | 223      |
|   | Increase in debtors                                                             |  | (130,577) | (28,817) |
|   | Increase in creditors within one year                                           |  | 68,260    | 5,127    |
|   | Net cash inflow from operating activities                                       |  | 154,593   | 26,456   |

|   |                              |                |           |                        |                  |
|---|------------------------------|----------------|-----------|------------------------|------------------|
| 2 | Analysis of net funds/(debt) | 1 January 2004 | Cash flow | Other non-cash changes | 31 December 2004 |
|   |                              | £              | £         | £                      | £                |
|   | Net cash:                    |                |           |                        |                  |
|   | Cash at bank and in hand     | 83             | 23,952    | -                      | 24,035           |
|   | Bank overdrafts              | (21,541)       | 21,541    | -                      | -                |
|   |                              | (21,458)       | 45,493    | -                      | 24,035           |
|   | Net (debt)/funds             | (21,458)       | 45,493    | -                      | 24,035           |

|   |                                                                 |          |          |
|---|-----------------------------------------------------------------|----------|----------|
| 3 | Reconciliation of net cash flow to movement in net funds/(debt) | 2004     | 2003     |
|   |                                                                 | £        | £        |
|   | Increase/(decrease) in cash in the year                         | 45,493   | (5,884)  |
|   | Movement in net funds/(debt) in the year                        | 45,493   | (5,884)  |
|   | Opening net debt                                                | (21,458) | (15,574) |
|   | Closing net funds/(debt)                                        | 24,035   | (21,458) |

# BALMORAL ASSET MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable UK accounting standards.

#### 1.3 Turnover

Turnover represents amounts receivable for services provided.

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

|                                |                   |
|--------------------------------|-------------------|
| Plant and machinery            | 25% straight line |
| Fixtures, fittings & equipment | 25% straight line |

#### 1.5 Investments

Fixed asset investments are stated at cost.

#### 1.6 Stock

Stock is valued at the lower of cost and net realisable value.

#### 1.7 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

#### 1.8 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted. *This accounting treatment is in accordance with FRS 19.*

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

### 3 Operating profit

|                                            | 2004              | 2003              |
|--------------------------------------------|-------------------|-------------------|
|                                            | £                 | £                 |
| Operating profit is stated after charging: |                   |                   |
| Depreciation of tangible assets            | 9,663             | 8,964             |
| Auditors' remuneration                     | 3,000             | 3,000             |
|                                            | <u>          </u> | <u>          </u> |

# BALMORAL ASSET MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

|          |                                                                                                                          |                |               |
|----------|--------------------------------------------------------------------------------------------------------------------------|----------------|---------------|
| <b>4</b> | <b>Interest payable</b>                                                                                                  | <b>2004</b>    | <b>2003</b>   |
|          |                                                                                                                          | <b>£</b>       | <b>£</b>      |
|          | On bank loans and overdrafts                                                                                             | -              | 1,690         |
|          | On overdue tax                                                                                                           | -              | 101           |
|          |                                                                                                                          | <u>-</u>       | <u>1,791</u>  |
| <b>5</b> | <b>Taxation</b>                                                                                                          | <b>2004</b>    | <b>2003</b>   |
|          |                                                                                                                          | <b>£</b>       | <b>£</b>      |
|          | <b>Domestic current year tax</b>                                                                                         |                |               |
|          | U.K. corporation tax                                                                                                     | 43,710         | 10,047        |
|          | Adjustment for prior years                                                                                               | -              | 151           |
|          |                                                                                                                          | <u>43,710</u>  | <u>10,198</u> |
|          | <b>Current tax charge</b>                                                                                                |                |               |
|          |                                                                                                                          | 43,710         | 10,198        |
|          | <b>Deferred tax</b>                                                                                                      |                |               |
|          | Deferred tax credit in respect of accelerated capital allowances                                                         | -              | (944)         |
|          |                                                                                                                          | <u>-</u>       | <u>(944)</u>  |
|          | <b>Tax charge in period</b>                                                                                              | <u>43,710</u>  | <u>9,254</u>  |
|          | <b>Factors affecting the tax charge for the year</b>                                                                     |                |               |
|          | Profit on ordinary activities before taxation                                                                            | 208,220        | 39,170        |
|          |                                                                                                                          | <u>208,220</u> | <u>39,170</u> |
|          | Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2003: 19.00%) | 39,562         | 7,442         |
|          |                                                                                                                          | <u>39,562</u>  | <u>7,442</u>  |
|          | Effects of:                                                                                                              |                |               |
|          | Non deductible expenses                                                                                                  | 3,488          | 1,404         |
|          | Depreciation add back                                                                                                    | 1,836          | 1,704         |
|          | Capital allowances                                                                                                       | (1,176)        | (503)         |
|          | Previous year adjustment                                                                                                 | -              | 151           |
|          |                                                                                                                          | <u>4,148</u>   | <u>2,756</u>  |
|          | <b>Current tax charge</b>                                                                                                | <u>43,710</u>  | <u>10,198</u> |
| <b>6</b> | <b>Dividends</b>                                                                                                         | <b>2004</b>    | <b>2003</b>   |
|          |                                                                                                                          | <b>£</b>       | <b>£</b>      |
|          | Interim dividends paid on ordinary A shares                                                                              | 89,800         | 30,400        |
|          |                                                                                                                          | <u>89,800</u>  | <u>30,400</u> |

