

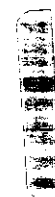
J H FINANCIAL CONSULTANCY LIMITED

Report of the Director and

Financial Statements

for the Year Ended 31 July 2005

Khanna & Co.
Chartered Accountants
& Registered Auditors
3 Bath Court, Bath Row
Edgbaston
Birmingham
B15 1NE



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J H FINANCIAL CONSULTANCY LIMITED

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J H FINANCIAL CONSULTANCY LIMITED

Company Information for the Year Ended 31 July 2005

DIRECTOR: J W Haigh

SECRETARY: Mrs. A L Haigh

REGISTERED OFFICE: 3 Bath Court
Bath Row
Edgbaston
Birmingham
B15 1NE

REGISTERED NUMBER: 3402534

AUDITORS: Khanna & Co.
Chartered Accountants
& Registered Auditors
3 Bath Court, Bath Row
Edgbaston
Birmingham
B15 1NE

BANKERS: Lloyds TSB Bank plc
125 Colmore Row
Birmingham
B3 3SD

J H FINANCIAL CONSULTANCY LIMITED

Report of the Director for the Year Ended 31 July 2005

The director presents his report with the financial statements of the company for the year ended 31 July 2005.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of giving independent financial advice.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

The director is pleased with the increase in profit on ordinary activities before taxation and is confident that the profitability can be maintained for the following year.

DIVIDENDS

An interim dividend of £100 per share was paid on 31 January 2005. The director recommends that no final dividend be paid.

The total distribution of dividends for the year ended 31 July 2005 will be £10,000.

DIRECTOR

J W Haigh was the sole director during the year under review.

His beneficial interest in the issued share capital of the company was as follows:

	31.7.05	1.8.04
Ordinary £1 shares	99	99

Mrs A L Haigh who is the wife of the director owns one ordinary £1 share.

STATEMENT OF 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;
- 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 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 him to ensure that the financial statements comply with the Companies Act 1985. He 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.

J H FINANCIAL CONSULTANCY LIMITED

Report of the Director for the Year Ended 31 July 2005

AUDITORS

The auditors, Khanna & Co., will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



J W Haigh - Director

27 October 2005

**Report of the Independent Auditors to the Shareholders of
J H Financial Consultancy Limited**

We have audited the financial statements of J H Financial Consultancy Limited for the year ended 31 July 2005 on pages five to thirteen. 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 director and auditors

As described on page two the company's director is 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 Report of the Director 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 director's remuneration and transactions with the company is not disclosed.

We read the Report of the Director 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 director 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 July 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Khanna & Co.
Chartered Accountants
& Registered Auditors
3 Bath Court, Bath Row
Edgbaston
Birmingham
B15 1NE

27 October 2005

J H FINANCIAL CONSULTANCY LIMITED

Profit and Loss Account for the Year Ended 31 July 2005

	Notes	2005 £	2004 £
TURNOVER	2	43,241	45,267
Administrative expenses		31,095	43,209
OPERATING PROFIT	4	12,146	2,058
Interest receivable and similar income		85	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		12,231	2,058
Tax on profit on ordinary activities	5	1,596	467
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		10,635	1,591
Dividends	6	10,000	6,000
RETAINED PROFIT/(DEFICIT) FOR THE YEAR		635	(4,409)

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

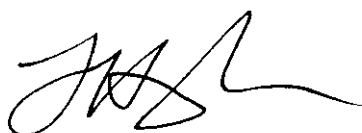
The notes form part of these financial statements

J H FINANCIAL CONSULTANCY LIMITED

Balance Sheet 31 July 2005

	Notes	2005 £	2004 £
FIXED ASSETS			
Tangible assets	7	1,675	2,234
CURRENT ASSETS			
Debtors	8	235	338
Cash at bank		7,394	4,882
		<u>7,629</u>	<u>5,220</u>
CREDITORS			
Amounts falling due within one year	9	7,122	5,812
NET CURRENT ASSETS/(LIABILITIES)		<u>507</u>	<u>(592)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,182</u>	<u>1,642</u>
PROVISIONS FOR LIABILITIES AND CHARGES	11	289	384
		<u>1,893</u>	<u>1,258</u>
CAPITAL AND RESERVES			
Called up share capital	12	100	100
Profit and loss account	13	1,793	1,158
SHAREHOLDERS' FUNDS	16	<u>1,893</u>	<u>1,258</u>

ON BEHALF OF THE BOARD:



J W Haigh - Director

Approved by the Board on 27 October 2005

The notes form part of these financial statements

J H FINANCIAL CONSULTANCY LIMITED

Cash Flow Statement for the Year Ended 31 July 2005

	Notes	2005 £	2004 £
Net cash inflow from operating activities	1	12,427	4,669
Returns on investments and servicing of finance	2	85	-
Taxation		-	(255)
Capital expenditure	2	-	(1,129)
Equity dividends paid		(10,000)	(6,000)
Increase/(Decrease) in cash in the period		<u>2,512</u>	<u>(2,715)</u>
Reconciliation of net cash flow to movement in net funds	3		
Increase/(Decrease) in cash in the period		<u>2,512</u>	<u>(2,715)</u>
Change in net funds resulting from cash flows		<u>2,512</u>	<u>(2,715)</u>
Movement in net funds in the period		<u>2,512</u>	<u>(2,715)</u>
Net funds at 1 August		<u>4,882</u>	<u>7,597</u>
Net funds at 31 July		<u>7,394</u>	<u>4,882</u>

