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COMPANY NUMBER 2645833

J.S.P. FINANCIAL SERVICES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH NOVEMBER 2004



REPORT OF THE DIRECTORS TO THE MEMBERS OF

J.S.P. FINANCIAL SERVICES LIMITED

The Directors present their report, together with the Audited Financial Statements of the company for the year ended 30th November 2004.

STATEMENT OF 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 judgments 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 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.

PRINCIPAL ACTIVITY

The company continued to provide financial services both to corporate and private clients within the United Kingdom.

RESULTS AND APPROPRIATIONS

The Net Trading Profit prior to any adjustments for tax or appropriations was £46,257. Interim dividends totalling £8.56 per share were paid during the year but no final dividend was paid or proposed. The surplus will be transferred to reserves.

REVIEW OF THE FINANCIAL POSITION

The Directors consider that the state of the company's affairs is satisfactory.

DIRECTORS

The Directors holding office during the year and their interests, including family interests, in the share capital of the company were as follows:-

<u>DIRECTORS</u>	<u>DESCRIPTION OF SHARES</u>	<u>At 30.11.04</u>	<u>At 30.11.03</u>
J. Perry	Ordinary £1	1,870	1,870
S. Perry	Ordinary £1	1,870	1,870

REPORT OF THE DIRECTORS (CONT'D)

J.S.P. FINANCIAL SERVICES LIMITED

AUDITORS

Polyandra Ltd, formerly Patrick Charles & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

On behalf of the Board



J. Perry
Director

Date.....24/8/05.....

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

J.S.P. FINANCIAL SERVICES LIMITED

We have audited the financial statements of J.S.P Financial Services Limited for the year ended 30th November 2004 on pages 4 to 11. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 8.

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 that 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 work, or the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities on page 1, the company's directors are responsible for the preparation of 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 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 judgments 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 the information in the financial statements.

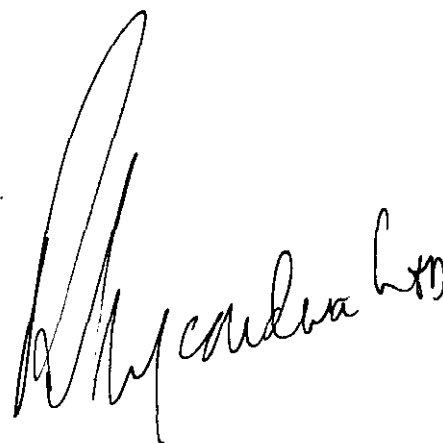
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

J.S.P. FINANCIAL SERVICES LIMITED (CONT'D)

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30th November 2004 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

HAMMOND HOUSE,
2259/61 COVENTRY ROAD,
SHELDON,
BIRMINGHAM,
B26 3PA.

A large, stylized handwritten signature in black ink, appearing to read 'Polyandra Ltd'.

POLYANDRA LTD.,
REGISTERED AUDITORS AND
CERTIFIED ACCOUNTANTS.

24th August 2005

J.S.P. FINANCIAL SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH NOVEMBER 2004

	<u>Notes</u>	<u>2004</u> <u>£</u>	<u>2003</u> <u>£</u>
Turnover	1(e)	101,521	111,790
Cost of Sales		<u>(4,387)</u>	<u>(8,480)</u>
GROSS PROFIT		97,134	103,310
Administrative expenses		<u>(51,205)</u>	<u>(56,753)</u>
OPERATING PROFIT	2	45,929	46,557
Interest receivable and similar income		418	35
Interest payable and similar charges	3	<u>(90)</u>	<u>(77)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		46,257	46,515
Tax on profit on ordinary activities	5	<u>(8,707)</u>	<u>(8,660)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		37,550	37,855
Dividends	6	<u>(32,000)</u>	<u>(37,000)</u>
		5,550	855
Retained profits brought forward		<u>7,747</u>	<u>6,892</u>
Retained profits carried forward		£ <u>13,297</u>	£ <u>7,747</u>

None of the company's activities were acquired or discontinued during the year and there were no recognised gains or losses for 2003 or 2004 other than those included in the profit and loss account.

J.S.P. FINANCIAL SERVICES LIMITED

BALANCE SHEET AS AT 30TH NOVEMBER 2004

	<u>Notes</u>	<u>2004</u> <u>£</u>	<u>2003</u> <u>£</u>
FIXED ASSETS			
Tangible assets	7	1,706	2,229
Investments		<u>2,760</u>	<u>-</u>
		<u>4,466</u>	<u>2,229</u>
CURRENT ASSETS			
Debtors	8	28,551	29,337
Cash at bank and in hand		<u>23,295</u>	<u>10,115</u>
		51,846	39,452
CREDITORS – amounts falling due within one year	9	<u>(39,072)</u>	<u>(29,932)</u>
NET CURRENT ASSETS		<u>12,774</u>	<u>9,520</u>
Total Assets less Current Liabilities		17,240	11,749
Provision for liabilities and charges	10	<u>(203)</u>	<u>(262)</u>
		<u>£17,037</u>	<u>£11,487</u>
CAPITAL AND RESERVES			
Called up share capital	11	3,740	3,740
Profit and Loss Account		<u>13,297</u>	<u>7,747</u>
SHAREHOLDERS' FUNDS	12	<u>£17,037</u>	<u>£11,487</u>

The Board of Directors approved these financial statements on.....24/11/05.....

