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Amending

**REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS
FOR THE PERIOD
13TH NOVEMBER 2001 TO 31ST MARCH 2003
FOR
MSM INDEPENDENT FINANCIAL SERVICES LTD**



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MSM INDEPENDENT FINANCIAL SERVICES LTD

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FOR THE PERIOD 13TH NOVEMBER 2001 TO 31ST MARCH 2003**

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MSM INDEPENDENT FINANCIAL SERVICES LTD

COMPANY INFORMATION

FOR THE PERIOD 13TH NOVEMBER 2001 TO 31ST MARCH 2003

DIRECTOR: M S Matthews

SECRETARY: Mrs E N Matthews

REGISTERED OFFICE: Willis Croft
Downs Row
Rotherham
South Yorkshire
S60 2HD

REGISTERED NUMBER: 4321637 (England and Wales)

AUDITORS: Hawleys Limited - Chartered Accountants
135 Ecclesall Road South
Ecclesall
SHEFFIELD
South Yorkshire
S11 9PJ

BANKERS: The Royal Bank of Scotland plc
Rotherham Branch
High Street
Rotherham
S60 1PS

MSM INDEPENDENT FINANCIAL SERVICES LTD

REPORT OF THE DIRECTOR

FOR THE PERIOD 13TH NOVEMBER 2001 TO 31ST MARCH 2003

The director presents his report with the financial statements of the company for the period 13th November 2001 to 31st March 2003.

INCORPORATION

The company was incorporated on 13th November 2001 and commenced trading on 1st April 2002.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of supplying independent financial advice, including financial planning advice to companies and individuals.

DIRECTORS

The directors during the period under review were:

M S Matthews	- appointed 15.11.01
Hanover Directors Limited	- appointed 13.11.01
	- resigned 13.11.01

The beneficial interest of the director holding office on 31st March 2003 in the issued share capital of the company was as follows:

	31.3.03	at date of appointment
Ordinary £1 shares		
M S Matthews	74,000	1

The director, being eligible, offers himself for election at the forthcoming first Annual General Meeting.

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;
- 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.

AUDITORS

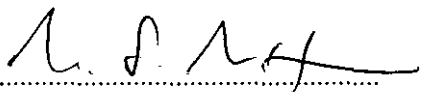
The auditors, Hawleys Limited - Chartered Accountants, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

MSM INDEPENDENT FINANCIAL SERVICES LTD

**REPORT OF THE DIRECTOR
FOR THE PERIOD 13TH NOVEMBER 2001 TO 31ST MARCH 2003**

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



M S Matthews - Director

Date: 21/11/03

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF MSM INDEPENDENT FINANCIAL SERVICES LTD

We have audited the financial statements of MSM Independent Financial Services Ltd for the period ended 31st March 2003 on pages six to eleven. 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, except that the scope of our work was limited as explained below.

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.

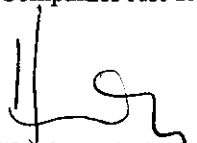
We planned our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. We wish to bring attention to the notes to accounts which refer to a departure from the accounting standard relating to the amortisation of goodwill. In this instance, we agree with the directors opinion that the lack of any charge in the profit and loss account for the amortisation of goodwill, and the stating of goodwill at its full cost value in the balance sheet, are appropriate to this company.

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 SHAREHOLDERS OF
MSM INDEPENDENT FINANCIAL SERVICES LTD**

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st March 2003 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Hawleys Limited - Chartered Accountants
135 Ecclesall Road South
Ecclesall
SHEFFIELD
South Yorkshire
S11 9PJ

27.11.03

Date:

MSM INDEPENDENT FINANCIAL SERVICES LTD

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD 13TH NOVEMBER 2001 TO 31ST MARCH 2003

	Notes	£
TURNOVER		109,478
Distribution costs		(26,868)
Administrative expenses		(25,882)
		<hr/>
OPERATING PROFIT	3	56,728
Interest receivable and similar income		65
		<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		56,793
Tax on profit on ordinary activities	4	(10,721)
		<hr/>
PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION		46,072
Dividends	5	(45,000)
		<hr/>
RETAINED PROFIT CARRIED FORWARD		£1,072
		<hr/>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current period.

TOTAL RECOGNISED GAINS AND LOSSES

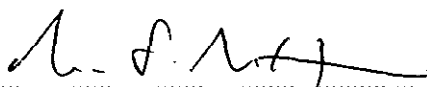
The company has no recognised gains or losses other than the profit for the current period.