The notes form part of these financial statements

J H FINANCIAL CONSULTANCY LIMITED

Notes to the Cash Flow Statement for the Year Ended 31 July 2005

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2005 £	2004 £
Operating profit	12,146	2,058
Depreciation charges	559	745
Decrease in debtors	103	1,300
(Decrease)/Increase in creditors	(381)	566
Net cash inflow from operating activities	<u><u>12,427</u></u>	<u><u>4,669</u></u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2005 £	2004 £
Returns on investments and servicing of finance		
Interest received	85	-
Net cash inflow for returns on investments and servicing of finance	<u><u>85</u></u>	<u><u>-</u></u>
 Capital expenditure		
Purchase of tangible fixed assets	-	(1,129)
Net cash outflow for capital expenditure	<u><u>-</u></u>	<u><u>(1,129)</u></u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.8.04 £	Cash flow £	At 31.7.05 £
Net cash:			
Cash at bank	4,882	2,512	7,394
	<u><u>4,882</u></u>	<u><u>2,512</u></u>	<u><u>7,394</u></u>
 Total	<u><u>4,882</u></u>	<u><u>2,512</u></u>	<u><u>7,394</u></u>

The notes form part of these financial statements

J H FINANCIAL CONSULTANCY LIMITED

Notes to the Financial Statements for the Year Ended 31 July 2005

1. ACCOUNTING POLICIES

Accounting convention

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

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - 25% on reducing balance

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

3. STAFF COSTS

	2005	2004
	£	£
Wages and salaries	5,059	14,420
Social security costs	445	1,263
	<u>5,504</u>	<u>15,683</u>

The average monthly number of employees during the year was as follows:

	2005	2004
Management	<u>1</u>	<u>1</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	2005	2004
	£	£
Other operating leases	2,256	2,256
Depreciation - owned assets	559	745
Auditors remuneration	650	650
	<u>8,362</u>	<u>17,409</u>
Director's emoluments		

J H FINANCIAL CONSULTANCY LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 July 2005

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2005 £	2004 £
Current tax:		
UK corporation tax	2,071	380
Prior years	(380)	-
	<u>1,691</u>	<u>380</u>
Total current tax		
	(95)	87
	<u>1,596</u>	<u>467</u>
Tax on profit on ordinary activities		

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2005 £	2004 £
Profit on ordinary activities before tax	<u>12,231</u>	<u>2,058</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2004 - 19%)	2,324	391
Effects of:		
Expenses not deductible for tax purposes	64	84
Depreciation in excess of capital allowances	96	(95)
Effect of non corporate distributions	(413)	-
Prior years	(380)	-
	<u>1,691</u>	<u>380</u>
Current tax charge		

6. DIVIDENDS

	2005 £	2004 £
Equity shares:		
Interim	<u>10,000</u>	<u>6,000</u>

J H FINANCIAL CONSULTANCY LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 July 2005

7. TANGIBLE FIXED ASSETS

	Computer equipment £
COST	
At 1 August 2004 and 31 July 2005	5,596
DEPRECIATION	
At 1 August 2004	3,362
Charge for year	559
At 31 July 2005	3,921
NET BOOK VALUE	
At 31 July 2005	1,675
At 31 July 2004	2,234

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Trade debtors	235	338

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Trade creditors	52	-
Tax	2,071	380
Social security and other taxes	-	1,176
Other creditors	4,049	3,306
Accruals and deferred income	950	950
	7,122	5,812

J H FINANCIAL CONSULTANCY LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 July 2005

10. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Other operating leases	
	2005	2004
	£	£
Expiring:		
Within one year	940	-
Between one and five years	-	2,256
	<u>940</u>	<u>2,256</u>

11. PROVISION FOR LIABILITIES AND CHARGES

	2005	2004
	£	£
Deferred tax		
Deferred tax brought forward	384	297
Deferred tax charge in year	(95)	87
	<u>289</u>	<u>384</u>
		Deferred tax
		£
Balance at 1 August 2004		384
Transferred to profit and loss		(95)
		<u>289</u>

12. CALLED UP SHARE CAPITAL

Authorised:			2005	2004
Number:	Class:	Nominal value:	£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2005	2004
			£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

J H FINANCIAL CONSULTANCY LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 July 2005

13. RESERVES

	Profit and loss account £
At 1 August 2004	1,158
Retained profit for the year	635
	<u>1,793</u>
At 31 July 2005	<u>1,793</u>

14. TRANSACTIONS WITH DIRECTOR

The amount due to J W Haigh as at 31 July 2005 is £4,049 (2004:£3,306).

15. ULTIMATE CONTROLLING PARTY

In the opinion of the director, the company is controlled by the director and Mrs A L Haigh.

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005 £	2004 £
Profit for the financial year	10,635	1,591
Dividends	(10,000)	(6,000)
	<u>635</u>	<u>(4,409)</u>
Net addition/(reduction) to shareholders' funds	1,258	5,667
Opening shareholders' funds		
	<u>1,893</u>	<u>1,258</u>
Closing shareholders' funds		
	<u>1,893</u>	<u>1,258</u>
Equity interests		
	<u>1,893</u>	<u>1,258</u>