# BALMORAL ASSET MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

### 7 Tangible fixed assets

|                       | Plant and<br>machinery<br>£ | Fixtures,<br>fittings &<br>equipment<br>£ | Total<br>£ |
|-----------------------|-----------------------------|-------------------------------------------|------------|
| <b>Cost</b>           |                             |                                           |            |
| At 1 January 2004     | 17,713                      | 22,151                                    | 39,864     |
| Additions             | 4,125                       | 5,488                                     | 9,613      |
| At 31 December 2004   | 21,838                      | 27,639                                    | 49,477     |
| <b>Depreciation</b>   |                             |                                           |            |
| At 1 January 2004     | 14,424                      | 12,565                                    | 26,989     |
| Charge for the year   | 2,807                       | 6,855                                     | 9,662      |
| At 31 December 2004   | 17,231                      | 19,420                                    | 36,651     |
| <b>Net book value</b> |                             |                                           |            |
| At 31 December 2004   | 4,607                       | 8,219                                     | 12,826     |
| At 31 December 2003   | 3,289                       | 9,586                                     | 12,875     |

### 8 Fixed asset investments

|                                         | Unlisted<br>investments<br>£ |
|-----------------------------------------|------------------------------|
| <b>Cost</b>                             |                              |
| At 1 January 2004 & at 31 December 2004 | 20,000                       |

### 9 Stocks

|             | 2004<br>£ | 2003<br>£ |
|-------------|-----------|-----------|
| Consumables | 1,140     | 527       |

# BALMORAL ASSET MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

| 10 Debtors                     | 2004<br>£      | 2003<br>£     |
|--------------------------------|----------------|---------------|
| Trade debtors                  | 173,263        | 65,131        |
| Other debtors                  | 3,721          | -             |
| Prepayments and accrued income | 34,864         | 16,140        |
|                                | <u>211,848</u> | <u>81,271</u> |

| 11 Creditors: amounts falling due within one year | 2004<br>£      | 2003<br>£      |
|---------------------------------------------------|----------------|----------------|
| Bank loans and overdrafts                         | -              | 21,541         |
| Trade creditors                                   | 117,680        | 60,902         |
| Corporation tax                                   | 43,710         | 10,047         |
| Other taxes and social security costs             | 13,232         | 3,301          |
| Accruals and deferred income                      | 7,351          | 5,799          |
|                                                   | <u>181,973</u> | <u>101,590</u> |

The bank overdraft is secured by means of a personal guarantee from Stuart Macdonald, company director.

Included in trade creditors are amounts due to the directors in respect of commissions payable of £67,962 (2003 - £22,309).

## 12 Pension costs

### Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

|                                                   | 2004<br>£     | 2003<br>£    |
|---------------------------------------------------|---------------|--------------|
| Contributions payable by the company for the year | <u>21,750</u> | <u>7,000</u> |

# BALMORAL ASSET MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

| 13 Share capital                              | 2004<br>£     | 2003<br>£     |
|-----------------------------------------------|---------------|---------------|
| <b>Authorised</b>                             |               |               |
| 10,000 Ordinary Shares Class A of £1 each     | 10,000        | 10,000        |
| 10,000 Ordinary Shares Class B of £1 each     | 10,000        | 10,000        |
|                                               | <u>20,000</u> | <u>20,000</u> |
| <br><b>Allotted, called up and fully paid</b> |               |               |
| 68 Ordinary Shares Class A of £1 each         | 68            | 68            |
| 32 Ordinary Shares Class B of £1 each         | 32            | 32            |
|                                               | <u>100</u>    | <u>100</u>    |

A and B shares carry the same rights in respect of voting and dividends. However, only A shareholders may appoint directors.

B shares have restricted transferability and are subject to mandatory offer from A shareholders under certain circumstances.

### 14 Statement of movements on profit and loss account

|                              | Profit and<br>loss<br>account<br>£ |
|------------------------------|------------------------------------|
| Balance at 1 January 2004    | 13,066                             |
| Retained profit for the year | 74,710                             |
|                              | <u>87,776</u>                      |
| Balance at 31 December 2004  |                                    |

| 15 Reconciliation of movements in shareholders' funds | 2004<br>£     | 2003<br>£     |
|-------------------------------------------------------|---------------|---------------|
| Profit for the financial year                         | 164,510       | 29,916        |
| Dividends                                             | (89,800)      | (30,400)      |
|                                                       | <u>74,710</u> | <u>(484)</u>  |
| Net addition to/(depletion in) shareholders' funds    | 13,166        | 13,650        |
| Opening shareholders' funds                           |               |               |
|                                                       | <u>87,876</u> | <u>13,166</u> |
| Closing shareholders' funds                           |               |               |

# BALMORAL ASSET MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

| 16 Directors' emoluments                                | 2004<br>£      | 2003<br>£     |
|---------------------------------------------------------|----------------|---------------|
| Emoluments for qualifying services                      | 135,006        | 54,000        |
| Company pension contributions to money purchase schemes | 21,750         | 7,000         |
|                                                         | <u>156,756</u> | <u>61,000</u> |

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2003- 2).

### 17 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

|                | 2004<br>Number | 2003<br>Number |
|----------------|----------------|----------------|
| Fee earning    | 5              | 3              |
| Administration | 4              | 2              |
|                | <u>9</u>       | <u>5</u>       |

#### Employment costs

|                       | £              | £              |
|-----------------------|----------------|----------------|
| Wages and salaries    | 262,912        | 110,307        |
| Social security costs | 30,014         | 13,490         |
| Other pension costs   | 21,750         | 7,000          |
|                       | <u>314,676</u> | <u>130,797</u> |