MSM INDEPENDENT FINANCIAL SERVICES LTD

BALANCE SHEET
31ST MARCH 2003

	Notes	£
FIXED ASSETS:		
Intangible assets	6	136,328
Tangible assets	7	3,308
		<u>139,636</u>
 CURRENT ASSETS:		
Debtors	8	8,592
Cash at bank		7,917
		<u>16,509</u>
CREDITORS: Amounts falling due within one year	9	(7,073)
 NET CURRENT ASSETS:		<u>9,436</u>
 TOTAL ASSETS LESS CURRENT LIABILITIES:		<u><u>£149,072</u></u>
 CAPITAL AND RESERVES:		
Called up share capital	10	148,000
Profit and loss account		1,072
 SHAREHOLDERS' FUNDS:	13	<u><u>£149,072</u></u>

ON BEHALF OF THE BOARD:



M S Matthews - Director

Approved by the Board on 21/11/03

MSM INDEPENDENT FINANCIAL SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 13TH NOVEMBER 2001 TO 31ST MARCH 2003

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

No provision for the amortisation of goodwill has been made this year (see note below). Whilst this is a departure from the standards applicable to smaller entities the directors are assured that this exception to the standards is appropriate. A full review of the value of goodwill shall be made each year and in the case of any diminution full provision will be made at that time.

Turnover

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

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business at 1 April 2002, has not been amortised in this period as the director considers no deterioration in its value has taken place.

Tangible fixed assets

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

Plant and machinery - 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.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the period are charged in the profit and loss account.

2. STAFF COSTS

	£
Wages and salaries	28,874
Other pension costs	1,500
	<hr/>
	30,374
	<hr/>

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

==

3. OPERATING PROFIT

The operating profit is stated after charging:

	£
Depreciation - owned assets	1,102
	<hr/>
Directors' emoluments	4,608
	<hr/>

MSM INDEPENDENT FINANCIAL SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 13TH NOVEMBER 2001 TO 31ST MARCH 2003**

4. TAXATION

Analysis of the tax charge

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

	£
Current tax:	
UK corporation tax	10,721
	<u>10,721</u>
Tax on profit on ordinary activities	<u>10,721</u>

5. DIVIDENDS

	£
Equity shares:	
Final - share type 1	45,000
	<u>45,000</u>

6. INTANGIBLE FIXED ASSETS

	<u>Goodwill</u>
	£
COST:	
Additions	136,328
	<u>136,328</u>
At 31st March 2003	<u>136,328</u>
NET BOOK VALUE:	
At 31st March 2003	<u>136,328</u>

7. TANGIBLE FIXED ASSETS

	<u>Plant and machinery</u>	<u>Motor vehicles</u>	<u>Totals</u>
	£	£	£
COST:			
Additions	4,410	10,875	15,285
Disposals	-	(10,875)	(10,875)
	<u>4,410</u>	<u>-</u>	<u>4,410</u>
At 31st March 2003	<u>4,410</u>	<u>-</u>	<u>4,410</u>
DEPRECIATION:			
Charge for period	1,102	-	1,102
	<u>1,102</u>	<u>-</u>	<u>1,102</u>
At 31st March 2003	<u>1,102</u>	<u>-</u>	<u>1,102</u>
NET BOOK VALUE:			
At 31st March 2003	<u>3,308</u>	<u>-</u>	<u>3,308</u>

MSM INDEPENDENT FINANCIAL SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 13TH NOVEMBER 2001 TO 31ST MARCH 2003

**8. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	£
Trade debtors	4,130
Prepayments	4,462
	<u>8,592</u>

**9. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	£
Directors current accounts	(4,688)
Taxation	10,721
Accrued expenses	1,040
	<u>7,073</u>

10. CALLED UP SHARE CAPITAL

Authorised:			
Number:	Class:	Nominal value:	£
150,000	Ordinary	£1	<u>150,000</u>

Allotted, issued and fully paid:			
Number:	Class:	Nominal value:	£
148,000	Ordinary	£1	<u>148,000</u>

The following shares were allotted and fully paid for cash at par during the period:

147,998 Ordinary shares of £1 each

The consideration for the shares allotted in this period consists of all the net assets as at 1 April 2002 of the director's independent financial investment business known as M S M Independent Financial Services.

11. OTHER FINANCIAL COMMITMENTS

After the year end the company entered into a commitment for 15 years under a lease for its premises at an annual rent of £15,000.

12. RELATED PARTY DISCLOSURES

During the year the director purchased a vehicle from the company at its net book value of £10,875 and took over the related loan of £7,851.

MSM INDEPENDENT FINANCIAL SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 13TH NOVEMBER 2001 TO 31ST MARCH 2003

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	£
Profit for the financial period	46,072
Dividends	(45,000)
	<hr/>
	1,072
Share capital issued	148,000
	<hr/>
Net addition to shareholders' funds	149,072
Opening shareholders' funds	-
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Closing shareholders' funds	149,072
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	<hr/>
Equity interests	149,072
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