.......... Director

J.S.P. FINANCIAL SERVICES LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30TH NOVEMBER 2004

RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATIONS	<u>2004</u> <u>£</u>	<u>2003</u> <u>£</u>
Operating Profit	45,929	46,557
Depreciation charges	523	678
Decrease/(Increase) in debtors	786	(5,009)
Increase in creditors	<u>8,880</u>	<u>16,877</u>
NET CASH FLOW FROM OPERATIONS	<u>56,118</u>	<u>59,103</u>

CASH FLOW STATEMENT

Net cash inflow from operations	56,118	59,103
Returns on investments and servicing of finance (See Note 13)	328	(42)
Taxation	(8,506)	(12,944)
Equity dividends paid	(32,000)	(37,000)
Capital expenditure and financial investments	<u>(2,760)</u>	<u>(1,934)</u>
INCREASE IN CASH	<u>13,180</u>	<u>7,183</u>

RECONCILIATION OF NET CASH FLOW TO
MOVEMENT IN NET DEBT

Increase in cash in the year	13,180	7,183
Net cash at 01.12.03	<u>10,115</u>	<u>2,932</u>
Net cash at 30.11.04	<u>23,295</u>	<u>10,115</u>

J.S.P. FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

(a) Accounting Convention

The financial statements have been prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

(b) Fixed Assets

The cost of fixed assets is written off on the reducing balance method at the following rates:-

Fixtures, fittings and equipment	15% per annum
Computer equipment	25% per annum

(c) Pensions

The company operates a defined contribution pension scheme. Amounts payable are charged to the profit and loss account as they fall due.

(d) Deferred Taxation

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are recognised only to the extent that the director considers that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and the law enacted or substantively enacted at the balance sheet date.

(e) Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, excluding value added tax.

2. OPERATING PROFIT	<u>2004</u>	<u>2003</u>
	<u>£</u>	<u>£</u>
This is stated after charging:-		
Directors' emoluments	20,248	23,677
Auditors' remuneration	2,573	2,327
Depreciation of fixed assets	<u>483</u>	<u>643</u>

J.S.P. FINANCIAL SERVICES LIMITED

NOTES (CONT'D)

3.	INTEREST PAYABLE AND SIMILAR CHARGES	<u>2004</u>	<u>2003</u>
		<u>£</u>	<u>£</u>
	Bank loans, overdrafts and other loans wholly repayable within five years	<u>90</u>	<u>77</u>
4.	DIRECTORS AND STAFF	<u>2004</u>	<u>2003</u>
		<u>£</u>	<u>£</u>
(a)	Directors remuneration		
	Fees	17,448	21,577
	Pension contributions	<u>2,800</u>	<u>2,100</u>
		<u>20,248</u>	<u>23,677</u>
(b)	Staff numbers and costs	<u>£</u>	<u>£</u>
	Wages and salaries	17,448	21,577
	Social security costs	1,053	1,474
	Pension contributions	<u>2,800</u>	<u>2,100</u>
		<u>21,301</u>	<u>25,151</u>

The average monthly number of employees during the year was 2 (2003 – 2), made up as follows:-

	<u>2004</u>	<u>2003</u>
	<u>2</u>	<u>2</u>
Office and management		

5.	TAX ON PROFIT ON ORDINARY ACTIVITIES	<u>2004</u>	<u>2003</u>
		<u>£</u>	<u>£</u>
	Based on profits for the year at 19% (2003 – 19%)		
	United Kingdom Corporation Tax	8,766	8,398
	Transfer to deferred taxation	<u>(59)</u>	<u>262</u>
		<u>8,707</u>	<u>8,660</u>

The tax assessed for the year is lower than the standard rate of UK taxation applicable to the company of 19%. The differences are explained below:-

	<u>2004</u>	<u>2003</u>
	<u>£</u>	<u>£</u>
Profit on ordinary activities before taxation	<u>46,257</u>	<u>46,515</u>
Profit on ordinary activities multiplied by the standard rate of 19%	8,789	8,837
Expenses not deductible for tax purposes	20	21
Depreciation in excess of capital allowances	59	(212)
Marginal start rate relief	<u>(102)</u>	<u>(248)</u>
Current tax charge for the year	<u>8,766</u>	<u>8,398</u>

J.S.P. FINANCIAL SERVICES LIMITED

NOTES (CONT'D)

