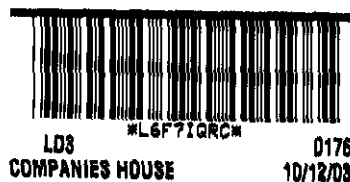


JH VAT SERVICES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2003



JH VAT SERVICES LIMITED

FINANCIAL STATEMENTS

For the year ended 30 JUNE 2003

Company registration number:	2788589
Registered office:	120 East Road London N1 6AA
Directors:	N Dolby A Davis L Spencer
Secretary:	N Dolby
Bankers:	HSBC Bank PLC 27 - 32 Poultry London EC2P 2BX
Solicitors:	Eversheds LLP Senator House 85 Queen Victoria Street London EC4V 4JL
Auditors:	Grant Thornton Registered Auditors Chartered Accountants Grant Thornton House Melton Street Euston Square London NW1 2EP

JH VAT SERVICES LIMITED

FINANCIAL STATEMENTS

For the year ended 30 JUNE 2003

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JH VAT SERVICES LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements for the year ended 30 June 2003.

Principal activity

The principal activity of the company continued to be that of providing VAT, statutory, and corporate advisory agency services.

Business review

There was a profit for the period after taxation amounting to £978 (2002: £96,395). The directors do not recommend the payment of a dividend.

On 20 October 2002 the trade together with the assets excluding the trade debtors and liabilities of the company were transferred to Stanley Davis Group Limited. From this date the company ceased to trade.

Directors

The membership of the Board during the year is set out below.

The interests of the directors and their families in the shares of the company as at 1 July 2002 and 30 June 2003 were as follows:

	Ordinary shares of £1 each	
	30 June 2003	1 July 2002
N Dolby	-	-
A Davis	-	-
L Spencer	-	-

Directors' responsibilities for the financial statements

United Kingdom company law requires the directors to prepare financial statements for each financial period 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
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

JH VAT SERVICES LIMITED

REPORT OF THE DIRECTORS

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



Neil Dolby
Secretary

21 October 2003

JH VAT SERVICES LIMITED**PROFIT AND LOSS ACCOUNT**

For the year ended 30 JUNE 2003

		Year ended 30 June 2003 £	9 month period ended 30 June 2002 £
Turnover	1	157,067	613,783
Costs of sales		<u>(92,860)</u>	<u>(209,030)</u>
Gross profit		64,207	404,753
Administrative expenses		<u>(63,229)</u>	<u>(526,865)</u>
Operating profit/(loss)		978	(122,112)
Interest payable and similar charges	3	-	(3)
Interest receivable and similar income		<u>-</u>	<u>70</u>
Profit/(loss) on ordinary activities before taxation		978	(122,045)
Tax on profit/(loss) on ordinary activities	5	<u>-</u>	<u>25,650</u>
Profit/(loss) on ordinary activities after taxation		978	(96,395)
Profit/(loss) retained and transferred to/(from) reserves	10	<u>978</u>	<u>(96,395)</u>

All transactions arise from continuing operations.

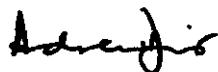
There were no recognised gains or losses other than the profit for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.

JH VAT SERVICES LIMITED**BALANCE SHEET AT 30 JUNE 2003**

	Note	2003 £	2002 £
Current assets			
Debtors	6	181,904	1,520,353
Cash at bank and in hand		-	17,466
		<u>181,904</u>	<u>1,537,819</u>
Creditors: amounts falling due within one year	7	<u>(73,252)</u>	<u>(1,430,145)</u>
Total assets less current liabilities		<u>108,652</u>	<u>107,674</u>
 Capital and reserves			
Called up share capital	8	2	2
Profit and loss account	9	<u>108,650</u>	<u>107,672</u>
Shareholders' funds	10	<u>108,652</u>	<u>107,674</u>

The financial statements were approved by the Board of Directors on **21 - 10** 2003



A Davis - Director

The accompanying accounting policies and notes form an integral part of these financial statements.

JH VAT SERVICES LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

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

The principal accounting policies of the company are set out below. The policies have remained unchanged from the previous period.

TURNOVER

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

DEFERRED TAXATION

Deferred tax is recognised on all timing differences where the transactions or events that give the group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

JH VAT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 JUNE 2003

1 TURNOVER

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

2 OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging:

	Year ended 30 June 2003 £	9 month period ended 30 June 2002 £
Auditors' remuneration:		
Audit services	<u>3,750</u>	<u>6,500</u>

3 INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 30 June 2003 £	9 month period ended 30 June 2002 £
On overdue tax	<u>-</u>	<u>3</u>

4 DIRECTORS AND EMPLOYEES

There were no employees during the year apart from the directors.

5 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

The tax charge is based on the result for the year and represents:

	Year ended 30 June 2003 £	9 month period ended 30 June 2002 £
United Kingdom corporation tax at 20% (2002: 20%)	<u>-</u>	<u>(25,650)</u>

JH VAT SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 JUNE 2003

TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES (CONTINUED)

	2003 £	2002 £
Profit/(loss) before tax	978	(122,045)
Tax at 20% (2002: 19%)	-	(23,189)
Effect of:		
Difference in tax rates	-	(2,461)
	-	(25,650)

6 DEBTORS

	2003 £	2002 £
Trade debtors	29,051	223,663
Other debtors	95	41,264
Amounts owed by group undertakings	152,758	1,237,193
Prepayments and accrued income	-	18,233
	<u>181,904</u>	<u>1,520,353</u>

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Trade creditors	-	59,129
Amounts owed by group undertakings	73,252	-
Corporation tax	-	21,405
Other creditors	-	9,341
Accruals and deferred income	-	1,340,270
	<u>73,252</u>	<u>1,430,145</u>

8 SHARE CAPITAL

	2003 £	2002 £
Authorised		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

JH VAT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 JUNE 2003

9 RESERVES

	Profit and loss account £
At 1 July 2002	107,672
Retained profit for the year	978
At 30 June 2003	<u>108,650</u>

10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003 £	2002 £
Profit/(loss) for the financial year	978	(96,395)
Shareholders' funds at 1 July 2002	<u>107,674</u>	<u>204,069</u>
Shareholders' funds at 30 June 2003	<u>108,652</u>	<u>107,674</u>

11 CAPITAL COMMITMENTS

The company had no capital commitments 30 June 2003 or 30 June 2002.

12 CONTINGENT LIABILITIES

There were no contingent liabilities at 30 June 2003 or 30 June 2002.

13 TRANSACTIONS WITH DIRECTORS AND OTHER RELATED PARTIES

As a wholly owned subsidiary of Jeffreys Henry Management Services Limited, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by Stanley Davis Group Limited on the grounds that accounts are publicly available from Companies House.

14 ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking of this company is Stanley Davis Group Limited by virtue of its 100% shareholding in Jeffreys Henry Management Services Limited, this company's immediate parent. The ultimate controlling related parties are Stanley Davis and Nigel Lindsay-Fynn by virtue of their shareholding in the parent company.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
JH VAT SERVICES LIMITED**

We have audited the financial statements of JH Vat Services Limited for the year ended 30 June 2003 which comprise the principal accounting policies, the profit and loss account, the balance sheet, and notes 1 to 14. These financial statements have been prepared under 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 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 the directors and auditors

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

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 other information contained in the directors' report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of 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

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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

JH VAT SERVICES LIMITED

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton

GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

27 October 2003