6.	DIVIDENDS		<u>2004</u> <u>£</u>	<u>2003</u> <u>£</u>
	Interim dividends		<u>32,000</u>	<u>37,000</u>
7.	TANGIBLE ASSETS	Computer Equipment	Fixtures, Fittings and Equipment	Total
	COST			
	At 1 st December 2003	5,788	1,308	7,096
	Disposals during the year	(645)	-	(645)
	At 30 th November 2004	<u>5,143</u>	<u>1,308</u>	<u>6,451</u>
	DEPRECIATION			
	At 1 st December 2003	4,203	664	4,867
	Eliminated on disposal	(605)	-	(605)
	Charge for the year	<u>386</u>	<u>97</u>	<u>483</u>
	At 30 th November 2004	<u>3,984</u>	<u>761</u>	<u>4,745</u>
	NET BOOK VALUES			
	At 30 th November 2004	<u>£1,159</u>	<u>£ 547</u>	<u>£1,706</u>
	At 30 th November 2003	<u>£1,585</u>	<u>£ 644</u>	<u>£2,229</u>
8.	DEBTORS		<u>2004</u> <u>£</u>	<u>2003</u> <u>£</u>
	Due within one year			
	Trade debtors		27,182	28,667
	Prepayments and accrued income		<u>1,369</u>	<u>670</u>
			<u>28,551</u>	<u>29,337</u>
9.	CREDITORS – amounts falling due within one year		<u>2004</u> <u>£</u>	<u>2003</u> <u>£</u>
	Trade creditors		1,847	15,184
	Taxation and social security		8,777	8,845
	Accruals and deferred income		2,414	2,842
	Directors' Loan account (see note 13)		<u>26,034</u>	<u>3,061</u>
			<u>39,072</u>	<u>29,932</u>

J.S.P. FINANCIAL SERVICES LIMITED

NOTES (CONT'D)

10. PROVISION FOR LIABILITIES AND CHARGES

Deferred Taxation

The provision for deferred taxation is made up as follows:-

	<u>2004</u>		<u>2003</u>	
	<u>Provided</u>	<u>Full Potential Liability</u>	<u>Provided</u>	<u>Full Potential Liability</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Capital allowances in excess of depreciation provision	<u>203</u>	<u>203</u>	<u>262</u>	<u>262</u>
11. CALLED UP SHARE CAPITAL			<u>2004</u>	<u>2003</u>
			<u>£</u>	<u>£</u>
Authorised ordinary shares of £1 each			<u>3,838</u>	<u>3,838</u>
Issued and fully paid			<u>3,740</u>	<u>3,740</u>
12. MOVEMENT ON SHAREHOLDERS' FUNDS			<u>2004</u>	<u>2003</u>
			<u>£</u>	<u>£</u>
Profit for the year			37,550	37,855
Less: Dividends paid			(32,000)	(37,000)
Net increase in shareholders' funds			5,550	855
Opening shareholders' funds			<u>11,487</u>	<u>10,632</u>
Closing shareholders' funds			<u>17,037</u>	<u>11,487</u>
13. GROSS CASH FLOW			<u>2004</u>	<u>2003</u>
			<u>£</u>	<u>£</u>
Returns on investments and servicing of finance:				
Interest receivable and similar income			418	35
Interest paid			<u>(90)</u>	<u>(77)</u>
			<u>328</u>	<u>(42)</u>

J.S.P. FINANCIAL SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH NOVEMBER 2004

	<u>£</u>	<u>2004</u>	<u>£</u>	<u>£</u>	<u>2003</u>	<u>£</u>
<u>COMMISSION AND FEES RECEIVED</u>			101,521			111,790
<u>LESS:</u> Commission paid	3,334			8,480		
Claim settlement	<u>1,053</u>			<u>-</u>		
			<u>4,387</u>			<u>8,480</u>
<u>GROSS PROFIT</u>			97,134			103,310
<u>ADD :</u> Interest received			<u>418</u>			<u>35</u>
			97,552			103,345
<u>LESS : EXPENSES</u>						
Directors' remuneration	17,448			21,577		
Pension contributions	2,800			2,100		
National Insurance	1,053			1,474		
Rent	3,055			3,055		
Insurance	12,235			12,598		
Motor and travelling expenses	1,732			1,725		
Entertaining	105			110		
Printing, stationery and postage	3,041			3,284		
Marketing	25			70		
Subscriptions and periodicals	4,065			4,285		
Telephone	1,996			2,423		
Audit and accountancy	2,162			2,327		
Bank charges and interest	405			390		
Sundries	650			734		
Depreciation	483			643		
Loss on disposal of fixed assets	<u>40</u>			<u>35</u>		
			<u>51,295</u>			<u>56,830</u>
<u>NET PROFIT FOR THE YEAR</u>			<u>£ 46,257</u>			<u>£ 46,515</u>